UNITED NATIONS ECONOMIC COMMISSION
FOR AFRICA

SUB-REGIONAL OFFICE FOR WEST AFRICA
ECA/SRO-WA

REGIONAL INTEGRATION IN WEST AFRICA

ECA-WA/PUBREC/2013/01
Original text: French

Layout: JePublie - www. jepublie. com

ISBN: 978-99944-61-08-0

Cover: © ECA/SRO-WA

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Acknowledgements

This report was prepared under the general supervision and coordination of Mr Aboubacry Demba LOM, ~~as Acting Directorof Office~~ of the ECA/SRO-WA and benefited of many advices of Dr Dimitri Sanga resuming duties as the new Director of the Office of ECA/SRO-WA. The drafting team included Selamawit ABEBE, Joseph FOUMBI, Mfunwa MZWANELE, Privat DENIS AKOCHAYE, Dana PALADE with the support of consultants Secou SARR of ENDA ENERGIE, Dakar, Senegal, Emebet MULUGETA of the University of Addis Ababa in Ethiopia, Professor Adeola ADENIKINJU in Lagos, Nigeria, Alima Ndiaye COULIBALY, Afeikhena JEROME and Adetunji BABATUNDE, and lastly Mrs. Kadijatou AMADOU, who finalized all the documents. The ECA/SRO-WA extends special thanks to Dr. Henri Mathieu LO, Researcher at Cheikh Anta Diop University (Dakar, Senegal) and to Dr. Moussa SECK, President of PANAAC, Dakar, Senegal, who graciously accepted to enrich our debates during the meeting of the ICE in Abidjan (Republic of Côte d'Ivoire).
The members of the drafting team express their gratitude to all the colleagues of the ECA/SRO-WA for their cooperation and their contributions to the finalization of this report. Our thanks also go to our colleagues of the ECOWAS, of the WAEMU and the WAMA who spared no effort in the collection of documentation.

The report on the economic situation also benefited from the comments of external expert groups who participated in the peer review organized in Niamey on February 1st 2013 in the Conference Room of the Bureau. They included Professors Lawane Aboubé and Woba Ali from Abdou Moumouni University of Niamey, Mr. Ibro Madougou Abdoulaye and Mohamadou Gandal from ICRISAT, Chayabou Abdou from the IMF-Niger and Djibo Abdoul Aziz from the BCEAO-Niger.

Our warmest thanks also go to the participants in the sixteenth (16th) session of the Intergovernmental Committee of Experts (ICE) which was held in Abidjan from March 18 to 19, 2013 with the benevolent support of the Ivorian Government. For Member ~~states,~~ **Burkina Faso**: Edwige BOTONI of the Ministry of Agriculture, Yacouba SAWADOGO of the Ministry of the Economy and Finance — **Côte d'Ivoire:** Yebouan Anatole TOHOUGBEof the Ministry of State, Ministry of Planning and Development, HOUAGBEU Alina Épse OUATTARA of the Ministry of Planning, Dr Alain Serges KOUADIO, of the Ministry of the Environment and Development, N'Guessan Celestin GALA, of the Ministry of Agriculture, Kofi Jules LOUKOU, President of the CDD de CSCI, Gaston GUEU of the Ministry of State, Ministry of Planning and Development, Sebastien KOUAME of the Ministry of Agriculture; Blandine SARR of the Ministry of Planning, Mathieu N'Guessan SEGUY, Director General of Land Development, Rachel BOTI-DOUAYOUA of the National Environment Agency, Matogoma KONE of the Ministry of Transport, Kane SEBE of the Ministry of Planning, M'BOUA Clara Épse TRABI of the Organisation Committee, Emmanuel GUE of theMinistry of Planning, Haidara ARAFAN of the Ministry of Water and Forests of Côte d'Ivoire, Guélé Damienne GUEDE, Secretary (Organization Committee), Gustave ABOUT of the Ministry of the Environment, Kollou OUALOU of the Ministry of Water and Forests, Bintou SORO of the Ministry of Planning and Development (Côte d'Ivoire), Kouadio Simplice N'GUESSAN of theMinistry of Mines, Petroleum and Energy, Yadi Charles ZRAKPA of the Ministry of Planning andDevelopment, DagoAugustin SERIKPA of the Ivorian Federation of Small and Mid Size Companies (FIPME) and Brou EHUIthe FIPME's Computer Scientist, Alouko Narcisse KOBLAN, Ministry ofMines, Petroleum and Energy (Côte d'Ivoire) – **Gambia**: Swaibou BARRY of the Ministry of Finance and Economic Affairs, Amie KHAN of the Ministry of Finance and Economic Affairs —**Guinea:** Niankoye KPOGHOMOU of the Ministry of Agriculture – **Guinea-Bissau:** Issa JANDI, Coordinator PRSP—**Liberia:** Charles MC CLAIN, Secretary General of the Ministry of Agriculture, Morris KARNEY, Head of Mission – **Mali:** Mrs DOUKOURE née SYLLA Dougoubarka of the Ministry of the Economy and Finance, Agalyou A. MAIGA, Head of the Department of the Environment and Development/AEDD, Seydoumanou DIALLO of the Ministry of Agriculture — **Niger:** Mrs MOUSSA née Mariama SIDDO, Director of Regional Integration, Djibo Ibrahim of the Ministry of Planning, **Senegal:** Mohamadou

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Finally, our thanks go to the editor of "Je Publie", for his work in editing and formatting of this publication.

PREFACE

The Member states of the Economic Community of West African States (ECOWAS) continue to perform well macroeconomically. Moreover, since 2005 the countries of this community have attained growth rates of more than 5% thus positioning themselves among the most dynamic growth zones in the world. For 2012, owing to good climatic conditions and support by States of the agriculture sector, to the continuation of the reconstruction of post-conflict countries such as Côte d'Ivoire and above all owing to strong demand for raw materials, the ECOWAS countries have attained average growth rates of over 5%. On the whole, the macroeconomic management of countries was of high quality.

However, socially, the situation remains of concern, with a high rate of unemployment, especially among youth and women. This situation results from the fact that growth is driven in most cases by sectors that do not have high labor requirements. These are generally the mining, petroleum and telecommunications sectors in which highly qualified foreign labor dominates. Moreover, a good number of countries with no mining or petroleum operations have low economic growth rates; whereas it is there that the majority of the population works. Another challenge to be met is the low employability of labor, especially youths, which is explained by the low presence of appropriate technical and professional training schools.

For each country, its macroeconomic profile is reviewed, thus highlighting its performance in terms of growth, control of inflation, management of public finance, of the public debt and of monetary policy. Performances relating to foreign trade are also analyzed. This description of the situation focuses on the 2011/2012 period and attempts to provide the outlook in 2013 for each country.

To highlight the potential for creating employment, the theme of the present report has been devoted to inclusive green growth. Observing that the dominant development model has reached its limits, the analysis of the potential and the challenges, in the West African context, of the implementation of a strategy based on the green economy has been undertaken. The outcome is that the sectors based on natural resources such as agriculture, forestry, mining, fishing, renewable energies, water management as well as transportation and waste management constitute the most important niches for job creation and green growth. The sectors of agriculture, forestry, mines and fishing generate 80% (UNECA 2012) of jobs in Africa. The sectors of industry and manufacturing, which are good suppliers for the green economy, are still in their infancy and not very diversified. It is also recognized that to have an impact, relevant actions must be undertaken in various sectors that have great importance for the poor.

Regarding the progress in the implementation of regional and international programmes, the emphasis has been placed above all on the challenges in access to education. As for sectoral policies initiated within the framework of the NEPAD, it has been observed that for the CAADP, all the countries of the sub-region have signed Compacts and are equipped with an implementation framework for identified investment programmes, in addition to setting up agricultural programmes for the ECOWAS and the WAEMU. For the PIDA, the majority of the priority projects in West Africa are already underway under the direction of appropriate regional institutions. With regards to progress on the Millennium Declaration and the Beijing Action Plan, progress observed still remains insufficient. Concerning the development efforts of the educational system, salient facts show the strong commitment of West African countries to increase access to education at all levels. “Education For All” has been integrated into most judicial instruments, constitutions and educational laws and policies. Countries have yet to meet the important challenges of ensuring quality and equity. They must also dedicate more resources to technical and professional training to help young people become more employable.

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ACRONYMS AND ABBREVIATIONS

ABREC	African Biofuel and Renewable Energy Company
ACDE	African Council for Distance Education
ADB	African Development Bank
ADEA	Association for the Development of Education in Africa
ADEME	Environment and Energy Management Agency
AGRYMET	Agro-Meteorological and Hydrological Regional Training Center Specialized agency of the Permanent Inter-State Committee against Drought in the Sahel (CILSS)
AMCEN	African Ministers' Conference on the Environment
ANCEFA	African Network Campaign on Education For All
ANSFEP	African network for School Feeding Programmes
APE	Parents' Associations
BCEAO	Central Bank of West African States
BOAD	West African Development Bank
CAADP	Comprehensive Africa Agriculture Development Programme
CBO	Community-based Organization
CDM	Clean Development Mechanism
CEP	Common Energy Policy of the WAEMU
CILSS	Permanent Inter-State Committee for Drought Control in the Sahel
CIS	Community of Independent States
CO_2	Carbon dioxide
CSE	Civil Society Organization
DRC	Democratic Republic of Congo
EBID	ECOWAS Bank for Investment and Development
ECA/SRO-WA	Economic Commission for Africa/Sub-Regional Office for West Africa
ECB	European Central Bank

ECOWAS	Economic community of West African States
ECOWAS-FODETE	ECOWAS Fund for the Development of Transportation and Energy
ECOWAP	ECOWAS Agricultural Policy
EEEP	ECOWAS Energy Efficiency Policy
EFA	Education For All
EMIS	Educational Management Information System
EREP	ECOWAS Renewable Energy Policy
EU	European Union
FAO	Food and Agriculture Organization
FCFA	Francs - African Financial Community
FDE (WAEMU)	Energy Development Fund
FGM	Female Genital Mutilation
FIPME	Ivorian Federation of Small and Mid Size Companies
GBV	Gender-based violence
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GE	Green Economy
GHG	Greenhouse Gases
GEF	Global Environment Fund
GMR	Global Monitoring Report
GNP	Gross National Product
GUEEPA	United Generations for the Development of Enterprises and Productive Employment in Africa
HDI	Human Development Index
HIL	High-Intensity Labor
HIPC	Heavily Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
ICO	International Coffee Organization
ICT	Information and Communications Technology
IDP	Internally Displaced Persons
IGO	Inter-Governmental Organization
ILO	International Labor Organization
IMF	International Monetary Fund
IRED (WAEMU)	Regional Initiative for Sustainable Energy
LIFDC	Low-Income Food Deficit Country
LPG	Liquefied Petroleum Gas

MDRI	Multilateral Debt Relief Initiative
MDGs	Millennium Development Goals
MEAs	Multilateral Environmental Agreements
MLTSF	Medium to Long Term Strategic Framework
MW	Megawatt
NAIP	National Agriculture Investment Programme
NAMAS	Nationally Appropriate Mitigation Actions
NAPA	National Adaptation Programme for Action
NBA	Niger Basin Authority
NER	Net Enrolment Rate
NSDS	National Sustainable Development Strategy
ODA	Official Development Assistance OMVG Organization for the Development of the Gambia River
OMVS	Organization for the Development of the Senegal River
PAE	Programme of Recruitment Assistance
PANEJ	National Action Plan for Youth Employment
PAP	Priority Action Plan
PIDA	Programme of Infrastructure Development in Africa
PIJR	Programme of assistance for young people in rural areas
PNE	National Employment Plan
PNPE	National Employment Promotion Plan
PREDAS	Programme for the Promotion of Household and Renewable Energies in the Sahel
PRSP	Poverty Reduction Strategy Papers
RAIP	Regional Agricultural Investment Programme
ReCREE	Regional Center for Renewable Energy and Energy Efficiency
REDD	Reducing Emissions from Deforestation and Forest Degradation
RSP	Regional Solar Programme
SADC	Southern African Development Community
SAKSS	Strategic Analysis and Knowledge Support System
SME	Small and Medium Enterprise
SMI	Small and Medium Industry
STAP	Short-Term Action Plan
STR	Student-Teacher Ratio
TVET	Technical and Vocational Education and Training
UIS	UNESCO Institute of Statistics
UNCTAD	United Nations Conference for Trade and Development
UNDP	United Nations Development Programme

UNECA	United Nations Economic Commission for Africa
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEVOC	UNESCO International Center for Technical and Vocational Education and Training
UNGEI	United Nations Girls' Education Initiative
UNODC	United Nations Office on Drugs and Crime
UNO	United Nations Organization
UPE	Universal Primary Education
USA	United States of America
WAEMU	West African Economic and Monetary Union
WAMA	West African Monetary Agency
WAPP	West African Power Pool

SUMMARY

The 2013 edition of the Report on Integration in West Africa is a regular activity of the West Africa Sub-Regional Office of the United Nations Economic Commission for Africa (ECA/SRO-WA) with the purpose of providing:
– (i) to Member ~~states~~ an overview of economic and social conditions in West Africa and the outlook for 2013 at the sub-regional level and at the level of Member ~~states~~ of the Economic Community of West African States (ECOWAS);
– (ii) the status of the implementation of regional initiatives within the framework of the NEPAD and international initiatives in favor of the sub-region;
– (iii) an analysis of a major emerging issue for the sub-region.

Each study is accompanied by consensus recommendations on development strategies capable of: (i) accelerating the economic growth of Member ~~states~~ and contributing to a more inclusive structural transformation; and (ii) strengthening the economic integration of the sub-region. For this present edition, the issue of green inclusive growth was the center of interest for experts of the sub-region. The present report is divided into four chapters.

The first chapter deals with the economic and social situation in West Africa from 2011 to 2012 and the outlook for 2013. To better capture the outlook for 2013, this chapter will review the international economic environment before focusing on recent economic developments in the sub-region. Concerning the social component, the chapter concentrates on the problem of employment in West Africa.

On the basis of information drawn from IMF publications, it appears that the world economy, especially the economies of the developed countries, is continuing to undergo the effects of the global crisis of 2009. In general, recovery remains timid in 2012 in the main developed countries, whereas growth remains relatively vigorous in many emerging and developing countries. A notable acceleration of activity has not been noticed, but the financial situation has improved recently owing to measures taken by the leaders of the euro zone and to the easing of the American Federal Reserve. The global growth rate in 2012 was 3.2%. It remains unequally distributed among geographical zones. Developed countries reached a growth rate of 1.3%, compared with 1.6% in 2011. This situation results from the vigorous management of demand following measures to compress public expenditures and the persistent weakness of the financial system. The difficulty in finding a viable solution to resolve the weight of public debt, the incapacity of the private sector and households to drive growth, the persistent weakness of financial markets and the tightening of monetary policies have had the outcome of reducing economic performances. Developed countries are thus still trapped in the turmoil of the weight of the debt which has a heavy effect on the balance of their public finances and their growth.

Emerging and developing countries have still not confirmed their capacity to substitute themselves for developed countries in their role of steering the world economy. Moreover, some, owing to their dependence on exports to developed countries, are beginning to feel the effects. The solidity of market fundamentals remains precarious in many of these countries, only a few of which have not suffered from the repercussions of the financial crisis, with growth rates being estimated by the IMF at 5.1%, compared with 6.3% in 2011. In these countries, the high growth of employment and vigorous consumption should continue to stimulate demand and, combined with an easing of macroeconomic policy, should favor higher investment and growth.

For 2012, **global inflation** has declined everywhere, due to lower market prices for commodities. In developed countries, the decrease in the prices of commodities has brought the overall inflation rate down to around 1.5 % in July 2012, against over 3% at the end of 2011. In emerging countries, overall inflation declined to nearly 2 percentage points, to settle under 5.5%, in the second quarter of 2012.

As for **financial stability** in the world, risks persist due to the difficult convergence in the management of public finances, between the lower taxes and automatic reductions in expenses. The **euro zone** are having difficulty finding a consensual solution for a convincing treatment of sovereign debt while the deterioration of the balance sheets of banks in relation to this public debt with its ripple effects on the rest of economy has increased the scarcity of credit. In the **United States**, uncertainty continues with difficult negotiations on budget adjustments. The recent agreement concluded at the end of 2012 remains a fragile palliative. The reduction in the credit ratings of developed countries is an indication of worsening prospects. Developing countries have suffered some contagion but with the decline in stock markets following a strong rise, a depreciation of currencies was noted in 2012, such as the Brazilian real or the Indian rupee which lost 15 % to 25 % of their value in a period of less than three months.

Regarding public finances, owing to low growth in many countries, the re-balancing of the budget remains difficult to achieve, but notable progress was recorded in this regard, thus bringing down the deficits to levels lower than or equal to those before the crisis, according to the IMF report, the Fiscal Monitor. The improvements in budget balances are more visible in developed countries, where the impact was greater, followed by those of emerging countries and to a lesser degree, the least developed countries.

The **weight of the debt** remains heavy in spite of the efforts undertaken to make it sustainable. Debt ratios peaked early in the economies of emerging markets and will not stabilize before 2014-2015 in many developed economies. The low level of growth, even recession, in developed economies explains in certain cases the high interest rates following uncertainty as to the margin of maneuver for public authorities and the fragility of banks.

Nevertheless, **monetary policy** in developed countries remains favorable. The main central banks recently launched new bond purchases and maintain low interest rates. However, the global financial system remains fragile and tight control over expenditures in developed countries slows recovery. Emerging and developing countries have adopted various measures to deal with the downturn in activities and inflation

The rate of increase in the volume of **global trade** fell to 2.8% in 2012, compared with 5.9% in 2011 and 12.6% in 2010. This decline is explained by low growth and uncertainty in the developed countries. The slowing of trade in 2012 is explained mainly by lower domestic demand in countries affected by the crisis that showed an external deficit rather than by increasing demand from countries that recorded an external surplus. Imports of developed countries increased by only 1.2% compared with 2.1% for exports whereas in the case of emerging and developing countries, imports increased by 6.1% compared with 3.6% for exports. The evolution in market prices for raw materials confirms the situation of world trade.

The year 2012 was characterized by relative stability in the markets for the main raw materials with a significant impact on trade in one or several countries of the Community. For **cereals**, the most recent FAO projections confirm lower **global cereal production** for 2012, which should reach 2 286 million metric tons, 2.6% lower than the record harvest for the previous year. This global reduction concerns wheat at 5.2% and secondary cereals at 2.3%. A significant decrease in world cereal stocks at the end of the growing season in 2013 is expected with a reduction of 28 million metric tons since even following a regression in global demand, prices will remain high. Concerning **oilseeds, oils and oilcakes,** as poor meteorological conditions resulted in flooding the harvests of soybeans and maize in South America, prices rose. The average market price of peanut oil continued to rise, starting in 2010 (2 028USD per metric ton in 2011, compared with 2 500USD per metric ton in 2012 or 23.3%), whereas that of palm oil has fallen owing to lower consumption in China and India and economic difficulties in Europe (WAEMU Convergence Reports). **Coffee** prices have risen strongly during the last four years. However, during 2012, the world production of coffee for the period 2011-2012 was estimated at about 129 million sacks, for a vigorous consumption, in spite of the global economic crisis, estimated at 135 million sacks. This means that the fragile balance between supply and demand, to which is added the relatively low level of world stocks, leaves only a small margin of safety against new market disturbances. Also, market prices of *robusta*, after a rise of 38% in 2011 have fallen by 4.4% during the first nine months of 2012, while the fall in prices for *arabica* was even greater (WAEMU Convergence Reports). If in 2010-2011, in spite of the production surplus resulting from exceptionally good meteorological condition in West Africa, market prices of **cocoa** have remained high, buoyed up by the political crisis in Côte d'Ivoire, and reached their highest level in 32 years on March 3, 2011 at 3 730 USD/metric ton. With the end of this crisis and the abundance of supplies, prices began to fall and reached their lowest level on January 5, 2012 at 2 064 USD/metric ton. After a historic record price of 5.06 USD/kg in March 2011, the world price of **cotton** began a steady decline to level out at around 2.20 USD/kg in February 2012. With the rise in world production and the slowing of global economic growth, this decline will likely continue. For the **hides and skins** market, the slowing of global economic growth observed in 2008 and 2009 led to a contraction in the demand for consumer products and the fall in market prices for hides continued in 2012. For bananas, profits will shrink due to lower demand and the rise in the costs of inputs. The prices for **cashew nuts** have remained relatively stable. Market prices for **gold** have risen on average by 28% in 2011 and the trend continued in 2012 with an increase of 7.9% during the first nine months of the year. On the **physical crude petroleum** market, the prices for crude, which had risen by more than 40% in 2011, going from 79.4USD per barrel in 2010 to 111.2 USD per barrel in 2011, slowed in 2012 owing to the poor performance of the global economy, marked by the erosion of the situation in the euro zone, the slower than expected economic recovery of the United States and the slowing of economic growth in China, the main driver of the market during these last few years. Market prices for **phosphates** rose moderately in 2012 on the order of 3.8%, compared with the average in 2011. The spot price for a pound of **uranium,** in spite of the Fukushima catastrophe, remains largely above previous levels, but all the same, in the medium and long term, market fundamentals seem to be still very solid.

Concerning the global outlook for 2013, the forecasts of the IMF are based on a growth rate of 3.5% under the assumption that European leaders will bring the crisis in the euro zone under control and the American political elite will manage to agree on a good strategy for managing their debt, while avoiding increased taxes and automatic compression of expenditures. In emerging and developing countries, in spite of intensive domestic efforts to re-launch growth, weak demand from developed countries will limit economic performances and their capacity to drive global economic growth. In a context marked by low global demand and monetary policies oriented towards resumption of growth, **inflation** will continue to slide. In developed countries in **budgetary** terms for 2013, fiscal balances will be tightened further whereas in emerging and developing countries, no notable budget adjustments are anticipated for 2013, as balances have improved since 2011. The easing of **monetary policies** should remain unchanged or be even further relaxed in order to better accompany economic recovery and **global trade** in 2013 could make better progress.

On the African continent, other than heavily dependent countries and developed countries such as South Africa and Nigeria, the two giants of the region, all the other countries were able to achieve better performances in 2012 than in 2011. Sub-Saharan Africa benefited from the positive dynamism of emerging and developing countries, but especially from good climatic conditions which made it possible to overcome the effects of droughts in the Sahel and in East Africa. **Sub-Saharan Africa** should continue to record vigorous growth, estimated at 4.8% in 2012. Most of the countries in the region have seen strong expansion, in spite of their close links with Europe. However, certain countries that import food commodities have been suffering for some time from the strong rise in world prices for some important agricultural products.

The exploitation of new natural resources in several countries, (Angola, Niger and Sierra Leone), as well as recovery in West Africa are the main factors driving this expansion, including the resumption of economic activity in the Sahel after the drought and in certain zones of East Africa including Kenya, and the quick rebound of the Ivorian economy. It should be noted that as in 2011, most countries have contributed to this strong expansion, except for South Africa and countries that are heavily dependent for food commodities. Performances achieved continue to be attributed to the favorable level of volumes and market prices for basic commodities, to a more marked re-orientation of exports towards Asian countries and to financial systems, the measures of which shelter them from global financial disturbances in most countries. Much of the natural resources exported are subject to vigorous foreign demand, especially crude petroleum.

Inflation in 2012 was effectively contained at low levels, owing to the tightening of monetary policies in several countries and the global depression which has tended to stabilize global prices. With the erosion of budget margins following the maintenance of levels of expenditures especially for investments in a context of declining revenues, the situation degraded somewhat for public finances in 2012. The size of budget deficits explains the rise in the **public debt/GDP** ratios in several countries. This development dominates medium-income countries, such as South Africa and Namibia, but also in petroleum-producing countries such as Cameroon and Nigeria and in low-income countries. However, the overall level of debt in the region has not varied much owing to the fact that debt ratios are falling in many countries.

Monetary policy in 2012 was marked by the strong growth of credit in the private sector which declined, however, in low-income countries. This decline in these countries is explained by the simultaneous decrease in inflation and the toughening of monetary policies. Regarding **foreign trade**, the relative deterioration in the global situation in 2011 had a negative impact on foreign trade for sub-Saharan countries. Medium-income countries are the main victims with sagging foreign markets for exports from South Africa and Botswana. However, low-income countriescould benefit from the demand from emerging countries with a moderate increase compared with 2011. For example, petroleum-exporting countries saw their revenues fall during most of 2012 owing to declining market prices. For certain producers of non-renewable natural resources (Madagascar, Niger, Sierra Leone), the exploitation of new deposits stimulated exports for 2012 and beyond. The situation in the **balance of payments** is strongly influenced by import needs and capital inflows for the financing of big investment projects, with export results improving significantly as soon as the new projects to exploit natural resources enter into production, such as in Liberia, Niger and Sierra Leone. The main challenge for the economic outlook of the continent remains the restoration of peace and security everywhere on the continent.

For 2013, in spite of the difficult and uncertain situation, the **growth rate will stabilize** at 5.8% in sub-Saharan Africa. The uncertainties relate to the evolution of the euro crisis and to the security and food situations. **Inflation** should stay low in 2013, but countries must implement sufficiently restrictive macroeconomic policies. Healthy macroeconomic management will strengthen confidence in the future of south of the Saharan Africa, notably with the successful entry on the market of the sovereign international bonds of Angola and Zambia.

Concerning the economic situation within the ECOWAS, the study shows that the economies of West Africa in recent years are involved in a good growth dynamic since 2005 with average economic growth of over 5% per year. This good performance makes the sub-region one of the most rapidly growing zones in the world. Nevertheless, this masks many structural weaknesses, notably a heavy dependence on raw materials for exports and climatic hazards. In addition, security threats, the outcome of serious lapses in governance, constitute today a major challenge for the sub-region. They strongly condition the economic and social outlook.

In the chapter, a review is undertaken of the development of aggregate macroeconomic variables for the West African sub-region. In general, the growth dynamic is ongoing and all the fundamentals remain solid in spite of the difficult international context. The return of favorable climatic conditions has contributed to re-launching production in several countries. In addition, demand from emerging and developing countries continues to drive the volume of exports.

In 2012, the ECOWAS sub-region grew by 6.0%, compared with 6.1% in 2011 with more than half of the countries achieving growth rates of over 6%. Nigeria, representing 67% of the GDP of the sub-region and Ghana lower growth rates than in 2011. This is explained by the rise in external demand for natural resources notably from the mining sector, thus bringing about an increase in global prices and the recovery of the agricultural sector following the high rainfall of the 2012-2013 growing season. In terms of structural transformation, it should be noted the excellent trend in certain petroleum-producing countries where the GDP exclusive of the petroleum sector, has performed better than the overall GDP. Recovery in the WAEMU zone, very dependent on Côte d'Ivoire which accounts for around 30% of GDP, has followed that of the Ivorian economy in 2012, with a growth rate estimated at 8.6% and the resumption of activities in the agricultural sector. The rate of investment in the ECOWAS countries is over 20%, a satisfactory level to ensure high-quality growth, which is at the origin of economic performances in the sub-region.

The economic activity of the Community has been carried out in a context of lowered inflation, due to the release of tensions on the world market for raw materials during the first quarter of 2012, combined with the effects of monetary tightening in several countries and the improvement of climatic conditions in the Sahel. The annual average inflation rate for the Community stood at 9.1% during the first quarter of 2012 compared with 9.9% during the same period of 2011. The WAEMU zone has exercised better control over price rises in its space.

In 2012, the budget balances including grants for all of the countries of the ECOWAS are negative, which reflects the impact, even though carefully contained in many countries, of the global crisis on the economies of West Africa. Cape Verde has suffered the most since 2009 and its public finances continue to deteriorate with a deficit position of its budget balance including grants of 6.8%, climbing to 7% in 2012.

A deceleration, even moderate growth, characterized the development of monetary policies within the ECOWAS in 2012. Countries where expansion remained high in 2012 are limited to Ghana (34.5%), Niger (19.6%), Sierra Leone (20.4%) and Côte d'Ivoire (15.4%). These countries have benefited in particular from mining revenues and from the recovery of the Ivorian economy.

The profile of trade has changed little by comparison with 2011. Within the Community, the current account balance was 0.8% in 2012, owing to the implementation of the re-launching programme in Côte d'Ivoire, to the lower surplus in Nigeria and to the deterioration of the trade balance related to the rise in imports of petroleum products and of equipment required for the implementation of several public investment programs and to increased needs for food commodities. Exports of goods and services represented nearly 36% on average, a slight improvement, while imports of goods and services grew by the same rate, owing to the needs of the Ghanaian and Ivorian economies. With the exception of Nigeria that had a positive external trade balance of nearly 3.5%, according to the IMF, all the other countries have a negative balance.

In 2013, the growth rate for the ECOWAS is expected to be 7%, fuelled especially by the mining and oil sectors, following massive investments that have been devoted to them and the significant recovery of post-conflict countries such as Côte d'Ivoire. The secondary sector continues its high growth owing to large investments made in physical and social infrastructures and the pursuit of efforts to rehabilitate the energy sector, but also with continued expansion of agro-food industries benefiting from a greater solvent demand. In effect, the primary sector as a whole recorded high growth due to pro-active policies adopted by all the States to ensure the food security of countries of the sub-region and to interventions at the sub-regional level by the WAEMU and the ECOWAS. The tertiary sector should benefit from the expansion of the other sectors and also from the potential for growth in telecommunications.

All will attempt to guide their macroeconomic variables in compliance with convergence criteria. Nevertheless, potential risks could significantly affect good prospects for growth. These relate notably to:

- a possible decrease in the flow of public as well as private foreign capital;
- exacerbated insecurity within certain economic poles of the Union;
- persistent socio-political crises in Mali and Guinea-Bissau, which would significantly affect the economies of these countries and would have important collateral effects on other Member ~~states~~ of the Union;
- a poor growing season for 2012-2013 which would negatively impact agricultural production and aggravate food insecurity;
- a new deterioration in the international economic situation.

In spite of a long period of growth resulting in improved per capita incomes, the **social situation** remains precarious in West Africa, especially in the area of job creation. Commitments made on this subject remain without effect. Pro-active policies have been implemented without significant means to ensure their durability in addition to efforts to mobilize investment for high growth to create jobs. Young people aged 15 to 24 represent over 20% of the population and are, with women, the most affected by unemployment, the rate of which is estimated on average at between 10% and 20%. As regards young people, difficult access to jobs is at the origin of criminal activities and of the swelling flows of migrants heading increasingly towards developed countries. In almost all countries, legislation has been greatly relaxed. Flexibility has generalized but unemployment persists. Employability is also a problem in view of the low level of technical and professional training in the educational systems of countries. The issue of matching training to employment persists in all West African countries in spite of the good intentions manifested by the authorities. Increased productivity of labor comes up against the high level of illiteracy. The informal sector plays a stabilizing role, but cannot drive growth. The persistent issue of social protection is as crucial as unemployment.

In spite of the global consensus to combat poverty, the execution of Poverty Reduction Strategies comes up against the constraint of a macroeconomic framework for stability that recommends balanced public finances and external payments with moderate inflation in general. The PRSPs did not, however, develop any precise objectives regarding employment creation. Monetary policies were not sensitive to the creation of jobs. The reforms necessary to attract foreign private investment are still far from meeting the expectations of the private sector. The distribution of the fruits of growth remains a major challenge in most countries. However, following the Conference of Ouagadougou in 2002 on the creation of productive jobs and combating poverty, pro-active programmes for job creation were set up in almost all of the countries. These pro-active strategies adopted were based essentially on high labor-intensive (HIMO) jobs, the promotion of micro-finance, the strengthening of the professional training system, trades qualification and setting up an information system. However, the lack of sustainable resources has made it impossible to reach objectives. At the sub-regional level (ECOWAS/WAEMU), decisions on the free movement of persons and rights to live and work, guaranteeing to nationals of Member ~~states,~~ among other things, the right to enter, live and to exercise economic activities in the territory of Member ~~states.~~ In spite of certain gains, efforts remain to be made to harmonize national legislation concerning migration in the countries of the ECOWAS, notably concerning the nationals of the sub-region, in addition to numerous political, socio-economic and legal obstacles preventing the implementation of the ECOWAS protocol, as one example.

Chapter II deals with the economic situation of Member ~~states~~ of the ECOWAS and aims at better presenting the recent economic developments in the fifteen countries. In general, countries have strengthened their macroeconomic management capacity in spite of a hostile international environment. Consequently, individual country economic performances have greatly improved. However, the security situation makes the outlook relatively uncertain.

For each country, its macroeconomic profile is reviewed to bring out its performances in terms of growth, control of inflation, management of public finance, the public debt and monetary policy. Performances relating to the international environment are also analyzed. This description of the situation focuses on the period of 2011/2012 and attempts to provide the outlook in 2013 for each country.

Chapter III deals with inclusive green growth to accelerate socio-economic development in West Africa. The green economy, a controversial concept,

is, however, considered to be a tool for the promotion of sustainable development, especially for combating climate change. The Rio+20 meeting in June 2012, was for the international community the opportunity to seek renewed political commitment in favor of sustainable development and to deal with new emerging challenges of development. The dominant development model with which the world is confronted has displayed multiple simultaneous crises, the exhaustion of natural resources and market failures which have marked the first decades of the new millennium.
From the analysis of the potential and the challenges in the West African context, it appears that the sectors based on natural resources such as agriculture, forestry, mining, fishing, renewable energy, water management, and the sectors of transportation and waste disposal constitute the most important niches for the creation of jobs and green growth. The sectors of agriculture, forestry, mining and fishing generate 80% (UNECA 2012) of jobs in Africa. The sectors of industry and manufacturing, major sources of a green economy, are still in their infancy and are not sufficiently diversified to produce a great variety of intermediate and finished products. Within the ECOWAS, the manufacturing industry is dominated by agro-industry, with a low share of GDP.

Regarding the assessment of the impacts of the transition towards the green economy on poverty in West Africa, it is recognized that to have an impact, relevant actions must be taken in the different sectors that are of great importance to the poor. In terms of job creation, several sectors of the economy have been identified as providers of "green trades". Concerning industry, the different activities to develop could involve the transformation of agricultural products, vegetable gardening, tree farming, fishing and raising animals. It is a question of respecting ecological standards, notably for the purposes of sub-regional and international marketing. It is also turns out that the mining industry is one of the main avenues for the development of industry in West Africa. Mine operators could make more ecological investments directly, by using technologies that are respectful of the environment and innovative but especially in the name of corporate social responsibility (CSR) to stimulate local development dynamics that are low in carbon.

Concerning the constraints, the emphasis has been placed on the institutional and financial barriers. At the political level, the political and strategic framework is not sufficient coherent to make it possible for different actors to evolve in a unique, well-coordinated framework animated by good leadership. In addition, there are political instability and conflicts, poor political and economic governance and a lack of partnerships to better undertake the path to the green economy. The commitment for a more ecologically sound development assumes the surmounting of all the barriers which have always hindered real development in the sub-region.

For West African countries, the financial resources necessary for the implementation of sustainable development are limited, apart from the government budget, and the mechanisms for the mobilization of complementary resources set up in the framework of different multilateral agreements on the environment, are often inapplicable, inaccessible and inefficient. It is possible to find mechanisms to mitigate this situation.

There is a high correlation between promoting the green economy and facing the challenges of adapting to and mitigating climatic change. The green economy can even encompass these latter two concepts through actions to ensure "low carbon" adaptation, notably in the agricultural sector. However, the sectors likely to constitute the pillars of the green economy are vulnerable to climatic change. All of the primary sub-sectors (agriculture, herding, forestry, fishing and water supply) are heavily exposed to climate change. The industrial sector, in general, produces low greenhouse gas (GHG) emissions but also provides low numbers of jobs. The vulnerability of the industrial sector to climate change is related to its heavy dependence on the primary sector.

As for the opportunities and gains of the green economy for West Africa, there are first those related to low carbon emission growth in the sectors of agriculture and industry that could be niches for the green economy. West Africa is equipped with sub-regional integration institutions that contribute to the promotion and development of harmonized policies in the agricultural and industrial areas that have common policies. The sub-region also has renewable energy sources that could guarantee energy sovereignty and industrial development with notably the development of the trans-border river basins. The development of an energy efficiency policy by the ECOWAS (PEEC) and a renewable energy policy demonstrate the political will to ensure the energy transition in the region. West Africa is a refuge for decent green jobs and employment could be expanded through the green economy by the promotion of labor-intensive industries in the areas of the environment, agro-food, energy and construction. In a dynamic of strong growth, the high demography of West Africa is a springboard for the expansion of green industry with the strengthening of a solvent consumption and the development of savings to be mobilized.

A successful transition to the green economy must necessarily be achieved by strengthening the technical, financial and political capacities which are appropriate for West African countries. From this point of view, this transition should make it possible to create the skills and conditions required for the involvement of all the actors concerned in the process of implementing the green economy to mitigate climate change.

Chapter IV describes the progress made in the implementation of regional and international programmes, placing the emphasis on the challenges of access to education. It is thus especially devoted to the monitoring of sectoral policies initiated in the framework of the sub-regional economic commissions, notably those proposed in the framework of the NEPAD. It also describes the progress made on international initiatives such as the Millennium Declaration and others of special interest for the sub-region. Concerning the objectives of the NEPAD, progress on the Comprehensive Africa Agriculture Development Programme (CAADP) and the Programme for Infrastructure Development in Africa (PIDA) are discussed.

With regards to the CAADP, all of the countries of the sub-region have signed the Compact and have established a framework for the implementation of identified investment programmes. At the sub-regional level also the ECOWAS and the WAEMU have each set up an agricultural programme that are very consistent withAfrican programme. Important efforts have been made to strengthen food security and to increase the production of cash crops that could generate export revenues. It must be concluded that the shortage of qualified human resources in certain Member ~~states~~ of the ECOWAS limits their capacity to adapt continental and regional scale programmes to the national level. Moreover, even if constant progress has been made with the increase in agricultural production during these last few years, supplementary efforts will be necessary to preserve the current gains in order to make a spectacular change in agricultural production in the future.

Concerning the PIDA, it assembles projects and programmes classed according to the following broad categories: (i) energy: hydro-electrical energy, interconnections, oil and gas pipelines; (ii) transportation: junctions, modernization of corridors, ports and railways, modernization of air transport; (iii) ICT: information and communication technologies; and (iv) trans-border water resources. Most of the PIDA priority projects in West Africa are already underway under the direction of appropriate regional institutions.

As for international initiatives, the chapter is limited to dealing with the monitoring of the MDGs and the Beijing Action Plan. To attain the MDGs, the countries of the sub-region have made great efforts that have made it possible to achieve significant progress in the social sectors. Even if it is difficult for all the countries to achieve them in 2015, a good dynamic has been triggered in terms of political will to promote the sectors concerned. Concerning the Beijing Action Plan, progress in ongoing but much remains to be done.

The chapter finally focuses on the development of the educational sector in West Africa. All levels of the formal and informal educational system have been studied. For the primary level, real progress has been recorded even though major challenges remain to be met and gender equity is improving but a special emphasis must be placed on the urban-rural equilibrium. Higher levels are also progressing owing to the gradual increase in transition rates but the high disparity between girls and boys must be recognized. The poor quality of technical education and professional training explains the high levels of unemployment. For non-formal education, however, real progress has been recorded in the area of literacy.

Concerning the development efforts of the educational system, salient facts demonstrate the commitment of West African countries to increase access to education at all levels. UPE has been integrated into most judicial instruments, constitutions and educational laws and policies. Measures have been taken with the aim of developing and improving primary, secondary and higher education and in technical and vocational education and training (TVET). Countries likely to meet the objectives of the primary education access plan presently envisage tackling other educational levels as well as improving quality. Moreover, concrete actions such as collaboration with development partners in the framework of the implementation of school feeding programmes are underway. If it is true that no country up to now has allotted 7% of GNP to education in conformity with commitments made, most of them have revised upwards their budget allocations to this sector. However, most of these efforts are far from covering the necessary expenditures, in view of the high requirements, as well as the reality of the current economic situation.

Countries have yet to meet important challenges. The first is quality which is also a function of the qualification levels of the teachers, of the teacher/student ratio and of the availability of textbooks but also of the average period of attendance. Added to this is the poverty level of families that makes it difficult for children to attend school regularly. Conflicts are another factor which have negative repercussions on schooling and the completion of studies. The issue of equity constitutes another challenge which is evident from the disparities between zones and between the sexes. As indicated above and as the data shows, disparities between the sexes are often in favor of boys. The urban areas always perform far better than the rural areas.

CHAPTER I: ECONOMIC AND SOCIAL SITUATION IN WEST AFRICA IN 2011- 2012 AND THE OUTLOOK FOR 2013

Introduction

The economies of West Africa have adhered during these last few years since 2005 to a good growth dynamic with an average economic growth rate of 5% per year. This good performance makes the sub-region one of the zones with the most rapid progress in the world. Nevertheless this masks many structural weaknesses, notably an excessive dependence on raw materials for export and climate hazards. In addition, threats to security, the outcome of serious deficits in governance, constitute today a major challenge for the sub-region. They strongly condition the economic and social outlook.

For 2012, the international environment remains largely unfavorable. Developed countries are still caught up in the turmoil of the weight of the debt which has a heavy impact on the equilibrium of their public finances and on their growth. These countries, which put their governments at the core of the struggle to overcome the global financial and economic crisis, are having difficulty, after losing momentum, in stimulating growth through households and the private sector. The emerging and developing countries have still not confirmed their capacity to act as substitutes for developed countries in their role of steering the global economy. Moreover, some, owing to their dependence on exports to developed countries, are beginning to feel the negative consequences.

On the African continent, apart from countries such as South Africa and Nigeria, the two giants of the region that are heavily dependent on developed countries, all the others were able to achieve better performances in 2012 than in 2011. Sub-Saharan Africa benefited from the positive dynamic of emerging and developing countries, but especially from the good climatic conditions that made it possible for them to overcome the effects of drought in the Sahel and in East Africa. The major challenge for the economic outlook of this part of the continent remains the restoration of peace and security throughout the territories.

West Africa is pursuing its healthy dynamic of growth but unfortunately the security context reinforces the element of uncertainty in the outlook. The developments in macroeconomic indicators are on the whole encouraging, but the social situation, here focused on the issue of employment, remains a major challenge in the sense of improving the living conditions of the people. Unemployment, especially of youth and women, remains high not only owing to the low structural transformation of economies but also due to the nagging issue of inadequate training/jobs.

This chapter is divided into three parts, each with conclusions and recommendations. These are the developments in the international environment, followed by those in sub-Saharan Africa before coming to the socio-economic review of West Africa.

1.1 International Economic Environment

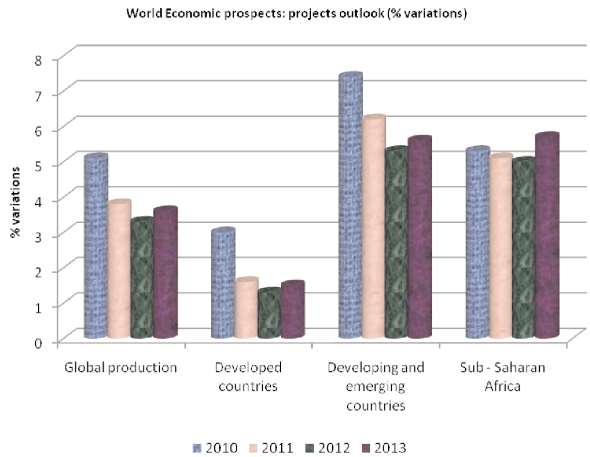
In general, according to the IMF, recovery remains untidy in the main developed countries, whereas growth remains relatively vigorous in many emerging and developing countries. A notable acceleration of activity has not been noted, but the financial situation has improved recently owing to measures taken by the leaders of the euro zone and to the easing operated by the American Federal Reserve. Emerging and developing countries are adjusting to the context of the crisis.

1.1.1 Global economic trends during the period 2011/2012

In the most recent report on the outlook for the global economy in January 2013, the IMF estimated global growth in 2012 at the rate of 3.2%. It is unequally distributed among geographical zones.

In the developed countries according to the IMF, growth should reach 1.3%, compared with 1.6% in 2011. This situation is the outcome of the vigorous management of demand following measures to compress public expenditures and of the persistent weakness of the financial system. In the **United States**, growth will reach an average of 2.3% in 2012 compared with 1.8% in 2011. Poor bank balance sheets and low household confidence, combined with a relatively tense financial situation and the continuation of budget re-balancing, holds back growth. In the **euro zone**, a recession has set in gradually with the reduction in budget compressions, even if favorable economic policies for the improvement of the financial situation in 2013 are underway. The driver countries of the zone should record low growth through the end of the period 2012-2013. Most of the countries on the periphery underwent strong contraction in 2012, as a result of budget austerity and a tight financial situation and will only begin to recover in 2013. In **Japan**, a growth rate of 2.0% was expected in 2012, after a decline of 0.6% in 2011. A notable slowing is expected with the end of reconstruction after the earthquake.

In the **emerging and developing countries**, where the fundamentals remain solid in many of the countries that suffered little from the effects of the global financial crisis, the growth rate was estimated by the IMF at 5.1%, compared with 6.3% in 2011. In these countries, the high growth in employment and vigorous consumption should continue to stimulate demand and, combined with an easing of macroeconomic policies, should favor higher investment and growth. However, growth rates will not reach the same levels as before the crisis. In the countries of **central and eastern Europe**, a certain capacity to deal with the crisis explains the improvement in the financial situation of some of them, in addition to a slight recovery in demand from the euro zone. Growth in 2012 was 1.8% compared with 5.3% in 2011. In the **Community of Independent States**, growth reached 3.6% in 2012 whereas it was 4.9% in 2011, with nearly 3.6% in Russia in 2012, compared with 4.3% in 2011. In the **developing countries of Asia**, the real rate of growth of GDP reached on average 6.6% in 2012, down from 8.0% in 2011. Even **China**, the main driver of growth, where activity should benefit from the acceleration of the approval of public infrastructure projects, a decline was observed with 7.8% compared with 9.3% in 2011. In **India**, great uncertainty hovered in 2012 with low growth and a persistent slowing of investment. The real growth rate was 4.5% in 2012. In the **Middle East and in North Africa**, activity has been affected and continues to suffer from the uncertainty surrounding the political and economic transitions following the Arab spring. Importing countries have also experienced poor terms of trade. The real growth rate of their GDP has nevertheless clearly progressed in 2012 at 5.2%, compared with 3.5% in 2011. In the case of petroleum-exporting countries, owing mainly to the recovery of Libya, the rhythm of overall growth rose strongly in 2012 to over 6.5%. According to the IMF, the real growth rate of GDP in **Latin America** was close to 3.0% in 2012. **Brazil** is undergoing a slower growth phase which ended up at 1.0% in 2012, but has undertaken profound budget, reforms to stimulate short-term demand, as well as an easing of monetary policy. The region will probably not see a notable increase in growth.



Graph 1
Source: IMF data, October 2012.

The easing of monetary policies and the recovery of market prices for raw materials had brought about a rise in price levels throughout the world in 2011. However, in 2012, **global inflation** declined everywhere, owing to the fall in prices for basic commodities. The year 2011 was marked by a new rise in food prices that approached their 2008 levels while the weighted average of prices for world exports of raw materials other than combustibles, according to the IMF estimations, was 17.8% in 2011 compared with 26.3% in 2010. This indicator was established at -9.5% in 2012. The simple average for petroleum prices, which had risen by 31.6% in 2011 compared with 27.9% in 2010, rose a little by 2.1% in 2012. Consequently, in the developed countries for 2012, the fall in market prices for basic commodities has brought inflation down to about 1.5% in July 2012, compared with over 3% at the end of 2011. In the emerging and developing countries, overall inflation rates decreased by nearly 2 percentage points to settle at just above 5.5% during the second quarter of 2012.

The report on **financial stability** in the world (IMF, September 2011) had placed an emphasis on risks in 2011 notably with new disturbances in the euro zone, the deterioration of the credit rating of the United States and the economic slowdown. Lastly, the **euro zone** is experiencing difficulty in finding a consensual solution for a convincing treatment for the sovereign debt and the deterioration in bank balance sheets related to this public debt with their ripple effects on the rest of the economy that increases the scarcity of credit. With the measures taken in 2012 by the European Central Bank to stimulate the asset markets, recovery was short-term owing to doubts about the situation in Greece. The uncertain future of Greece in the zone and concerns about the health of the Spanish banking system have exacerbated risk-aversion throughout the world according to the IMF (July 2012). Moreover, capital outflows continue to shrink the base of foreign investors in Italy and Spain. The deterioration of markets in the middle of 2012 has brought about instability in the main stock markets and a decrease in profits. The yields of sovereign bonds in the countries of southern Europe have greatly increased, owing to problems related to economic growth and the solidity of banks. These measures, such as the European Stability Mechanism, have not made it possible to clarify the development of the zone and tensions have even accumulated in spite of the abundant liquidity resulting from the re-financing of the European Central Bank (ECB). The modalities of financing in this space have greatly deteriorated especially in the countries of the periphery. Measures to stabilize the Spanish banking system have not yet restored the confidence of the market. In addition, the development of a complete series of measures offering an efficient pan-European solution is still expected. The situation is hardly better in the **United States** since 2011. It remains uncertain with difficult negotiations on budget adjustments. The recent agreement concluded at the end of 2012 remains a fragile palliative. In effect, in planning to increase the tax rate for annual incomes of over 450 000 USD, the issue of budget expenditures persists. Risks that threaten global financial stability are thus still present owing to the difficult convergence on public finance management, between lower taxes and automatic reductions in expenditures. Moreover it is the debates on the ceiling of the debt which are at the root of the lower credit rating of the United States. The legal ceiling still has not been set.

The situation in developed countries in 2012 is as of much concern as their monetary policy with its low key interest rates, which provide no solution. In effect, on one hand there are the banks with their deteriorated balance sheets and on the other hand, they are facing sectors tempted to go into debt in a context of acute austerity. In contrast, for emerging economies, the good economic outlook in 2011 and low interest rates in developed countries favored the attraction of capital. Rigor will therefore be necessary to avoid deterioration in the fundamental balances.

Restarting the global economy thus resides in the capacity of developed countries to proceed with re-balancing their public finances while stimulating their economies. Several countries are committed to this process with satisfactory results, notably the United States which ended up reducing their budget deficit to around 0.5% of GDP in 2011.

According to the 2012 report on financial stability, capital flight towards secure assets has caused a decline in the yields of the sovereign bonds of the United States, Germany and Switzerland, carrying the dollar to a record high in 20 months by comparison with the main currencies. Inflows of capital seeking shelter have pushed the yields of Japanese government bonds to near-historic lows and the yen has appreciated, thus compromising economic recovery. In the EU, Sweden and Denmark have also served as refuges. Doubts as to the capacity of emerging markets to deal with the deterioration of the global outlook has increased risk-aversion in these countries. Emerging countries have suffered from the contagion but with the decline in stock markets following a strong rise, a depreciation of currencies was noted in 2012, such as the Brazilian real or the Indian rupee, which lost 15% to 25% of their value in a period of less than three months.

Regarding **public finances**, owing to low growth in many countries, budget re-balancing remains difficult to achieve, but notable progress has been recorded, thus bringing down deficits to levels that are lower or equal to those before the crisis, according to the Fiscal Monitor of the IMF. The improvement of budget balances is higher than in developed countries, where the shock was greater, followed by those of the emerging countries, and, to a lesser extent, low-income countries. Budget re-balancing is also strongly linked to the capacity of developed countries to stimulate growth, not only by private sector demand but above all by finding credible solutions to the problems of the euro zone and by American decision-makers reaching agreement on the volume of debt and the fiscal measures necessary for reviving growth. The concern to revive growth explains the importance that all countries have placed on measures having the least negative effect on recovery, notably the reforms on rights to benefits and higher taxes causing fewer distortions (for example, property taxes). (IMF, Fiscal Monitor, October 2012).

In effect, more countries are increasingly conscious of the importance of improved policies in terms of taxation and social services, along with pro-active programmes for the job market. Combined with structural reforms favoring job creation, such an approach is likely to stimulate the supply and demand for jobs.

It should thus be noted that the balance of public finances remains very precarious in spite of the efforts made, as the needs for debt re-financing are still enormous. Certainly, the massive intervention of the central banks to provide support for economic activity has made it possible up to now to contain the difficult resolution for the increase in the public debt. However it remains urgent to find a sustainable solution to the problem of solvency for many countries of the euro zone. In several countries, notably the developed countries, difficult measures are necessary to continue the stabilization of public finances.

In effect, the **weight of the debt** remains heavy in spite of efforts undertaken to make it sustainable. Debt ratios peaked early in the economies of emerging markets and will not stabilize before 2014-2015 in many developed economies. Low growth, even recession in developed economies explains, in certain cases, the high level of interest rates, following uncertainty about the margin of safety of public authorities and the fragility of banks.

It emerges from the global outlook of the IMF that the **monetary policy** of many developed countries will remain favorable. The main central banks recently launched new programmes of bond purchases and are maintaining low interest rates. Nevertheless, the global financial system remains fragile and managing expenditures in developed countries slows down recovery. Consequently, monetary policies were relaxed and will become more flexible. Recently, the European Central Bank (ECB) launched a programme of public bond re-purchase and eased requirements in terms of guarantees. The American Federal Reserve will also re-purchase securitized mortgage debts, buy supplementary assets and use its other instruments until the economic situation improves. It will also maintain low interest rates. In short, almost all the developed countries have recently lowered their key rates.

Emerging and developing countries have adopted various easing measuresin order to face the downturn in activity and inflation. Many of them put off the tightening that was expected and some lowered their key rates. However, only Brazil has greatly lowered its rates and also eased macro-prudential measures in order to encourage greater credit. As a whole, the real interest rates in many emerging and developing countries remain relatively low and the increase in credit is high. This is why a large number of banks have chosen to maintain their policies unchanged.

The volume of **global trade** fell to 2.8% in 2012, compared with 5.9% in 2011 and 12.6% in 2010. This evolution is explained by low growth and uncertainty in developed countries. For 2011, trade in developed countries decelerated sharply with a growth rate of imports of 4.6% compared with more than 11% in 2010 and that of exports falling from over 12% in 2010 to 5.6% in 2011. Regarding emerging and developing countries, the slowdown in trade was moderate with imports falling from 13.7% in 2010 to 8.4% in 2011 and exports declining from 13.7% in 2010 to 6.6% in 2011. Market prices for raw materials held up well in 2011 and this, combined with downward fluctuations in exports from developed countries, explains the high accumulation of reserves in emerging and developing countries. The slowing of trade in 2012 is explained mainly by a weakening in the domestic demand of countries affected by the crisis that had an external deficit rather than by a weakening of demand from countries that had an external surplus. In the euro zone, the lower imbalances are the outcome principally of weaker demand from the countries of the periphery in deficit with a reduction in the costs of labor. Thus, 2012 imports from developed countries recorded volume growth at only 1.2% compared with 2.1% in exports. In the case of emerging and developing countries, imports increased by 6.1% compared with 3.6% for exports.

1.1.2 Market prices of the main raw materials

Reviewed here are the main raw materials having a significant impact on trade in one or several countries of the Community.

For **cereals**, it emerges from the report of the FAO Report on Commodities that prices have begun to climb black in 2010 and 2011. In 2010, global production of wheat fell sharply, largely neutralizing the rise in production of secondary cereals and rice. Restrictions on imports of cereals imposed by the Russian Federation in 2010 to June 2011, also contributed to raising prices. However, with the relatively comfortable global demand, wheat prices began to fall at the end of September 2011 to rally again in January 2012 following a sudden surge in the international market for maize and the deterioration in the prospects for yields in the United States. During the course of the same period, market prices for rice, following higher trading for cereals and the fear of high harvest losses from flooding in Pakistan, also recorded moderate increases. Nevertheless, at the end of 2010 and the beginning of 2011, the disturbance in the stability of the cereals market was followed by a continuous improvement in prospects for global cereal production as well as forecasts of lower demand, the outcome of lower growth generated by the slowing of many developed economies. Consequently, lower prices during the second half of 2011 were observed. However, the prices of cereals climbed back up again at the beginning of 2012, while prices for rice continued to fall. Events external to the market such as the weakening of the US dollar and the reduction in freight rates constituted support, intensifying the effects of a cold wave on prices which gripped Europe and the countries of the Community of Independent States (CIS). The projections of FAO confirmed that **global cereal production** in 2012 would decrease, reaching 2 286 million metric tons, 2.6% lower than the record harvest of the previous year. Global reductions have affected wheat at 5.2% and secondary cereals at 2.3%. A significant reduction in global cereal stocks at the close of the growing season in 2013 is expected with a reduction of 28 million metric tons, as, even with the regression in global demand, prices remain high.

For oilseeds and oilcakes, the FAO Committee on Commodity Problems showed that in mid-2011, market prices for the oilseed complex demonstrated a new rising trend and at the beginning of 2011, trading had reached its highest level in two years. This development reflected a progressive contraction in the global supply of oilseeds during the growing season of 2010-2011, combined with a constant rise in the demand for oils and meat. Towards the end of the 2010-2011 growing season, a continuous tightening of supply and demand up to the 2011-2012 growing season was observed. In spite of the comfortable carryover stocks, this season will undergo a negligible increase in total oilseed production, with the two main oilseed crops (soy and colza) declining from year to year. The growing competition for arable land between oilseeds and cereals has affected plantations, in addition to poor meteorological conditions. Consequently, in 2011-2012, supply will probably be insufficient to meet demand which, according to the forecasts, should stay high. A progressive lowering of global reserves and a fall in the stock-to-use ratio thus seems to be inevitable. This permanent pressure on the fundamentals had no effect on prices before 2012. During most of 2011, international trading of oilseeds and oil products fell – even though remaining at historically high levels. A less mediocre production of soybeans and a slowing of global demand for imports have made it possible to temporarily increase stocks, leading to a reduction in prices. With poor meteorological conditions having affected the harvests of soybeans and maize in South America, prices were strengthened. However the market remains uncertain with the free fall in the 2011-2012 production of soybeans in the United States and South America, the prospect of new competition for land in 2012-2013 and fears that colza production could also remain mediocre, for the third consecutive season. The average market prices for peanut oil will continue their rise begun in 2010 (2 028 USD per metric ton in 2011, compared with 2 500 USD per metric ton in 2012 or 23.3%), while those of palm oil have declined owing to the reduction in consumption in China and India and economic difficulties in Europe (WAEMU Convergence Reports).

Prices of coffee have recorded a strong rise during the last four years; the composite indicator of the WTO recorded an annual average for 2011 of 210.39 US cents/pound, or an increase of 42.9% compared with 2010, a record high since 1977. These extremely lucrative prices have boosted export performances, which reached the record level of 103.7 million sacks in 2011 and drastically reduced the stocks of exporting countries. This situation is the outcome of a favorable development in the market fundamentals. Four consecutive years of poor meteorological conditions in Columbia had the result of reducing the supply of high quality *arabica* coffees. Global production of coffee in 2011-2012 was estimated at around 129 million sacks, after a record figure of 134 million sacks in 2010-2011 for a vigorous consumption, in spite of the global economic crisis, estimated at 135 million sacks in 2010. Nevertheless, this fragile equilibrium of supply and demand, to which is added the relatively low level of global stocks, leaves only a slim margin of safety for possible new disturbances of the market. Market prices for *robusta*, after a rise of 38% in 2011, have fallen by 4.4% during the first nine months of 2012, while those for *arabica* are higher. (WAEMU Convergence Reports).

Since October 2007, prices on the **cocoa market** have continued to rise owing notably to several production deficits during recent seasons and the growing fear that the cocoa market may enter a period of short supplies. In 2010-2011, in spite of the surplus production generated by exceptionally good meteorological conditions in West Africa, cocoa prices have remained high, supported by the political crisis in Côte d'Ivoire: on March 3, 2011, during the stalemate, prices reached their highest level in 32 years, at 3 730 USD/metric ton. With the end of this crisis and the abundance of supplies, prices began to fall, reaching their lowest levels at 2 064 USD/metric ton on January 5, 2012. During this season, global production and demand for cocoa should once again be poor, with as a consequence a slight deficit of 71 000 metric tons in supplies. Cocoa production should decline following more typical meteorological conditions, while the production of ground beans should increase, even though slowly.

After rising from 1. 65 USD/kg in January 2010 to a historically record price of 5.06 USD/kg in March 2011, the **global price of cotton** began a steady fall to stabilize at around 2.20 USD/kg in February 2012. According to estimates, global production should increase by about 7% to reach 26.8 million metric tons in 2011-2012. As it is forecast that global economic growth, which is the man factor influencing the manufacture of cotton, should slow down in 2012, it is estimated that the manufacture of cotton should contract by 3%, to reach 23.7 million metric tons, which should bring the volume of global stocks to 12.3 million metric tons.

For the market for **hides and skins,** the slowing in global economic growth observed in 2008 and 2009 has led to a contraction in demand for consumer products, including shoes and other leather products. The rise in market prices that began in the middle of 2009 was vigorous at first and in March 2011, market prices for hides in Chicago had surpassed their levels of the period 2004-2008. Nevertheless, a sharp fall in prices for hides at the end of 2011 and the constant concerns about global economic recovery represent so many dangers for this market in 2012.

Global banana exports fell in 2011 for the second consecutive year to settle at 12.5 million metric tons, demand from the big import markets remaining timid. The increase in oil prices made the costs of inputs and transportation climb, but there were few possibilities to transfer these costs on the entire value chain owing to fierce competition from other fruits on the market.

Prices of **cashew nuts** remained relatively stable, cashew nut kernels trading for between 3.25 and 3.35 USD/pound at the beginning of 2012 and they continued to remain so for the entire year of 2012. Volumes of stock remained high at the beginning of the growing season globally where nearly 80% of production is still available. These stocks will slow the eagerness of Asian processors to obtain supplies of raw nuts from West Africa. However, the market underwent a slight flurry of activity at the beginning of August 2012, provoking a small increase in the value of the kernels. (WAEMU Convergence Reports)

Gold prices progressed by an average of 28% in 2011 and continued this trend in 2012 with an appreciation of 7.9% during the first nine months of the year. In effect, 2011 was marked by a record world price per ounce at 1 920 USD in September. After undergoing a steep fall at the end of 2011, prices have clearly recovered and increased by more than 15% during the first two months of 2012. In contrast, at the end of March, prices slowed, losing 7% of their value and finished at 1 662 USD per ounce. This high volatility in prices is caused by a very uneven economic context and by fears of a downturn of growth in China. (WAEMU Convergence Reports)

On the **physical petroleum market**, pressures have lowered since the end of 2011. Demand has slowed while the global supply of petroleum rose strongly at the end of 2011, owing notably to the rapid recovery of Libyan production. However, the price of petroleum which had risen by almost 40% in 2011, going from 79.4 USD per barrel in 2010 to 111.2 USD per barrel in 2011, slowed in 2012. This situation can be explained by the poor performance of the global economy marked by the deterioration of the situation in the euro zone, the economic recovery of the United States being slower than anticipated and the slowing of economic growth in China, the main driver of the market during these last few years. During the first nine months of 2012, the average price increased by 0.3% to end up at 112.2 USD per barrel, compared with the average price during the same period in 2011 (WAEMU Convergence Reports).

Market prices for phosphates increased on average by 50% in 2011. This increase continued throughout 2012 with a moderate increase of 3.8% compared with the average in 2011 (WAEMU Convergence Reports).

Spot prices for the **pound of uranium** were around 51 USD during the first quarter of 2012. Since November 2011, this price has fluctuated little, varying between 51 and 53 USD. Before the catastrophe of Fukushima, market prices had risen to their highest level in the twelve preceding months, to 67.75 USD. The status of the Japanese nuclear industry is currently determinant for the development of market prices for uranium. Prices remained very low at the end of 2012 with 45 USD per pound during the third quarter. In the medium and long term, market fundamentals seem to still be solid with more than 80 new reactors which should enter into activity between now and 2017 (WAEMU Convergence Reports).

1.1.3 Global outlook for 2013

For the year 2013, the forecasts of the IMF are counting on a growth rate of 3.5% if the European leaders succeed in bringing the crisis in the euro zone under control and the American political elite manages to agree on a good strategy to control their debt in avoiding raising taxes and automatically compressing expenditures. The real GDP in the euro zone, in spite of adjustment measures taken and the response to the crisis, should, according to the IMF, record a negative rate of 0.2% in 2013. For Japan, after a slight decline during the post-construction period, the real GDP should rise by about 1.2% in 2013, before the re-establishment of satisfactory growth following the setting up of a vast programme of fiscal stimulus, monetary easing and the re-launching of foreign demand with the weakening of the yen. Recovery will improve in the United States with a rate of 2.0%, in spite of political divergences regarding the regulation of the economy. In the emerging and developing countries, in spite of the intense internal efforts made to re-launch growth, the weak demand of developed countries will limit economic performances. The GDP of all of the countries is estimated at 5.5% in 2013. In this context, the economies of the countries of central and eastern Europe, with the end of the overheated cycle in Turkey, will attain growth rates estimated at 2.4% in 2013. For this year in India, an improvement in the external situation and in confidence, owing to various reforms which were announced very recently, should carry the growth of real GDP to 5.9%. For the countries of the Middle East and North Africa, the GDP has suffered from the backlashes of political instability in 2013, even if globally petroleum-exporting countries have experienced a clear improvement and growth is estimated at 3.4%. The dynamic underway in Latin America with Brazil should lead to an acceleration of growth to 3.6% in 2013.

In a context marked by low global demand and monetary policies oriented to growth recovery, **inflation** will continue to slide in developed countries, with 1.6% in 2013 and will remain stable at 6.1% in the emerging and developing countries.

For developed countries in **budgetary** terms for 2013, the tightening of balances will be reinforced to close to 1% of GDP. In the euro zone, after an adjustment that was already vigorous, the contraction of expenditures will ease up. In the United States, according to the IMF, the budget prospects for 2013 are very uncertain, given the large number of fiscal measures that will expire and the threat of automatic compressions of expenditures and this in a very polarized political context. A tight, more vigorous adjustment is necessary. In Japan, the end of the elections will facilitate the approval of financing for the budget for the rest of the fiscal year ending in March 2013, which will raise uncertainties on budget prospects. Vigorous re-launching measures could be adopted. In the emerging and developing countries, no notable budget re-balancing is anticipated in 2013 after an improvement of 1% of GDP on budget balances since 2011.

The easing of **monetary policies** should continue and even increase to better accompany economic recovery. Key interest rates could not be raised in 2013 and various favorable mechanisms of accompaniment will continue to be set in place (loan guarantees, re-purchases of assets and securitization, etc.)

Global trade in 2013 will experience better growth at 3.8% compared with 2.8%. The process of economic recovery in developed countries will require that their trade resume without aggravating their current deficits. Also, the exports and imports of these countries will be 2.8% and

2.2%, respectively, in 2013. For the emerging and developing countries, the volume of trade will grow by 6.5% for imports and 5.5% for exports, according to IMF data.

1.2 Socio-economic evolution of sub-Saharan Africa in 2011/2012 and outlook for 2013

1.2.1 Sub-Saharan Africa in 2011/2012

Sub-Saharan Africa should continue its vigorous growth, estimated at 4.8% in 2012. Most of the countries of the region are experiencing strong expansion, in spite of their close links with Europe. However, for some time, certain food-importing countries have been suffering from the strong rise in global prices for some important agricultural products.

In effect, the vigorous performance of the economies of sub-Saharan Africa in 2010 was maintained at the same level in 2011 with 5.3%, extending this time to several countries, according to the revised version of the IMF Regional Economic Outlook (April 2012). This growth rate remains higher than that of global production but lower than the average growth rate for the period 2004-2008 when regional growth had reached 6.5%. The recovery of market prices for raw materials and the strengthening of domestic demand of countries are at the root of these performances which still remain fragile. In effect, productive structures in Africa remain heavily dependent on external demand for which the rising trend remains random. Disturbances in financial markets and the weakness of the economies of developed countries continue to hover over the prospects for growth in sub-Saharan Africa. Added to this are the negative effects of drought in East Africa, with its share of displaced persons, which led to a strong mobilization of the international community in a volatile security context. The high-quality macroeconomic policies implemented have supported growth in many countries of the region.

This dynamic of growth is carried mostly by the petroleum-exporting countries, the surpluses of which have made it possible to support domestic demand, especially public demand, thus generating recovery in their non-petroleum sectors. Growth in these countries was estimated at 6% in 2011. For medium-income countries, growth was estimated at

4.3% owing to their greater exposure to the effects of the international environment, especially South Africa. Apart from South Africa, growth in this group of countries was set at 7.7%. Concerning low-income countries and fragile States, growth marked a deceleration to 5.1% in 2011 in spite of mining operations in many countries such as Niger and Sierra Leone. The Sahelian countries have experienced high pressure on food security in 2011.

For 2012, in spite of a difficult external situation, with the modest growth of the global economy, production in sub-Saharan Africa increased by 4.8%. The exploitation of new natural resources in several countries (Angola, Niger and Sierra Leone) as well as the recovery in West Africa are the main factors driving this expansion, including the resumption of economic activity in the Sahel after the drought and in certain zones of East Africa including Kenya, and the quick rebound of the Ivorian economy. It should be noted that as in 2011, most countries have contributed to this strong expansion, except for South Africa and countries that are heavily dependent for food commodities. The problems in these countries are the outcome of the lack of dynamism of their main European partners and, recently, social problems in their main mining operations. Performances achieved continue to be attributed to the favorable level of volumes and market prices of basic commodities, to a more marked re-orientation of exports to Asian countries and to financial systems, the measures of which shelter them from global financial disturbances in most countries. Much of the natural resources exported are subject to vigorous foreign demand, especially petroleum.

For Africa, combating inflation by tightening monetary policies in many countries would limit growth. In the group of petroleum-producing countries, a growth rate of around 7% is expected with new operations in Angola and rising production in Chad. The non-petroleum sectors are also progressing strongly especially in Angola and Nigeria, in contrast to Cameroon and Equatorial Guinea where activity is declining. For medium-income countries, those of southern Africa will suffer from their high integration in global trade and financial markets. West Africa, which suffered from the effect of the drought in the Sahel and the Ivorian conflict, recorded good performances in 2012.

In December 2011, the **inflation** rate was 9.7% compared with 7% in 2010. If inflation within the WAEMU countries has hardly risen over 5%, in other parts of the region inflation has remained of great concern, especially in East Africa. The reasons reside in food availability, as the domestic supply conditions are still inefficient and the effects of drought on food commodities have exacerbated tensions. The repercussion of prices for petroleum products, notably in southern and eastern Africa, on prices at the pump has also contributed to pushing up prices. In contrast, for other countries such as the petroleum-producing countries and the WAEMU countries preferred to increase the volume of their subsidies or reduce taxes. Monetary policy also influenced price levels for countries with floating exchange rates. In contrast, it has remained neutral in countries with fixed exchange rates. In effect, the rise in global prices for petroleum products and food commodities is at the root of the inflationary pressures observed in 2011, in addition to the inefficiency of domestic distribution circuits in countries, especially for food staples. Consumer price inflation has accentuated, especially in East Africa, partly owing to the effect of the surge in world prices for food commodities and for energy.

Inflation in 2012 was effectively contained at low levels, owing to the tightening of monetary policies in several countries and the global depression which has tended to stabilize world prices. However, the risks are still present with the random fluctuations in the petroleum market and the still uncertain situation in many producer countries.

For **public finances**, the trend that emerged in 2011 was the decline in the budget deficits in many African countries, notably the petroleum-producing countries and the medium-income countries that have succeeded in using their budget margins to absorb deficits resulting from the global crisis. This expansion in the critical phases of the global crisis has made it possible to maintain the speed of growth. In the petroleum-producing countries, an effort at mobilizing resources, even in the non-petroleum sectors, has favored the reduction of deficits. Also, in spite of the increase in expenditures, the budget deficits excluding petroleum have decreased except in Cameroon and Gabon, countries which have held elections, and overall surpluses have become the rule. The trend is more or less the same for medium-income countries, which, even though they have suffered the most from the effects of the global crisis, have proceeded with re-balancing their public finances. In contrast, low-income countries experienced widening deficits which, for the most part, have remained under 5%.

With the erosion of budget margins, the situation deteriorated slightly for public finances in 2012. A process of budget re-balancing in both medium-income and low-income countries is necessary to avoid growing negative balances. Deficits in certain low-income countries are explained by the investments made in large public works, a situation which cannot fail to have an influence on growth levels in 2012. For petroleum-producing countries, the situation was more stable than in 2011.

The size of budget deficits explains the rise in ratios of **public debt/GDP** in several countries. This evolution is dominant in medium-income countries, such as South Africa and Namibia, but also in petroleum-producing countries such as Cameroon and Nigeria and in low-income countries. However, the overall debt of the region has not varied much owing to the fact that the debt ratios are falling in many countries. This new process of indebtedness is based on the lack of dynamism in the external export demand, bringing about growing current deficits throughout much of the region

Monetary policy in 2011 was marked by the raising of key interest rates in certain countries with floating exchange rates in order to deal with inflation, essentially due to the drought which limited the supply of food commodities. However, in most countries, interest rates have remained stable compared with their low levels during the crisis. Monetary policy in 2012 was marked by a strong increase in credit to the private sector which, however, declined in low-income countries. This decline in these countries is explained by lower inflation and the hardening of monetary policies. In contrast, in medium-income countries including South Africa, the expansion of credit aimed at supporting recovery. In the case of Nigeria, the growth of credit was the outcome of the normalization of banking conditions after the crisis of 2009. It should be noted also a hardening of monetary policy in most of the East African countries.

Regarding **foreign trade**, exports from sub-Saharan countries have largely benefited from the rise in the global prices for raw materials up to the beginning of 2011. However, with the slowing of global trade in the second half of 2011, global performances will be mitigated. A new factor is the strong rise in exports of goods and services in a greater number of countries, notably Eritrea, Guinea, Niger and the Central African Republic with the exploitation of new natural resources. Several other countries such as Ethiopia, Kenya and Rwanda have succeeded in diversifying their production or have been able to enter new markets. The good performance of exports has above all benefited petroleum producers and exporters which recorded satisfactory gains in the terms of trade. These countries were thus better able to reconstitute their reserves of foreign exchange and enlarge their budget space. In contrast, for the non-petroleum exporting countries, a deterioration in the terms of trade was noted in 2011.

For the year 2012, the relative deterioration in the global situation in 2011 impacted negatively on the foreign trade of sub-Saharan countries. Medium-income countries are the main victims with the weakening of foreign markets for exports from South Africa and Botswana. Low-income countries, in contrast, benefited more from demand from emerging countries, with a moderate increase compared with 2011. Petroleum-exporting countries, for example, have seen their revenues decline for a good part of 2012 under the effect of the fall in petroleum prices. For certain producers of non-renewable natural resources (Madagascar, Niger, Sierra Leone), the exploitation of new deposits stimulated exports in 2012 and beyond. For most non-petroleum producing countries, with the more rapid growth in imports compared with exports and the relative stability of remittances, overall foreign trade balances should deteriorate. A slight compensation will come from some petroleum-producing countries where a surplus is expected.

The evolution of the balance of payments is strongly influenced by import needs and capital inflows to finance large investment projects, the results of exports improving distinctly as soon as the new projects for natural resource exploitation enter into production, such as in Liberia, Niger and Sierra Leone. In the area of investment, South Africa, Mauritius, Nigeria and some producers of natural resources have benefited from flows from emerging countries. For the other countries, the flows of foreign direct investment are lower than levels before the crisis perhaps owing to high interest rates and the instability of exchange rates. Flows of aid have decreased slightly whereas remittances have resisted well. In effect, the exports of services and the remittances of migrant workers have resisted throughout the region. For the entire year, the services of the IMF anticipate a moderate deterioration in the current account balance, financed in most cases by an increase in capital flows in one form or another rather than in an erosion of reserves.

1.2.2 African outlook in the South of the Sahara

For 2013, in spite of the still difficult and uncertain situation, the IMF projects **stable growth** at 5.8% for sub-Saharan Africa. Several uncertainties surround these projections. These are notably, the evolution of the euro crisis, the security situation and the availability of food. This last point refers to the rising internal tensions in the Sahel and especially in Mali, that have already led to a war to reconquer the North in which the ECOWAS was involved ; then the political tensions related to electoral processes or to the transfer of power and possibly climate shocks. Indeed, the emergence of several political unrest and climate shocks jeopardizeagricultural production.

The fall in **inflation** should continue through 2013, but for this to happen, countries must implement macroeconomic policies that are sufficiently restrictive.

Concerning the global situation, the socio-economic evolution of the euro zone constitutes a real risk for **international trade**. The unfavorable context of public finances in these countries and the contraction of credit continue to be risky for the economy of Africa. The decline in world production should also generate a fall in prices for basic commodities in general and petroleum in particular. The consequence for Africa is a decrease in exports, tourist activities, remittances, official development assistance and private investment. South Africa will be one of the first countries to suffer and by ricochet, the Member countries of the Southern Africa Customs Union (SACU). All countries too heavily dependent on Europe such as Kenya through exports and tourism, Ghana through lower investment flows and the DRC with the downturn in prices for basic commodities, will see their activities affected. In spite of the lower prices for petroleum, petroleum-exporting countries that have succeeded in consolidating their non-petroleum sectors will undergo fewer external shocks.

For healthy macroeconomic management, with the reconstruction of public finances owing to vigorous growth over a long period, countries must support progress in production by loosening public expenditures for the benefit of investment.

It is also important, in order to avoid the enduring installation of an inflationary process in countries where this rate rises to over 10%, to adopt good controls over public finance and budget policy and to foresee actions to combat new external shocks (slowdown of global growth, staple food shortages and rising prices for food commodities) by a moderately expansive demand according to budget margins and by adjustments in monetary policy and exchange rates compatible with the objectives of bringing inflation under control. A strong surge in the price per barrel, in order not to compromise growth, must be translated into internal adjustments of fuel prices, even if this requires targeted measures to support vulnerable groups. In effect, soaring prices for petroleum products, owing to the uncertainty hovering over the current geopolitical context, is not to be discounted.

To consolidate the gains in terms of growth, monetary policy in Africa will take the shape of a strategy of support to growth while combating inflation. It is above all a question of maintaining low key interest rates, revising exchange rates and especially strengthening the banking system for better financial intermediation.

Current external deficits throughout the region should widen somewhat in 2013 as trade balances are already showing rather less favorable results owing to a slight deterioration in the terms of trade and the persistently low demand for imports by traditional trade partners.

In conclusion, confidence in the future of sub-Saharan Africa is growing. Two major events justify this, according to the IMF, which are the entry on the market in August 2012 of the international sovereign bonds of Angola for 7 years at the rate of 7% to finance the deficit in the balance of payments and the issue by Zambia in September 2012 of a ten-year bond at 5.375%. It should also be noted the lower yields on bonds issued by African countries at levels comparable to bond yields of several emerging European countries. The pursuit of the implementation of a policy of quality, the strengthening of institutional frameworks for the management of the economy and the strengthening of the democratic process are among the many measures that may be consolidated for the benefit of economic and social development. The perpetuation of these efforts is necessary to better contain the security problems observed here and there.

1.2.3 Impact on the economies of West Africa

The economic performances of the sub-region are heavily dependent on the economic conditions of developed countries in spite of a certain modification in the trade flows in favor of emerging countries. In the same way, in spite of the progressin trade with these countries, the ECOWAS zone relies for 50.7% on its exports to the United States and the to the euro zone and for 31.6% for imports according to the data of the UNCTAD in 2010. Dependence is also high for capital flows, transfers from emigrants and official development assistance. The decline in these variables will be felt directly on economic performances. The continued recession in the developed countries is beginning to be felt in emerging and developing countries, including some such as Brazil, which are beginning to undergo the consequences. This evolution could jeopardize the alternative that these countries offer to West Africa.

Socially, the high economic growth since 2005 to levels higher than demographic growth has the advantage of contributing to raising income per capita sustainably. This evolution will make it possible to expand solvent demand and thus to make African markets promising. However, without a more inclusive approach for improving the distribution of wealth, the living conditions of the people can improve at only a rather slow rhythm. Another aspect is the very high dependence of this growth on exports of raw materials, the prices for which can sink at any time, according to economic conditions.

In view of international economic developments, maintaining balanced public finances continues to be a major challenge. With the compression of the volume and even the value of exports, external deficits could widen and restore the process of indebtedness. Public revenues could also be affected in a context marked by sizable public investments to create better long-term foundations for growth.

Concerning cereal production, the first indications of the new 2012-2013 growing season still indicate a supply situation that is relatively comfortable at the global level. If meteorological conditions remain normal during the whole growing season and in the absence of major natural catastrophes, the total supply of cereals for 2012-2013 should be more than sufficient to respond to demand. Consequently, the international prices for cereals should decline slightly during the 2012-2013 growing season, even if they remain at historically high levels and they will remain vulnerable if there are modifications on the other markets (FAO, Committee on Commodity Problems, 2012).

Nevertheless, FAO in its report "Crop Prospects and the Food Situation" on the outlook for harvests and the food supplies, draws attention to the food situation of developing countries and, in particular, of low-income food deficit countries (LIFDCs). For these latter, global cereal production for 2012 reached a record level of 534 million metric tons, or an increase of 1.7% compared with the good harvest of 2011. Nevertheless, the currently high market prices should project the invoice for cereal imports for the LIFDCs in 2012-2013 to a record level of 36.5 billion USD, compared with 35.2 billion in 2011-2012.

In West Africa, in spite of the favorable harvest prospects in the region, the food security situation in the Sahel remains of concern, with nearly 19 million people needing permanent assistance owing mainly to the persistent effects of poor harvests last year. However, the trade balances of several countries could be relieved in West Africa.

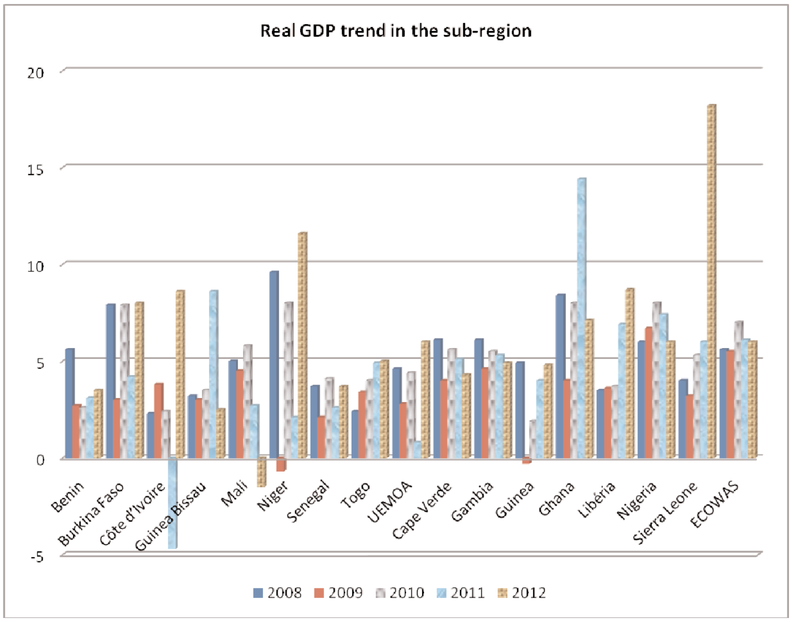
The economic outlook for the sub-region depends on security conditions that are of great concern. A major risk for West Africa is related to the repercussions of transnational criminality with growing international threats to stability in the sub-region and in the region of the Sahel. This concerns trafficking of arms and drugs, pirating and armed theft at sea and terrorism. These threats contribute to weakening governance, social and economic development and stability and complicate the supplies of humanitarian assistance, while threatening to reduce to zero the advances made in the region in terms of consolidating peace (ONE). Trafficking of cocaine transiting through West and Central Africa generates around 900 million USD per year, according to the United Nations Office of Drugs and Crime (UNODC).

1.3 Economic and social situation in West Africa in 2011/2012 and outlook in 2013

In this part a review is made of the evolution of the macroeconomic variables for the West African sub-region. In general, the growth dynamic continues and all the fundamentals remain solid in spite of the difficult international context. The return of favorable climatic conditions contributed to reviving production in many countries. In addition, demand from emerging and developing countries continues to drive the volume of exports. All the countries of the sub-region have achieved good performances. Ghana has seen its growth progress, but it was almost 8% less than in 2011, when petroleum operations reached their highest level of production. Growth has also resumed in Senegal after suffering from the drought. In low-income countries, except for Niger and Sierra Leone, growth rates are lower. In Mali, the resumption of activity in 2011 following the drought was greatly disrupted by the political problems and armed conflict. Growth rates expected in Niger and Sierra Leone have reached two figures, owing to mining and petroleum operations. For countries emerging from conflicts or natural disasters, the situation has clearly improved as in Côte d'Ivoire (8% en 2012), the recovery of Liberia, with nearly 9% owing to iron ore and the resumption of investments in Guinea where they will assist in the recovery of growth.

1.3.1 Gross Domestic Product (GDP)

According to the recent report of the ECA/SRO-WA (2012 issue), the economic growth of the ECOWAS countries has declined slightly, going from 7.0% in 2010 to 6.1% in 2011. The main petroleum-producing countries are the drivers with 7.4% in 2011 for Nigeria and 14.4% for Ghana (IMF). If for this latter country, growth has been carried by the petroleum sector, it is rather the non-petroleum sectors that drove growth in Nigeria. Countries emerging from conflicts have also contributed to this good performance which could have been better if Guinea and Togo had not undergone social problems on one hand and especially if the results within the WAEMU zone had not been so disappointing with 0.8% growth rates in 2011, on the other hand. This year for the WAEMU, two major exogenous factors were at the root of this deceleration, which were the political crisis in Ivory Coast and the drought in the Sahel. The authorities succeeded in bringing under control the risks of contagion of the Ivorian crisis, which had serious financial repercussions and greatly hindered regional integration. The recent drought in the Sahel greatly tested the CILSS countries, notably Burkina Faso, Mali, Niger and Senegal, bringing about a decline of 7% to 27% in cereal production, according to the estimates. The consequence is a high prevalence of food insecurity. It has already been estimated that between 8 million and 10 million people are suffering and need assistance (IMF). For the CILSS countries, the effects of the drought on GDP were felt in 2011.

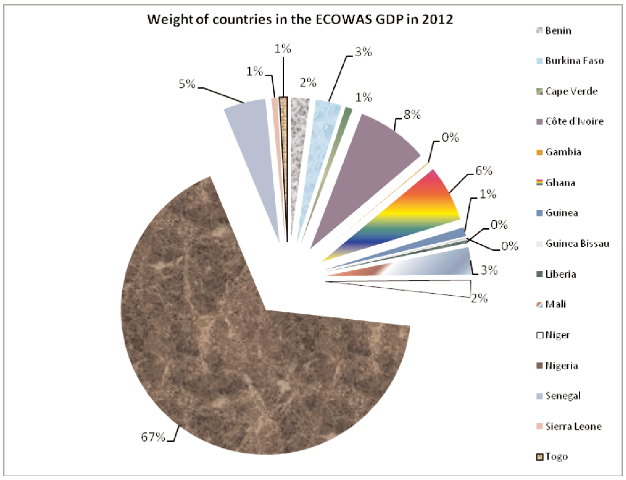


Graph 2

Sources: BCEAO countries, UEMOA and WAMA other countries, 2012.

In 2012, in spite of the continued slowdown of global growth, the ECOWAS sub-region progressed by 6.0% compared with 6.1% in 2011. Several countries achieved growth rates of more than 6% in 2012, notably Nigeria with 6.0%, representing over 67% of the GDP of the sub-region, Ghana with 7.1%, Burkina Faso with 9.0%, Niger with 11. 6%, Sierra Leone with 18.2%, Cote d'Ivoire with 8.6% and Liberia with 8.7%. These excellent results are explained by the rise in external demand for natural resources, notably mining resources, thus bringing about a rise in global prices, and the recovery of the agricultural sector following the good rainfall for the growing season of 2012/2013. Investments planned in the sector of electrical energy to mitigate difficulties in electricity supply and measures of support in favor of agriculture to revive agricultural activities were positive. The development of the telecommunications sectors in nearly all of the countries and the sizable investments committed to public works for reconstruction or development contributed to restoring growth in the sub-region.

In terms of structural transformation, the positive trend should be noted in certain petroleum-producing countries where the GDPs, excluding petroleum, have performed better than the overall GDP. Since 2010, the growth rate of the GDP of Nigeria, excluding petroleum, was higher than that of the entire economy, with 7.9% in 2012 compared with 8.8% in 2011. In the case of Ghana, this situation appeared only in 2012 with 8.8% while in Niger, a new petroleum-producing country, these sectors are still lagging behind. The recovery of Côte d'Ivoire, where the economy was already well structured before the crisis of 2002, was also reflected by a growth rate for GDP, excluding petroleum, of 8.4%, which is higher than that of its entire economy.



Graph 3

Sources: ECOWAS countries Data, 2012.

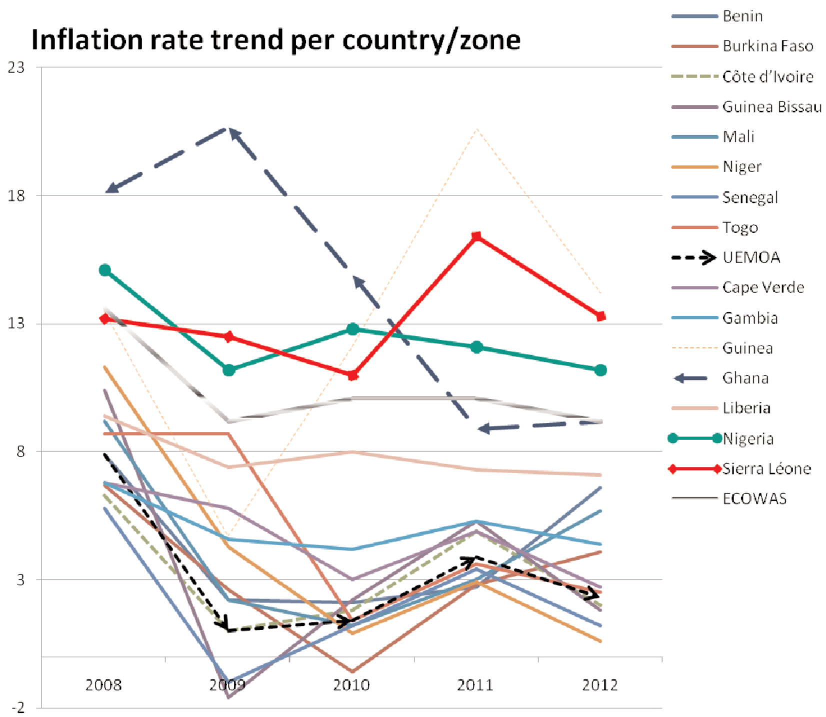
Concerning the WAEMU countries, the zone suffered from the effects of the poor agricultural growing season in 2011/2012 in the Sahelian countries and the socio-political crises in Mali and Guinea-Bissau. The end of the drought in 2012 should result in an accentuation of growth in this zone which should accelerate to reach about 6.0%, in spite of the weakening of the external situation. The WAEMU zone, very dependent on Côte d'Ivoire, the weight of which is 30% of GDP, has experienced the fluctuations of this economy. The recovery of the Ivorian economy in 2012, with a growth rate estimated at 8.6%, will have a positive impact on the other countries of the region, notably the landlocked countries owing to the resumption of trade, remittances and investments. Within the WAEMU, the impact of the global crisis should affect only Côte d'Ivoire and Senegal, the economies that are the most exposed. However, these countries will benefit from endogenous sources of growth with the post-crisis recovery in Côte d'Ivoire, increased investments in infrastructures and the end of power cuts, especially in Senegal. Other endogenous factors such as new petroleum exploitations in Niger should stimulate regional growth before declining in the medium term.

The average rate of investment in the ECOWAS countries is over 20%, a satisfactory level to follow the road to high-quality growth, which is at the root of the economic performances in the sub-region. Nevertheless, the area can do better as several countries have an investment rate that is lower than this average, including Côte d'Ivoire, for which the investment rate remained especially low, at only 12.1% in 2012. Five countries, including Cape Verde, Niger, Gambia, Nigeria and Senegal have maintained high investment rates since 2008 owing especially to infrastructures and mining or petroleum operations. Guinea and Sierra Leone in particular have made great efforts during these last few years since 2010, with the arrival of large capital flows of foreign investment for mining operations. Throughout the WAEMU, the efforts of Senegal and Niger could not compensate for the low rates of investment in the other countries which mostly remained lower than 20%. The Union had a lower performance in this area, in spite of the 20. 25% recorded in 2012. The relevance of the investment rate in the ECOWAS countries is explained mainly by the level of public investments in nearly all of the countries. The mobilization of private investments is related more to the need to exploit natural resources for which the external demand remains high than in the improvement of the business climate.

1.3.2 Inflation

The consumer price index in West African countries has stayed high, rising from 9.2% in 2009 to 10.1% in 2010 and remaining at 10.1% in 2011. The main factors are notably the rise in prices for food commodities, transportation and energy following the rise in the cost of crude petroleum on the world market. Countries such as Guinea, Nigeria and Sierra Leone have experienced two-figure inflation. In the WAEMU zone, prices of petroleum products and food commodities largely explain the high level of regional inflation. In effect, their upward surge during the second quarter of 2011 raised inflationary pressures and their downturn afterwards made it possible for the sub-region to see a rapid decline in inflation. The year-on-year inflation rate sank below 3% at the end of the year. On average, the annual inflation rate for consumer prices is estimated at 3.9% in 2011. Only a few countries complied with the inflation criteria in 2011 owing to the global surge in prices for food and fuel.

The economic activity of the ECOWAS took place in a context of lower inflation, due to the release of pressures on the global markets for raw materials in the first half of 2012, combined with the effects of monetary tightening in several countries and the improvement of climatic conditions in the Sahel. The annual average rate of inflation in the Community emerged at 9.1% during the first half of 2012 compared with 9.9% during the same period of 2011. Inflationary pressures are stronger, especially in countries outside the WAEMU zone. Three countries had two-figure inflation rates: Nigeria, the biggest economy with 11.2%, followed by Guinea with 14.2% and Sierra Leone with 13.3%. The other countries, members of the WAMZ, experienced rates largely above the standard agreed on in the convergence criteria with 9.2% for Ghana, 7.1% for Liberia and 4.4% for Gambia. Cape Verde remained within the dynamic of the WAEMU countries with 2.7%. In effect, in the case of the WAEMU, it was especially in 2012 that the people suffered most from the effects of drought in the form of extreme hunger and malnutrition. Food prices could also rise with the new harvest which will not fail to affect them, in particular the most vulnerable groups. Lastly, a deceleration of inflationary pressures has been observed owing to efforts made by Member ~~states~~ to combat the high cost of living and the lower prices for fuel in certain countries. The inflation rate stood at the year-on-year rate of 1.5% at the end of June compared with 2.5% at the end of March 2012. The inflation rate ended up at 2.3% on average for 2012, in spite of an exceptional situation in Mali where the rate is around 5.7%. The emergence of inflationary pressures has been observed in all of the countries outside the FCFA zone, notably in those that recorded good performances in terms of growth and in particular the pilot countries which are Nigeria and Ghana. Cape Verde and Gambia have been the most successful in this category of countries in bringing inflation under control. The inflation rate in all of the ECOWAS countries can be set at 9.2% in 2012, or only slightly better than in 2011.



Graph 4

Sources: UEMOA countries, and other WAMA countries convergences reports 2012.

1.3.3 Public finances and public debt

The ECOWAS countries recorded an overall budget deficit of 3.2% of GDP in 2011, on average, which all the same, represents an improvement compared with the deficit of 4.7% of GDP in 2010. Deficits for 2011 are explained by the maintenance of public investments by countries and high salary and wage bills, in a context of declining fiscal revenues attributed to the global crisis. For the WAEMU, the overall budget deficit, excluding grants, widened in 2011, growing from an estimated 5.5% of GDP in 2010 to 7.9% of GDP in 2011, due in particular to the Ivorian crisis, whereas in 2011, the deficit, including grants, had widened only slightly from 3.2% of GDP in 2010 to 3.8% of GDP. It is estimated that the average public debt stabilized at 40.2% of GDP in 2011. Most countries did not comply with the primordial criteria for budget deficits in 2011. In contrast, progress was made concerning the criteria for public debt owing to the debt relief granted to Togo and Guinea-Bissau under the HIPC Initiative and the MDRI. In general, the public debt level for all of the ECOWAS countries is significant at 12.2% of GDP, owing to the share of Nigeria, where the volume of external debt for this country was only 2.4% of GDP in 2011. For all of the other countries, the proportion of their external debts is well over 20% of GDP, with Liberia, which has the lowest share, at 22% of GDP. For 2011, countries that have the heaviest public debts are Cape Verde, with 74.6% of GDP, Guinea, with 64.1% of GDP and Côte d'Ivoire, with 64.0% of GDP.

In 2012, for all of the ECOWAS countries, budget balances, including grants, were negative, which shows the impact, even though carefully contained, in a good number of countries, of the global crisis on the economies of West Africa. Cape Verde has suffered the most since 2009 and its public finances continue to deteriorate, with a deficit budget balance including grants that went from 6.8% to 7% in 2012. This situation can be attributed mostly to lower transfers without counterparts, to the large public works undertaken in the country and especially to the weight of its foreign debt. The countries which are the most exposed to the international environment have suffered more from the deterioration of their public finances. These are Nigeria with a slight deficit of 0.4%, following a surplus in 2011, Ghana with 5.6% and Senegal with 6.6%; only Côte d'Ivoire was able to reduce its deficit which went from 5.7% to 3.7%. Within the ECOWAS, the reduction in the deficit remained low in 2012 compared with 2011. The overall deficit of the ECOWAS zone, including grants, declined, going from 2.0% of GDP during the first half of 2011 to 1.1% at the same period in 2012, reflecting a reduction in the deficits of Member countries except for Ghana, Guinea-Bissau, Mali, Senegal and Cape Verde. Deficits at the end of 2012 were 2.5% compared with 3.2% in 2011. The deficit within the WAEMU was greater in 2012 as a result of the sizable rise in expenditures relating notably to the catch-up effect in Côte d'Ivoire and the ambition of Member ~~states~~ to maintain the trend to higher public expenditure on infrastructures, according to the most recent WAEMU convergence report. The worsening of the overall deficit, excluding grants, was less serious than expected, with 5.8% of GDP and the overall deficit emerged at 3.8% compared with 7.9% and 3.6%, respectively, in 2011. Budget revenues represent 18.7% of GDP compared with 16.7% in 2011, or a rate of fiscal pressure of 16.6% compared with 15.2% in 2011. Total expenditures and net loans represent 26.0% of GDP essentially under the effect of the expected increase in capital expenditures of 42.3%

Concerning foreign debts within the ECOWAS, the major point is the debt relief that Guinea and Côte d'Ivoire benefited from under the HIPC Initiative and the MDRI. The granting of complete debt relief (HIPC Initiative, MDRI and additional bilateral assistance for the completion point) to Guinea was reflected by a drop of 70% on the annual foreign debt servicing for the period of 2012 to 2021. For Côte d'Ivoire, the ratio of present value of debt/revenues went from 336.8% in 2011 to 99.6% in 2012. With the exception of Cape Verde and Gambia where the public debt-to-GDP ratios were 86.7% and 73.4% respectively (IMF), all the other countries of the sub-region are below the standard of 70% set by the convergence criteria. The outstanding foreign debt in the ECOWAS was around 9.3% of GDP in 2012 compared with 12.2% in 2011. For the WAEMU countries in 2011, the outstanding public debt represented 40.2% of GDP compared with 42.9% at the end of December 2010. In 2012, this ratio was 33.1% of GDP, benefiting from the impact of the HIPC Initiative and the MDRI for Côte d'Ivoire. Foreign public debt servicing of the Union represented 13.3% of budget revenues in 2011 compared with 14.6% in 2010. This ratio was 12.3% in 2012.

1.3.4 Monetary policy

In the ECOWAS countries, the broad money supply emerged at an average of nearly 35% of GDP in 2011 compared with nearly 33% in 2010, according to IMF statistics. Cape Verde with 75.3% and Gambia with 51.5% are the only countries where it represents over half of GDP. Several countries have made the effort to bring its expansion under control with a view to better containing inflationary surges. The exceptions are among the countries that are rich in mining and petroleum resources such as Nigeria (15.4% in 2011 compared with 6.9% in 2010), Ghana which experienced the greatest expansion in the sub-region (32.5% in 2011 compared with 37.5% in 2012), Sierra Leone (22.6% in 2011 compared with 28.5% in 2010) and Liberia (32.7% in 2011 compared with 33.5% in 2010) where monetary expansion has been particularly strong. Since 2010, the effort to restrict the expansion of the money supply has continued. Niger, within the WAEMU and Guinea-Bissau to a lesser extent experienced a strong expansion before seeing a certain deceleration. The money supply of the Union went from 16.2% of GDP in 2010 to 10.3% in 2011. The monetary policy in the Union faced enormous difficulties in 2011. The BCEAO had to manage the impact of the Ivorian crisis on the banking system, as the Ivorian banks were closed for several weeks. With the rise in inflation in this context, the BCEAO maintained its key interest rate at 4.25% while proceeding with massive injections of liquidity. In addition, it coordinated with the Ivorian authorities the postponement (and, ultimately, the restructuring) of the country's debt. These measures prevented the crisis from spilling over on other countries. Money supply has continued to increase, at the year-on-year rate of 13% in September 2011 owing to the marked increase in credit for the economy and for the State. In general, within the ECOWAS, credit to the private sector remained solid except in Nigeria (with 3%), in Côte d'Ivoire (with 0.1%) and in Benin (-3.0%).

For 2012, a deceleration, even moderate growth, characterized the evolution of monetary policies within the ECOWAS. Countries where expansion remained high in 2012 were limited to Ghana (34.5%), Niger (19.6%), Sierra Leone (20.4%) and Côte d'Ivoire (15.4%). These are countries that have benefited from mining revenues and from the recovery of the Ivorian economy. However, in an effort to bring money supply under control, if Sierra Leone lowered its key interest rate, Nigeria, Gambia, Liberia and Guinea maintained their key rates at the same levels. In contrast, Ghana and Cape Verde, with the aim of containing inflation and stabilizing or defending their exchange rates, adopted a more restrictive policy by raising their key interest rates. In the WAEMU, the money supply remained stable at 10.2% compared with 10.3% in 2011. On the money market of the WAEMU zone the decline by 25 basis points in the key interest rates of the BCEAO, in June 2012, had repercussions on the money market rates. Thus, the interest rates declined. Also observed was a relaxation in the interest rates for Treasury bonds, pushing the BCEAO to maintain its key interest rates. The minimum bid rate for injections of liquidity and the minimum interest rate for the marginal loan window remain at 3.00% and 4.00%. Le coefficient for marginal reserves applicable to banks has been held at the level of 5% in effect since March 2012. Consequently, the monetary situation was characterized in 2012 by an increase in the money supply following the increase in domestic credit. The net foreign assets of monetary institutions, for their part, recorded a decrease. The interventions of the Central Bank showed a rising trend during this period. In relation to the evolution of its counterparts, the money supply recorded an increase of 8.3% to settle at 14 810.6 billion at the end of December 2012. This increase in overall liquidity is carried by the increase in deposits and in currency in circulation of 949.1 billion and 303.4 milliards, respectively, according to the most recent report on the Supervision of the WAEMU. In the ECOWAS, the money supply increased by 11.7% during the first half of 2012 compared with 14.7% during the same period of 2011 and 15.4% during the second half of 2011.

Box 1: WAEMU financial market

According to the available indicators of financial solidity, the banking system is healthy on the whole. In their evaluation, the authorities indicated that at the end of 2010, the WAEMU banks were well capitalized on average, with a ratio of equity capital weighted according to risk exposure of 13%. Non-performing loans were high (17%) and reflected to a certain extent chronic problems and the reluctance of banks to reduce the value of their assets for fear of holding back the possibilities for recovery. Nevertheless, the provisioning rate was quite high (65%).

The mission undertook stress tests to obtain a more detailed view of vulnerabilities. These tests used the most recent data available for each bank in each of the WAEMU countries, as communicated by the authorities.

The degree of detail and the quality of data vary considerably from one country to another, which limited the capacity of the IMF services to carry out certain tests and to analyze certain results. For example, to examine the role of the State in the banking sector or to evaluate the influence of foreign banks, it would have been useful to have information on the shareholders of the banks in all of the countries. Similarly, it would have been useful to assess the macroeconomic risks resulting from the high exposure of banks to government administration. Gaps in bank statistics also had to be taken into consideration in the interpretation of results. Nevertheless, the exercise produced useful results and the services appreciated the willingness of the BCEAO to share information and to develop expertise in this area.

The stress tests showed that the banking system is especially vulnerable to credit risks. This is due to the fact that the banks deal mainly in loans (at fixed rates) to the

State and to the private sector. Six shocks were tested in three broad categories of credit risks. In the most unfavorable scenario, the cost of recapitalization necessary to comply with the minimum level of equity capital remained limited (at the most 1.5% of GDP in Senegal). This reflects to a large extent the small size of the banking sector (and more generally, of financial intermediation) in the WAEMU.

Source: IMF Country Reports No. 12/59 on the WAEMU, March 2012.

1.3.5 Foreign trade

Exports of goods and services from the ECOWAS zone represented on average 34% of the overall GDP of the sub-region in 2011 or almost the same as in 2010. Most of the products exported concern un-processed raw materials with petroleum products at the top followed by various other mining products. According to the statistics of the UNCTAD for 2010, the volume of trade within the ECOWAS remains low, on average 10% of total trade. The main clients remain the traditional trade partners which are the United States (27.6%) and the countries of the euro zone (23.1%). Emerging countries such as India (9.5%), Brazil (5.3%) and South Africa (3.0%) are starting to play an important role in trade with the ECOWAS countries. Imports of goods and services were on average about 37% of GDP in 2011 compared with nearly 33% in 2010. The dominant products are equipment, intermediate consumer products and food commodities. The main sources of supply are the euro zone (28.1%), China (12.1%), the United States (6.3%), South Africa (4.0%) and India (3.4%). The trade balance stood at almost equilibrium owing to Nigeria, while Ghana recorded a high deficit of almost 8.5% on average for the period, the same as all the WAEMU countries.

In effect, the current deficit within the WAEMU has climbed to 5.7% of GDP in 2011 (compared with about 5% in 2010), owing to lower migrant remittances, to the extra imports by the mining sectors of Burkina Faso and Niger and to the high prices of food commodities and petroleum products. The surplus of the capital and financial accounts was lower in 2011, going from 2 336.5 billion in 2010 to 1 048.5 billion. This situation is explained essentially by a large net outflow of other private capital in the form of loans granted to non-resident entities and of the constitution of deposits in foreign countries by exporting enterprises. Taking into consideration the evolution of non-distributed assets, related notably to movements on the operations account, and to certain adjustments, the overall balance of payments of the Union emerged with a surplus of 195.4 billion compared with 139.5 billion in 2010. In all of the countries of the Union in 2011, except in Benin, Mali and Niger, there was a surplus in the balance of payments.

For 2012, the profile of trade has varied little by comparison with 2011. Within the Community, the current account balance was 0.8% in 2012, owing to the implementation of the economic re-launching programme in Côte d'Ivoire, the lower surplus of Nigeria and the deterioration of the balance of trade related to the rise in imports of petroleum products and equipment induced by the implementation of several programmes of public investment and the increased need for food commodities. Exports of goods and services represented nearly 36% on average, a slight improvement whereas imports of goods and services increased by the same proportion owing to the needs of the Ghanaian and Ivorian economies.

For the countries of the WAEMU, the profile of foreign trade has hardly improved and the balance of trade had a deficit of 630.7 billion after a surplus of 395.1 billion in 2011. For this reason, the current account deficit, excluding grants, will exacerbate to emerge at 3 038.4 billion. However, the surplus of the capital and financial accounts should increase to 2 450.3 billion, in relation to the improvement in the balance of the capital account, of which the effects will be mitigated by the deterioration in the financial account. The increase in the flows of foreign capital will nevertheless be mitigated by the reduction in foreign direct investment, in relation notably to the construction of a refinery and a pipeline over 400 km long in Niger. Other net capital will also experience deterioration, in relation principally with the normalization of the situation in Côte d'Ivoire. Also, for 2012, the overall final balance of payments of the Member ~~states~~ of the WAEMU should emerge with a deficit of 168.3 billion compared with a surplus of 397.3 billion in 2011. Within the Union, the overall balance was a surplus of 1.1% of GDP during 2012 compared with 0.6% in 2011, which means a positive variation in the reserves of the community following an improvement in the capital and financial account, benefiting from a sharp increase in foreign direct investments, owing notably to inflows for foreign capital in the mining and petroleum sectors, as well as that of telecommunications and the large public drawings, in line with the normalization of relations between certain States and the international financial community.

Box 2: Trade balance of the WAEMU in the third quarter of 2012

Exports of WAEMU countries which emerged at 6. 1% during the second quarter were recorded at only 1.8% during the third quarter. For the second quarter, the evolution resulted from the increase in the volume of sales of gold (+39.7%), cashew nuts (+34.3%), coffee (+10.8%), cotton (+0.5%), petroleum products (+4.3%) and uranium (+3.0%), mitigated by the general fall in prices of the main export products, except for coffee (+7.0%). The most pronounced decreases in prices were observed for cotton (-12.9%), petroleum (-7.2%), rubber (-5.2%) and gold (-2.6%). The low increase in exports in the third quarter results from the simultaneous rise in prices (5.2%) of gold and in the volume (9.3%), exports of petroleum (10.5%) and prices for cocoa (11, 9%). In contrast, the fall in prices for cashew nuts, (14.5%) rubber (11.4%) and cotton (5.3%) has eroded export revenues. Imports also increased in the second quarter by 6.6% under the effect of the increase in volume (+9.6%), moderated by the decrease in prices for the main imported products. During the third quarter, they increased further by 7.5% under the combined effect of the volume and the value of the main imported products. For this period, food commodities experienced an increase of 7.1% while a decrease in the prices of the main food imports was observed except for coffee and rice, the prices of which showed increases in FCFA of 7.0% and 5.9% respectively during the second quarter.
Compared with the same quarter of the previous year, the trade balance of the WAEMU showed a deterioration of 104.1 billion FCFA. The high increase in imports (7.5%) is due to, on one hand, the resumption of activity in Côte d'Ivoire, which stimulated the demand for petroleum products and equipment and, on the other hand, the food crisis in the Sahelian countries, which induced an increase in the needs for supplies from foreign countries of consumer goods. The good performance of the Ivorian economy also explains the rise in exports (5.0%) with the recovery of the coffee industry in addition to the production of cotton and cashew nuts in Mali and Benin. Petroleum prices also contributed to increasing export revenues.

The rate of import cover deteriorated, falling from 92.1% at the end of June 2012 to 87.1% at the end of September, in the WAEMU, compared with 89.5% at the end of September 2011. As a share of GDP, the deficit of the current account, excluding grants, emerged at 4.1% in 2012 compared with 3.1% in 2011.

Source: WAEMU Monetary Policy, BCEAO, December, 2012.

In 2012, with the exception of Nigeria which had a positive foreign trade balance of almost 3.5% according to the IMF, all the other countries are lagging behind with negative balances. These negative balances are very significant for countries such as Liberia (-55.8%), Sierra Leone (-13.1%), Niger (-26..3%), Gambia (-15.9%) and Cape Verde (-11.9%).

1.3.6 Outlook for ECOWAS countries in 2013

The important gain for the countries of the sub-region in complying with convergence criteria in order to better stabilize their exchange rates and achieve a monetary union remains to be underlined. The adoption of the common WAEMU/ECOWAS Regional Poverty Reduction Strategy Paper for West Africa reinforces the coordination of their policy. This document constitutes a strategic framework of reference, in order to structure and improve the combination of regional development programmes with national programmes. According to the officials of the two RECs, this makes it possible for Member ~~states~~ to have an overall view of regional programmes, in order to integrate them in their national strategies.

This favorable context explains the formulation in all of the countries of medium-term national development programmes organized around sub-regional objectives. All these programmes place the emphasis on strengthening gains in terms of macroeconomic management, notably for accelerated inclusive growth that will generate decent jobs but which is compatible with price stability. For the ECOWAS region, the expected growth rate is 7%, driven especially by the petroleum and mining sectors following the massive investments that have been dedicated to them and to the still extensive recovery required for post-conflict countries such as Côte d'Ivoire. The secondary sector will continue its high growth owing to large investments in physical and social infrastructures and the continuation of efforts to rehabilitate the energy sector but also with the continued expansion of agro-food industries benefiting from increased solvent demand. In effect, the primary sector as a whole recorded strong growth owing to pro-active policies adopted by all Governments to ensure the food security of countries of the sub-region and the sub-regional interventions of the WAEMU and the ECOWAS. The tertiary sector should benefit from the expansion of other sectors and also from the potential for the growth of the telecommunications sector. A better coordination of monetary and financial policies could also boost the financial and insurance sector. Projections for 2013, established by the BCEAO, anticipate for the WAEMU an increase in GDP on the order of 6.5% owing to the net increase in overall demand benefiting from the regain of dynamism in investments and in household consumption. The commitment of the States of the Union to strengthening reforms underway in order to benefit from the potential is the main factor for this.

The increase in investments in infrastructures and in the energy sector will raise the investment rate from 22.7% in 2012 to 24.9% in 2014, according to the BCEAO.

All of the countries will attempt to strengthen their control of inflation in order to conform to the convergence criteria in this area. The rate of inflation in the WAEMU should be lower than the standard of 3%.

For quality growth, rigorous management of public finances will guide all budget policies which will put the emphasis on the internal mobilization of domestic resources and the rationalization of public expenditures. Regarding budget resources, while raising fiscal pressure to over 20% of GDP, countries that are still heavily in debt should make the commitment to reduce the weight of their external debt. All of the countries should limit their domestic debts in order to reduce the effect of evicting the private sector from access to credit. In the WAEMU countries, deficits are expected to decrease with a volume of budget revenues representing 18.8% of GDP, as the result of continuing efforts at repayment, with grants increasing to 3.2% of GDP and total expenditures and more selective net loans assessed at 24.6% of GDP. Also, the major part of the increase in expenditures will be carried by capital expenditures, progressing to 10.2%. The overall deficit of the zone, excluding grants, and the overall deficit will be reduced to 5.8% and 2.6%, respectively.

In the ECOWAS zone, monetary policies will be clearly restrictive to better contain inflationary pressures, especially in countries outside the WAEMU. The key interest rates will remain unchanged for most countries, as well as the rates for obligatory reserves. For the WAEMU countries, the BCEAO shows for 2013, under the assumption of an unchanged orientation in monetary policy, an expansion of 10.3% in the money supply. This growth in the money supply will be attributable mainly to the 12.9% increase in outstanding domestic credit. The evolution of domestic credit results from the continued vigor of credit flows to the economy (13.3%) and from the deterioration of the net liability position of governments (308.1 billion). Nevertheless, the net foreign assets of the Union should experience an increase of 187.1 billion (WAEMU Convergence Reports, Dec 2012).

Lastly, all of the countries will aim to consolidate their external reserves by reinforcing the current account balances and the capital and financial accounts. In the WAEMU countries, the prospects for the evolution of foreign trade in 2013 aim at containing the deterioration of the current account and at making an effort to mobilize the flows of external financing. The external balance, grants included, is expected to be in a balanced position.

The economic outlook for the ECOWAS countries is positive in spite of two important risk factors. These are the effect of the global crisis with the foreseeable slowdown of the economies of developed countries which are having difficulty in finding sustainable solutions for the weight of their public debt. On one hand, there is the United States with still serious uncertainties as to the capacity of the American authorities to agree on a viable strategy for getting out of debt and on the other hand, there is the slow deterioration of the economies of the euro zone of which the driver country, Germany, is beginning to see its growth lose speed while the prospects for countries of the periphery still remain of concern. In terms of trade, the region is still very vulnerable to Europe, even if this vulnerability has diminished. Trade, migrants' remittances, foreign direct investment and the terms of trade are the main channels of transmission towards the ECOWAS countries. A net decrease in assistance from traditional donors is possible. The financial sector is based essentially on domestic resources, while their direct exposure to Europe is limited except for certain countries such as Nigeria, Ghana and Côte d'Ivoire.

Within the Community, the occupation of the North of Mali and the constitutional crisis in Guinea-Bissau, and also security issues in other countries of the Sahel, Nigeria and Ivory Coast constitute real sources of concern owing to the impact on people and on public deficits. Certainly, the end of the presidential elections in several countries without too many disturbances constitutes a real reason for relief. In effect, a major risk for the ECOWAS space is the security situation, the deterioration of which could call into question the resumption of private investments, in the wake of the re-launching of public investments. In effect, the potential risks which will affect the outlook for growth are linked to factors that are as much internal as external. They relate notably to:

- a possible reduction in external public and private capital inflows;

- an exacerbation of insecurity within certain economic poles of the Community in general;
- a persistence of the socio-political crisis in Mali and Guinea-Bissau and problems in Guinea and Togo which would significantly affect the economies of these countries and would have important collateral effects on other States in the sub-region;
- a poor harvest after the 2012-2013 growing season which would have – a negative impact and would aggravate food insecurity;
- a new deterioration in the international economic situation.

For the whole of the ECOWAS, the prospects for economic recovery are clear but their achievement assumes the imperious necessity to consolidate the current climate of peace and security in the sub-region and to accelerate the rhythm of implementation of agricultural policies with a view to sustainably guaranteeing food security. The 2012/2013 growing season went well on the whole throughout the Community, rainfall was abundant and evenly distributed in most regions. An increase in areas under cultivation was observed. Sowing was effective and the development of crops seems to be normal, even if there is high variation in the phenological stages among the regions. Regarding the phyto-sanitary situation, the risk of a locust plague along the southern borders of Algeria and Libya has been brought well under control owing to treatments carried out. Local attacks of locusts in certain regions have had a low impact on crops.

Other sources of uncertainty for the macroeconomic environment are the insecurity and socio-political risks in the region, as well as the impact of drought in the Sahel. To mitigate the security risks, it is necessary to integrate the threats they bring into conflict-prevention strategies, conflict analysis, evaluation and planning of missions and support for the consolidation of peace. Coordinated support for governments of West Africa and the Sahelian region by regional organizations and more broadly, by the international community is necessary in order to consolidate and support the capacities required in the areas of sharing information, conflict prevention, surveys, application of the law and surveillance of borders. In view of the economic context of these countries, parallel strategies to deal with the challenges of poverty, insecurity and under-development to be implemented are urgent.

1.4 Social sector: the case of employment

In spite of a long period of growth, resulting in an improvement in per capita incomes, the social situation remains precarious in West Africa. Improvements appear in only a few countries and inequalities still remain high. Commitments made in terms of creating decent jobs, at the regional, sub-regional and national levels, have had no effect. Pro-active programmes have been set up but without sufficient means to ensure their sustainability in addition to efforts to mobilize investments for high growth to generate jobs. This part of the chapter attempts to draw up an overview of the labor market in West Africa.

1.4.1 The situation of the labor market

The study by the UNDP/ILO on “Employment and development policies in Africa” provides valuable indications on employment in Africa. The chapter on “Employment trends in Africa: challenges and issues” notes that young people aged 15 to 24 years represent over 20% of the population. In spite of the demographic transition underway, fertility levels remain high. Consequently, demographic growth remains high, along with the growth rate of the active population. Even though African countries in general and the countries of West Africa in particular have revived high growth levels, sometimes twice as high as demographic growth, levels of employment and poverty continue to be of concern. The unemployment rate is estimated at between 10% and 20%. Even for people who have an occupation, levels of insecurity remain high. For the International Labor Organization (ILO), the proportion of people who have vulnerable jobs, already over 73% in 2009 (UNDP), may not decline before 2015. Finding a job is a major challenge and a decent job is even more hypothetical. The rhythm of job creation is lower than the increase in the active population, which adds to the volume of unemployed labor.

The main victims are young people and women. For young people, difficulties in finding a job are at the root of criminal practices and they swell the flows of migrants heading increasingly towards developed countries. Concerning women, the challenges remain high especially owing to the difficult implementation of the principle of equality and job security between men and women on the continent. Sub-Saharan Africa, according to the UNDP report on employment, has the highest net rate of activity among women at 67. 1% after East Asia. This situation is explained especially by the high rate of poverty among women. This rate of activity is nevertheless declining, going from 64.1% in 1997 to 62.6% in 2007 owing to the rise in the rate of schooling. As indicated in several reports of the ECA/SRO-WA concerning the MDGs, they work mostly in the agricultural sector with nearly 80% in subsistence agriculture. Women are increasingly beginning to work in the non-agricultural sector but without much of an improvement in their living conditions. In Burkina Faso, the report states that 67.5% of women, compared with 28.3% of men, who work in the non-agricultural sector earn less than the minimum salary.

In almost all of the countries, the legislation has been greatly relaxed. Flexibility has been generalized, but unemployment remains high. Employability is also a problem in view of the poor quality of technical and professional training in the educational systems of countries. The adequate match between training and employment remains an issue in all the countries of West Africa in spite of the good intentions shown by the authorities.

Even though the priority has been placed on the volume of employment, the productivity of labor is also a major challenge. The growth in productivity cannot accompany illiteracy which is still prevalent in Africa in general and in West Africa in particular. The overall rate of schooling as it emerges from the calculation of the HDI is very low. Only Cape Verde (84.8%), Ghana (66.6%) and Nigeria (60.8%), according to the data of the Human Development Report of 2011, have schooling rates of over 60%. In addition, technical and professional training is the poor relative of the public educational system. It is with the private sector that this type of training has begun to expand. African labor is thus poorly qualified.

The labor market benefits from an excellent stabilizer which is the informal sector. It covers the economy called "popular" but also that of powerful traders in terms of commercial turnover with a strong aversion to the formal sector as a result of its administrative harassments or because of them, who have never wanted to formalize their businesses. This market is characterized by a total freedom from the governing regulations, being simple what is agreed between two parties. Owing to the failures of public authorities to structure this sector, attempts to fiscalize it are carried out in the framework of efforts to mobilize public revenues. The agricultural sector is the primary employer, but as a result of its low profitability, the rural populations, through migration, are swelling the ranks of urban labor.

The nagging issue of social protection is as critical as unemployment. During these last few years, attempts to enlarge social coverage have been carried out but the situation still has far to go.

1.4.1.1 Quality of public policies

As indicated in the different reports of the ECA/SRO-WA, during the decade of 2000, West Africa has become a region with a high rate of growth without generating jobs. This situation leads us to question the quality of growth, but above all the impact of the poverty reduction strategy papers which have become the fashion with the process of debt reduction for the economies of the sub-region. It should be noted that the process of cancelling the foreign debt coincided with a period where the economic geography was modified notably in favor of Asia, bringing about a high demand for raw materials. The strengthening of domestic demand owing to the development of social investments, notably in favor of attaining the MDGs and the strong dynamic of global trade fuelled by emerging and developing countries have made it possible for Africa in general and West Africa in particular to achieve good economic performances.

In spite of a global consensus to combat poverty, the execution of the Poverty Reduction Strategies comes up against the framework of macroeconomic stability recommending balanced public finances and external payments and moderate inflation in general. The achievement of the MDGs in 2015 requires, according to all the hypotheses and methodologies of evaluation, notably those of the Millennium Project of Professor Jeffrey Sachs, a sizable requirement for resources. Macroeconomic rigor led to limiting the mobilization of resources even if the capacities for absorption existed. The PRSPs had no precise objectives in terms of job creation. This limitation in financial margins affected above all the employment sector, by considerably reducing the active employment policy as it had become difficult to increase or to renew resources. The central services of the Government responsible for employment, beginning with the Ministry and the directorates, were the most affected. The content in terms of employment of public investment programmes was rarely explicit. The ministries responsible for employment thus did not have the means to implement their strategy and did not even have a reliable system of information to gain a good understanding of their labor market or to conduct efficient monitoring and evaluation of their policy.

To these budgetary constraints can be added monetary policies that are even less sensitive to job creation. For example, since the liberation of the financial sector in 1989, the BCEAO opted for an indirect monetary policy based on interest rates, obligatory reserves and the open market alongside a prudential system applicable to financial establishments. According to Adama Zerbo (UNDP/ILO), if the Bank has succeeded in guaranteeing monetary stability regarding the evolution of the inflation rate, it has not made possible adequate financing capable of densifying the economy. Its policy favored the compartmentalizing of the credit market, thus considerably limiting the positive effects of an expansionist monetary policy in terms of financing. To this should be added the absence of a flexible exchange rate that deprives the WAEMU zone of a mechanism for discreet competitive devaluations that would make it possible to maintain its presence on the global market. The situation is hardly different in the ECOWAS countries outside the franc zone. The Bank of Ghana, for example, in concentrating on controlling inflation to ensure a viable macroeconomic framework for the economy has also contributed to drying up the resources available for financing the economy. In effect, its contribution to complying with the agreements concluded with the IMF led to limiting financing granted to the State, to increasing its external reserves and bringing inflation down to less than 5%, without significant support for the economy (UNDP/ILO).

Added to this is the fact that the reforms necessary to attract private foreign investment are still below the expectations of the private sector. In effect, even though all of the countries have an explicit policy of improving the business climate, they are all far from the ranking in the World Bank's "Doing Business". Foreign investments that are mobilized go mostly into mining or petroleum operations.

Another important aspect is the distribution of the benefits of growth. The increase in per capita revenue should expand the solvency of domestic demand and thus make the local market more propitious for productive investment that can generate jobs. The observation is that the growth in GDP was not accompanied by a significant decrease in poverty. According to the estimations made by Joël Luc Grégoireand Dramane, (UNDP/ILO) on the basis of surveys made in thirty African countries; the percentage of poor workers living on 1 USD per day in Africa was 46.2% in 2007, the highest rate in the world, followed by South Asia with 33%. Niger with 63% is the West African country that is the most affected at a time when the average in sub-Saharan Africa was 53% in 2007.

Several countries have founded their PRSPs not only on the hope of relieving the weight of their debt but also and especially to reduce poverty. A participative process seems to have guided the framework for the development of strategies for national appropriation and tools have been developed in order to promote results-based management by aligning the budgetary programming of public finances with their objectives. In spite of everything, the edification of an economy that generates jobs remains a major challenge. In parallel and to compensate for the failure of growth to generate jobs, several examples of active policies with more or less sustainable programmes have been experimented with here and there.

Box 3: Case of Senegal

The Senegalese population is characterized by its youth. In 2012, young people aged 0 to 14 years represent the majority of the Senegalese population whereas the proportion of old people is less than 10%. The active population aged 15 years and over has increased from 5 678 497 to 7 299 215 between 2002 and 2010, or an annual average of 202 000 potential new job-seekers. Added to this is the fact that in the framework of the WAEMU common market, Senegal must allow freedom of movement for goods and people, which necessitates reforming the national labor market. A strategy for the 2010-2015 period was validated. It will be supported by the Guarantee Fund for Priority Investments (FONGIP) to accompany young people in planning and implementing their projects. In spite of these initiatives and measures taken to improve the situation of employment, the labor market remains faced with various constraints: (i) the lack of correlation between policies for growth and employment; (ii) the high level of unemployment, under-employment and poverty; (iii) themultiplication of structures in favor of employment without any real coordination; (iv) the lack of coordination between employment, professional training and the policy of accompaniment for self-employment; (v) the weakness of the information system to effectively monitor the labor market.

Even though employment constitutes a challenge, the extent of unemployment and the needs of the market cannot be measured with precision, owing to the lack of recent statistics and relevant information capable of guiding political orientations. As for the unemployment rate, it varies between 10% and 14% according to sources, it remains very high among young people aged 15-34 years and declines as the level of education increases. The unemployment rate for those with a primary education is 40%, compared with 7% for those with secondary school education and 2.5% for those with a higher education. Nearly 23% of workers are in a situation of invisible under-employment; they earn insufficient revenues from their activities, leading them to search actively to increase them to satisfy their needs. The rate of under-employment is estimated at 15.2% by the National Agency for Statistics and Demography in 2010.

According to the ESPS-II, the rate of activity went from 50.7% in 2005 to 59.4% in 2011 at the national level compared with 50.9% to 66.4% in 2009. The rate of participation of the active population[1] is high with 74.2% in 2008 and 76% in 2009. The levels of unemployment and of under-employment limit the contribution of human resources to growth. Emigration has a negative impact on the rate of participation, which is low since 2000 owing to a high number of competent adults trained by the educational system who leave the country to seek employment.

Concerning the productivity of employment, it remains low; it went from 2.5 in 2005 to 0.60 and 0.2, in 2006 and 2008[2] respectively. This weakness is due notably to the following factors: (i) the structure of the economy and the large size of the informal sector, (ii) the poor state of health of the active population, (iii) the low level of education, qualifications and skills of human resources, and (iv) the poor functioning of the labor market. The vigorous productivity of the informal sector has left its mark by occupying about 94% of the active population. Nevertheless, it expanded at one-third of the speed of the formal sector.

Source: ECA/SRO-WA, 2012, Economic Report on Senegal, December 2012.

1.4.1.2 Programmes and projects

The countries of the ECOWAS, at the end of the Conference of Ouagadougou in 2002 on the creation of productive jobs and poverty reduction, sought to strengthen their job-creation systems especially for young people. This evolution also formed part of the framework of the Social Development Summit of Copenhagen in 1995. Also several initiatives took place in West Africa and were reported in the UNDP/ILO report in the chapter on constraints and limitations of employment policies in sub-Saharan Africa. These are, for example, the national employment policy of Burkina Faso, the national employment plan

1. The proportion of the population aged 15 years and over which is economically active.
2. RNCS-2011

(PNE) of Côte d'Ivoire, the national policy of employment promotion (PNPE) of Guinea, the national employment policy (PNE) of Mali, the national action plan for the employment of young people (PANEJ) of Senegal, etc. The pro-active job creation strategies adopted were based essentially on labor-intensive projects, the promotion of micro-finance, the strengthening of the system of professional training, trades qualifications and the implementation of an information system.

The implementation of these strategies was founded on several tools. First there were the agencies for the promotion of employment which developed following reforms of the labor markets, marked by a strengthened flexibility in the dynamic of structural adjustment programmes. It was in this dynamic that the agencies for the execution of public interest works appeared in Benin, Burkina Faso, Guinea, Mali, Niger, Senegal and Togo. These agencies, which benefited from the support of development partners, largely developed the labor-intensive technique and encouraged the emergence of enterprises in various sectors notably in building and public works. They also made it possible to better classify enterprises according to their degree of qualification. The funds for the promotion of employment and professional training aiming at young people and women were also developed. They were created in Benin, Mali, Côte d'Ivoire, Senegal and Burkina Faso, notably. There were also the programmes and projects for the promotion of employment developed by the agencies for the promotion of employment having benefited from funds for accompaniment. The ANEJ in Senegal built 34 tool houses in order to support the efforts in favor of training and professional insertion of young unemployed tradesmen and the programme "Young Women in Business". In Côte d'Ivoire also, a programme of assistance for young people from rural areas (PIJR) and the programme of recruitment assistance (PAE) were set up with AGEPE. In spite of all these efforts, the level of unemployment, mainly among young people, remains of concern.

1.4.1.3 At the sub-regional level

The 1979 Protocol of the ECOWAS Relating to Free Movement of Persons, Residence and Establishment guarantees for nationals of Member ~~states,~~ among other rights, the right to enter, reside and exercise economic activities in the territory of Member ~~states.~~ Within the WAEMU Treaty, articles 91 and 92 grant the following: (i) the right to travel and to reside in the territory of all Member ~~states;~~ (ii) the abolition of all discrimination founded on nationality, concerning the search for and exercise of a job except for jobs in the public service; (iii) access to non-salaried activities and their exercise as well as the constitution and management of businesses in the conditions defined by the legislation of the country of establishment for their own nationals, subject to justifiable limitations for reasons of public order and security and public health.

In the case of the WAEMU, in addition to the gains of the ECOWAS, doctors and architects benefit from freedom of movement and establishment in addition to expert accountants, chartered accountants and lawyers. This right was recently extended to veterinary doctors who are nationals of WAEMU Member ~~states.~~

In spite of all these gains, there remains the need for an effort to harmonize national legislation concerning migration in the countries of the ECOWAS, notably concerning nationals of the sub-region. There remain many political, socio-economic and legal problems which prevent the implementation of the ECOWAS Protocol. Travel remains difficult owing to the exorbitant number of road barriers and roadblocks as well as the extortions of money to which travelers are victims. The consequences of these constraints are a reduction in intra-regional trade, the factor of endogenous growth and thus of job creation.

In spite of this context, the sub-regional economic communities seek to contribute to the promotion of employment in Member ~~states~~ owing to financing of their integration programmes and this in an active manner. Alain Nickels, in the UNDP/ILO report in 2012, cites the experiment with the concept of the United Generations for the Development of Enterprises and Productive Employment in Africa (GUEEPA) in the WAEMU and the ECOWAS. For the WAEMU, this is a sub-regional upgrading project that concerns the eight countries of the Union with financing from the European Union. Two other sub-regional projects for the promotion of high-quality infrastructures, including the reinforcement of laboratories, organizations of standardization and the promotion of quality systems in enterprises for the benefit of enterprises of the WAEMU and ECOWAS countries with EU financing. According to the report, the GUEEPA concept is an integrated approach for the creation of sustainable jobs which, in this case, forms part of the process of upgrading of enterprises to increase their productivity while encouraging the recruitment of young unemployed graduates. In the case of the WAEMU, it should be noted the creation within this zone of the Regional Solidarity Bank (RSB), the aim of which is to facilitate access to credit with branches specialized in micro-credit, thus opening up promising prospects for SMEs and micro-enterprises. The performances of this network remain to be measured against their objectives.

1.5 Conclusion and recommendations

The economies of West Africa, in spite of the deleterious international situation, have continued to perform well. This performance results from the improvement in macroeconomic management and the still favorable global demand for natural resources. This evolution still remains fragile because the bases of strong and sustainable growth remain to be consolidated. Similarly, in the area of enlarging the domestic market, constraints persist as is attested by the report on convergence by the WAMA from the first half of 2012.

In the area of compliance for the convergence criteria things are hardly moving. For the first quarter of 2012, in comparison with the same period in 2011, the observations of the WAMA are:

– first-level criteria: eight (8) countries complied with the standard relating to the budget deficit, or one less than during the first half of 2011; nine (9) countries complied with the standard relating to the level of foreign exchange reserves: a stability of performance with regards to inflation, due to the results of actions carried out by the monetary, and sometimes budgetary, authorities and to the financing of the budget deficit by the Central Bank with seven (7) and fourteen (14) countries, respectively, having complied with this standard.
– second-level criteria: compliance with criteria relating to the mobilization of fiscal revenues and the structure of public expenditures continue to pose problems with two (2) countries having complied with the standard relating to the rate of tax pressure or exactly the same number as during the first half of 2011 and five (5) countries having complied with

the standard relating to investments of their own resources as was the case during the same period of the preceding year, even if an improvement has been noted with regards to compliance with criteria relating to the salaries and wage bills and the real interest rate with two additional countries while two other countries missed the target concerning the criteria linked to the stability of the exchange rate.

In terms of the harmonization of policies, the WAMA noted important advances in the areas of monetary policy, legislation and supervision of banks and other financial institutions, accounting and reporting frameworks of banks and financial institutions, statistics on the balance of payments and the development of payment systems. Efforts remain to be made in the framework of the preparation of the conditions of the inter-connection of payment systems, the liberalization of the capital account and the harmonization of statistics.

From the point of view of the labor market, the major constraint is above all related to the poor structural transformation of economies. The development strategies set up to date accord little importance to the processing of natural resources and the technologies used are most often capital-intensive. The labor which provides support is generally highly qualified and not available in these countries. Also, a large part of the export revenues are found in transfers in the balance of services. The primary sector, which could have played an essential role in restructuring our economies, has served more to finance the cities than to build a more dynamic rural economy capable of continuous improvement of living conditions in the rural areas. Another major constraint that has been recognized is the low employability of available labor owing to the high rate of illiteracy. Moreover, training is not coherent with the needs of the private sector whether it is local or foreign. There is also a poor knowledge of the current status of unemployment because the employment services and those in charge of collecting statistics still have difficulties in gathering better information on the situation of employment in several countries.

Regarding the effort to create employment in countries, pro-active strategies for poverty reduction and decent work have certainly been developed, but the sustainability of the mechanisms set up still constitutes a challenge. Except for Ghana, the countries of West Africa still have difficulty in progressing rapidly in the promotion of human capital. The nagging issue is raised of development strategies oriented towards the sectors of intervention of the majority of populations, such as agriculture and the informal sector.

Thus as a whole, in spite of the uncertainties at the global level, the economies of West African countries are doing well. Efforts should be continued especially in the area of good economic governance by strengthening inclusive growth capable of profoundly changing production structures. A break is necessary with prospects for more equitable sharing of the fruits of growth and of combating poverty, which can favor the extension of domestic demand in a process that aims at making growth less fluctuating. It has become important to question the quality of growth in view of the low response to a social demand that is too high. Responding to this challenge is an important means for dealing with multiple social movements that may even transform into rebellion, setting up a climate of insecurity. In spite of the events in Mali and Guinea-Bissau, a positive trend is appearing in this direction.

This favorable economic development has certainly made it possible to improve public finances in all of the countries. Efforts should be pursued in the internal mobilization of resources while avoiding the renewal of costly debt strategies. The priorities granted by almost all countries to investment expenditures notably in infrastructures, energy and basic social services are to be welcomed. While adopting an external debt strategy founded on concessional loans, the same strategy is necessary internally to avoid competition with the private sector in the allocation of loans and thus disturb growth.

One of the weaknesses of the economies of Africa remains the low interdependence. The volumes of trade remain low for several reasons including the timid harmonization of macroeconomic policies in the sub-region. Even within the WAEMU, where the financial system is well integrated, and the customs union is applied in a unique currency zone, the volume of trade is lower than expectations. Compliance with convergence criteria does not really constitute a priority for States. Within the ECOWAS, no steering system exists that would make it possible at any moment to re-orient public policy choices in this direction. If the physical connectivity among States continues, the barriers to freedom of movement still remain of concern.

For better progress in the diversification and transformation of production structures, four main recommendations are proposed:

– The mobilization of **internal** budget revenues constitutes the best approach to consolidating the macroeconomic framework and avoiding the annoying consequences of poorly controlled debt. This internal generation of revenues should be accompanied by an improvement in the quality of expenditures. Ensuring the quality of public expenditures requires an optimal allocation of resources based on the yield of financing.
– The **promotion of regional integration** is also an important factor making it possible for sub-regional enterprises not only to gain in returns to scale but also to be able to better adjust to external shocks in order to better overcome them. Participating in this process requires granting priority to infrastructures, facilitating the liaison among countries while eliminating non-tariff barriers and accelerating the setting up of the ECOWAS Customs Union in order to be better prepared for the upcoming start-date for the continental free-trade zone and strengthening the interconnection of financial markets by eliminating the control of foreign exchange within the Community.
– **Human developmen**t is essential for a structural transformation of economies. Continuing social investments, notably in education, health and access to drinking water are to be greatly encouraged. Benefiting from demographic dividends requires the employability of assets, the strengthening of freedom of movement and above all the freedom of establishment for nationals of the Community. The recognition of diplomas, already in effect in the WAEMU zone, should be extended to other countries.
– The s**tructural transformation of economies** requires a strong commitment to transform natural resources locally by limiting their export in their raw state. Accordingly it is important in order to undertake a diversification of economies, to improve the inventory of available resources in order to provide themselves with a medium-term transformation. Countries must also ensure that contracts signed with mining or oil companies are win-win.

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Chapter II: Socio-economic situation of the ECOWAS countries in 2011/2012 and outlook for 2013

This part of the report aims at providing a better understanding of recent economic developments in the fifteen Member countries of the Economic Community of West African States. As indicated above, countries have strengthened their capacities in macroeconomic management in spite of a hostile international environment. Consequently, individual economic performances have greatly improved. However, the security situation makes the outlook relatively uncertain.

2.1 Benin

The real growth rate in 2011 was estimated at about 3.5% owing to the poor performance in trade and in the financial sector, partly attributable to disturbances that occurred at the Port of Cotonou. The reduction of subsidies for fuel in Nigeria has slowed growth. In 2012, the growth rate was 3.5%, as in 2011, agriculture recovered from the flooding of 2010 and port operations returned to normal. The good performance of cotton with a rise of 27.0% during the 2011-2012 growing season and the continuation of the implementation of the Strategic Plan to Revive the Agricultural Sector (PSRSA) made it possible for the primary sector to grow by 2.5%, compared with 5.7% in 2011. The secondary sector grew by 4.6% compared with 3.5% in 2011 under stimulation by activities in the manufacturing industry, building and public works and the branch “Water and energy”, a regain of activities supported by the continuation of actions that have contributed notably to the growth in the production capacities of electrical energy and the reinforcement of basic infrastructures. The tertiary sector grew by 3.8% in 2012 compared with 1.9%

in 2011, owing to the continuation of structural reforms aiming at improving production in the services sectors.

On the demand side, growth was supported principally by final consumption and gross fixed capital formation (GFCF). In effect, final consumption increased by 3.6% in 2012, compared with 2.8% in 2011 in relation essentially to the rise in household incomes. As for the GFCF, it rose by 8.2%, supported as much by private GFCF (9.4%) as public GFCF (6.7%) under the impetus of the continuation of public works for economic and social infrastructures. Lastly, the gross domestic savings rate stood at 12.0% with the overall investment rate at 20.8% in 2012 compared with 11.8% and 19.8% one year earlier.

After peaking in 2010 owing to the price increases of food commodities following flooding, **inflation** in 2011 remained lower than the convergence criteria of 3%. The reduction in fuel subsidies in Nigeria in January 2012 resulted in gas prices climbing by about 50%, an increase that was immediately and entirely reflected in Benin. Thus, the monthly inflation rate increased by 5% in January and annual average inflation was estimated at 7% in 2012.

The management of **public finances** improved in 2011. In effect, the presidential and legislative elections of 2011 favored the implementation of critical measures, including the long-awaited customs reforms, the anti-corruption law and the amendment of labor laws limiting the right to strike for essential public servants and notably for customs officers. The authorities took measures to strengthen the recovery of customs revenues and their efforts began to show improved results in December 2011. The objective in terms of priority social expenditures was not reached for lack of effective monitoring. For 2012, budgetary revenues were 18.9% of GDP compared with 17.6% in 2011 with the continuation of recovery efforts which made it possible to reduce exemptions to 13.4% at the end of June 2012. Grants represented 2.9% of GDP compared with 2.5% in 2011. Total expenditures and net borrowing represented 22.5% of GDP compared with 21.9% in 2011. Capital expenditures increased by 13.9%, as did administrative expenditures, after the increase of 25.3% in 2011. They are covered by internal resources, which have risen by 26.9% compared with 4.4% in 2011. All in all, the overall budget deficit, excluding grants, improved, declining from 4.3% of GDP in 2011 to 3.6% in 2012. As for the overall deficit, it declined from 1.8% in 2011 to 0.7% in 2012.

To contain its **debt**, the authorities adopted a new policy with which they are attempting to comply. This debt strategy is founded on prudence as it is the pillar for the mobilization of grants and concessional loans. Total outstanding public debt stood at 25.1% of GDP in 2012 compared with 26.0% in 2011.

In 2011, **credit** to the private sector increased more than had been anticipated. After a contraction on the eve of the elections, it showed only a slight increase, especially owing to the slowdown in trade. However, in 2012, credit to the private sector rebounded, together with port operations. The ratio of private sector credit to GDP – even if it is higher than in other countries of the West African Economic and Monetary Union (WAEMU) – remained low, sign of poor financial intermediation. The banks of Benin have undergone setbacks resulting from the restructuring of the sovereign debt of Côte d'Ivoire. This restructuring, together with lower yields, has reduced the profitability of the commercial banks of Benin, which hold nearly 17% of Ivorian government bonds. For 2012, the net foreign assets stood at 715.4 billion at the end of December 2012, a reduction of 1.6 billion compared with the same period of 2011.

Outstanding domestic credit emerged at 879.0 billion at the end of December 2012, an increase of 17.6% compared with the end of December 2011. The net credit position of the Government stood at 78.5 billion at the end of December compared with 97.2 billion one year earlier, or a deterioration of 18.7 billion owing to the increase in bank credit facilities following the public bond issue. Outstanding loans to the private sector increased by 13.3%. These developments induced an increase in the money supply of 9.2% to stand at 1 505.0 billion FCFA in December 2012.

The current **foreign trade** deficit widened somewhat in 2011. The increase in non-traditional exports was not sufficient to compensate for the impact of the global rise in fuel prices and the decrease in official transfers. For 2012, cotton exports increased greatly. In addition to re-exports to Nigeria, all exports of goods and services increased by 6.7% compared with 2.3% in 2011. Nevertheless all imports, boosted by equipment, food commodities and petroleum products increased by 9.7%. In spite of the increase in net current transfers, the high deterioration in the trade balance led to a deficit in the current account, excluding grants, which stood at 10.1% of GDP compared with 10.0% in 2011. The balance of payments emerged with a deficit of 1.6 billion FCFA, a reduction of 10.0 billion FCFA compared with the deficit estimated in 2011.

For 2013, the prospects for growth in Benin will be influenced by the reduction in subsidies for fuel in Nigeria and, to a lesser extent, by the crisis in Europe. In the medium term, growth should resume and the budgetary results strengthen. Growth should stabilize at around 4.5% as of 2013, owing to the high performance of the port of Cotonou, with reforms consolidating and current investments bearing fruit. Also expected is the re-launching of the activities of textile industries and oil mills owing to the imposition of a quota on exports of cotton fiber and cotton seeds as well as the setting up of a framework for determining the domestic prices for these two products. Inflation will remain under the standard of 3%.

Stimulated by the complete execution of reforms, customs revenues should increase by comparison with the abnormally low levels of 2011. The expansion of customs revenues will improve the budget balance, leading to a basic primary surplus (excluding grants), whereas the decrease in prices for petroleum will reduce the current trade deficit. The year 2013 will be marked by appropriate sectoral investments. Thus, 60.8% of investments are anticipated for the productive sectors, of which 12% in the rural sector, in conformity with the Maputo Protocol, 9% for water and energy and 35% for economic infrastructures. Social sectors share 24.2% of investments, of which 10% for health, 6% for education and 15% for the government owing to, among other things, transfers to the communes and improvements in the capacities and performances of the local authorities. Total expenditures will represent 21.9% of GDP.

2.2 Burkina Faso

In 2011, the real growth rate of GDP was 4.2% following a marked contraction in cereal production attributable to low rainfall and the impact of the crisis in Côte d'Ivoire. Internal social problems at the beginning of 2011 had only a modest impact on growth, as they affected essentially the informal sector. Loans were provided rapidly to prevent small businesses from closing. Growth was supported by the production of gold and cotton and by the services sector and the increase in credit to the private sector remained firm. For the year 2012, the country experienced two exogenous shocks which more or less impacted the development of the economy. On one hand, there was the Sahelian drought of 2012 which caused serious food shortages that were exacerbated by inflows of refugees from Mali. As a consequence of the drought, the country experienced a reduction in the production of food commodities which concerned the whole of the sub-region, to which should be added current structural food deficits. It was estimated that about 10% of the population was in a situation of food insecurity. In addition, the population of northern Mali sought refuge in Burkina Faso owing to the conflict that broke out at the beginning of 2012. By mid-May, 56 700 refugees, with their animals, lived in increasingly precarious humanitarian conditions. The other external factor was the evolution of the euro zone, which certainly does not represent a threat, but could induce a potential reduction in foreign aid. The financial sector in Burkina Faso is supported by local deposits, with exports reacting little to growth in Europe and migrants' remittances remaining low. In spite of everything, real economic activity experienced a resumption in 2012. The real growth rate of GDP is 8%, under the impetus of a recovery in cereal production at the end of the year and sustained production of gold and cotton. The primary sector recorded an increase of 12.9% in 2012 after the decrease of 4.8% in 2011, owing to the expansion of subsistence agriculture of 22.2% compared with a decrease of 16.2% in 2011, that of cereal production of 30.0%, of the expansion of cash crops with 29.9% in 2012 compared with a decline of 1.8% in 2011 and the good performance of animal production and forestry, with growth rates of 3.6% and 4.9%, respectively. The good performance of the primary sector is explained by the good rainfall and the implementation of the Strategy for Accelerated Growth and Sustainable Development (SCADD). The secondary sector, supported by cotton ginning and building and public works, continued to grow in 2012 with a rate of 3.8%, 7.3 percentage points less than in 2011. The tertiary sector maintained its growth dynamic with an increase in its value added of 6% in 2012 compared with 5.8% in 2011.

Regarding employment, final consumption showed a steady rise of 9.9% in 2012 after that of 8.2% in 2011, fuelled mainly by the increase of 11.1% in private consumption compared with 7.8% in 2011. Gross fixed capital formation (GFCF) recorded an increase of 6.5% compared with a decrease of 8.0% one year before. Lastly, the rate of gross domestic savings stood at 13.9% compared with 16.1% in 2011 and the overall rate of investment stood at 22.5% in 2012 compared with 23.6% one year earlier.

Under the effect of prices for food commodities, **inflation** increased at the end of 2011. The year-on-year inflation rate reached 5.1% in December 2011 and the annual average inflation rate increased to 2.0%, compared with -0.6% in 2010. Inflation slowed significantly at the beginning of 2012 owing to the sale by the Government of food commodities at prices lower than those of the market in January; the Consumer Price Index recorded a year-on-year increase of 2.8%. The annual average inflation rate in 2012 stood at 4.1%, a high rate owing essentially to the multiplier effects of the rise in fuel process in April 2012 and issues related to food security.

The **budgetary deficit** contracted significantly in 2011. The collection of revenues reached 16.5% of GDP, owing to improvements in the administration of revenues, an increase in mining royalties and taxes on company profits. Unanticipated additional expenditures designed to minimize the impact of political problems at the beginning of 2011, or about 0.8% of GDP, have not slowed further the execution of the budget programmed for the first half of the year. Consequently, the budgetary deficit was contained at 2.5% of GDP. In 2012, budget revenues were 17.8%, the outcome of efforts for internal mobilization of resources. Total expenditures and net loans represented 28.4% of GDP compared with 24.3% in 2011. Current expenditures have increased significantly, fuelled essentially by administrative expenditures and current transfers. Capital expenditures increased by 59.4% compared with 0.8% in 2011. Capital expenditures from internal resources increased by 7.3%. In total, the overall budget deficit, excluding grants, rose to 10.7% of GDP in 2012 compared with 7.7% in 2011. As for the overall deficit, it remained stable at 2.2% in 2012, the same as in 2011.

Outstanding **total public debt** stood at 29.4% of GDP compared with 29.3% in 2011. Foreign public debt servicing represented 3.9% of total budgetary revenues, excluding grants, compared with 4.3% in 2011. As for interest on the public debt, it has increased by 0.7% compared with 32.5% and represented 0.5% of GDP.

The monetary situation is characterized by a rise in net foreign assets and in domestic credit. The net foreign assets of monetary institutions rose by 45.0 billion FCFA, to stand at 726.5 billion FCFA at the end of December 2012. Outstanding domestic credit emerged at 1 112.2 billion FCFA at the end of December 2012, or an increase of 17.8%. The net position of the Government deteriorated by 24.2 billion FCFA to stand at 16.3 billion FCFA at the end of December 2012. Credit flows to the economy amounted to 1 095.9 billion FCFA, or an increase of 15.2% compared with December 2011 and essentially carried by that of 15.4% in regular credits in favor of cotton companies as well as to the private sector. While reflecting the evolution of its counterparts, the money supply increased by 13.8% to stand at 1 707.9 billion FCFA.

In 2011, the current account deficit contracted. A solid production of gold, combined with a marked increase in international prices for gold and cotton, have resulted in a positive trade balance, in spite of the increase in prices of combustibles and food commodities. In spite of low rainfall during most of the growing season, cotton production remained robust, partly due to new irrigation practices. For 2012, exports increased by 8.3% due to exports of gold and cotton fiber, while imports increased to 12.5%, due mostly to imports of equipment and petroleum products. Excluding grants, the current account deficit stood at 7.5% of GDP in 2012 compared with the estimation of 5.0% in 2011 owing to the increase in the share of imports of food commodities, of the investment programme of the Government as well as of the higher international prices for fuel. The overall position of the balance of payments was a surplus of 45.0 billion FCFA in 2012 compared with 40.4 billion FCFA one year earlier, owing to the improvement in the surplus of the capital and financial accounts, which was higher than the increase in the current deficit.

For 2013, Burkina Faso plans to continue the implementation of its Strategy for Accelerated Growth and Sustainable Development (SCADD) which aims at a growth rate of 7.5%. This growth will be sustained by all of the sectors of activity. The strategy is organized around four areas which are: (i) the development of the foundations for accelerated growth, (ii) the consolidation of human capital and the promotion of social protection, (iii) the strengthening of good governance, (iv) the consideration of transversal priorities in development policies and programmes. For the primary sector, a growth rate of 5.2% is anticipated, notably with the development of 2 033 hectares at the town of Di, the operationalization of the Bagré Growth Pole Project. The secondary sector will record a growth rate of 6.5% owing to the upgrading of road infrastructures, to the construction works for the airport at Donsin and administrative buildings, to the startup of construction work on the road connecting Koupéla-Cinkansé-Togolese Border and to the beginning of the operation of the zinc mine at Perkoa and the gold mine at Bissa in 2013. For the tertiary sector, a growth rate of 7.5% is expected in 2013 with the strong increase in market-related services and telecommunications. The inflation rate is expected to follow the standard community rate of 3%. In public finances, there will be mainly a continuation of efforts to mobilize resources on the order of 8.2% and to rationalize public expenditure by an optimal allocation of public financing. In terms of public debts, Burkina Faso will continue to favor the resources provided by concessional loans. The debt ratio has increased somewhat from 29.5% in 2011 to 30.7% in 2015. For external trade, it will make the effort to maintain and preserve the external balance.

2.3 Cape Verde

In 2012, economic growth was 4.3% compared with 5.1% the previous year. This slowdown in economic activity was due to the decrease of 1.1% in domestic demand compared with an increase of 7.0% in 2011. Services dominate the economy with housing, trade and transportation, which have fuelled growth the most. Construction is resuming timidly, undergoing the effects of the global crisis. The decrease in domestic demand is the outcome of the decrease in final consumption with 0.53% in 2012 compared with an increase of 3.1% in 2011 and investments decreasing by 2.0% compared with 14.4% in 2011. Inflation was also down at 3.2% in 2012 compared with 4.5% in 2011.

Public finances experienced an overall deficit on the basis of commitments, excluding grants, which were down by 44.0% at the end of June 2012, on a year-on-year basis owing to the rise in expenditures, accompanied by a reduction in budgetary revenues.

In the **monetary sector**, the monetary policy of the Banco de Cabo Verde aims at supporting the parity set between the national currency, the escudo, and the euro, through the maintenance of a level of coverage for imports of goods and services by gross reserves for at least three months. During the course of the first half of 2012, the Central Bank had raised its key rate by 1.25 percentage points in 2011 to 5.75% compared with 4.25% beforehand. Similarly, the coefficient of reserve requirements had been raised from 16% to 18% and the base was expanded to include Government deposits. In this context, the money supply recorded an expansion, stimulated by that of foreign net assets and the improvement in the net position of the Government. However, the impact of these developments was mitigated by the slight decrease in credits to the economy.

For **foreign trade**, demand was marked by an increase in exports of 9.9% in 2012 compared with 10.4% in 2011. As for imports, they experienced a decrease of 5.3% in 2012, compared with a rise of 7.8% in 2011. The current account balance improved in June 2012 in comparison with June 2011 owing to a larger surplus in the balance of the services account (54.1%) than the deficits in the trade and income balances which recorded decreases of 14.0% and 11.9%, respectively. The overall position of the balance of payments was a deficit of 2 964.7 million CVE compared with a surplus of 7 595.2 millions of CVE at the end of June 2011. The surplus position of the capital and financial accounts declined compared with the previous year. The coverage of imports of goods and services by gross foreign exchange reserves recorded a slight decline and stood at 3.1 months in 2012 compared with 3.2 months for the previous year.

The macroeconomic **outlook** for Cape Verde in 2013 remains good but depends largely on developments in the crisis of the sovereign debt in the European Union notably in the areas of workers remittances, FDI and tourism. In this context, projections are counting on a growth rate of over 4% in 2013 in an environment marked by the control of inflation.

■ 2.4 Côte d'Ivoire

Since 2002, Côte d'Ivoire has experienced only instability and armed conflict which have led its economy into a long period of economic stagnation. It was only at the end of April 2011 that a process of ensuring security and building peace in the country began. Consequently, economic activity contracted considerably at the beginning of 2011 and, in spite of the recovery which followed, the annual GDP decreased by 4.7%. Important reforms have been undertaken since the end of 2011 and the beginning of 2012, such as the strengthening of public finance management, the improvement in the business climate and reforms in the cocoa industry. The growth of the real GDP in 2012 reached 8.6%, showing a rebound in economic activity after the decline in 2011 caused by the crisis, an improvement in public investments, the recovery of domestic demand and a return of confidence boosted by political normalization and the general improvement in security. Important measures to reunify the country have been taken, notably the return of soldiers to their barracks and the dismantling of roadblocks. Nevertheless, apart from Abidjan, the slow progress of disarmament and the extensive proliferation of firearms are likely to generate an escalation of underlying tensions, while the new army and the integrated forces of security are having difficulty gaining control over the situation. However, the country is benefiting from a favorable context with growing confidence following the completion in good conditions of parliamentary elections and the improvement in security. Also, strong foreign financial support, favorable climatic conditions and appropriate macroeconomic management have contributed to accelerating economic recovery during the course of the second half of 2011. This is the result of the high increases in agricultural and mining production and the early resumption of industrial production, supported by favorable budgetary policies and the improvement of security in Abidjan which explain this recovery. The primary sector has grown by only 0.7%, fuelled by subsistence agriculture (3.0%), but undermined by export crops (-3.5%)owing to the decrease in cocoa production, following the rest period that the prodigious increase in coffee (178.6%) and the high growth of cotton (37.5%) were not able to compensate. Mining operations also experienced a decline of 6.5% owing to the decrease in the production of petroleum (-22.3%) and gas (-3.7) while gold production increased by 20.5%. It was above all the secondary sector that was boosted by an improvement in the business climate and the return of confidence for economic operators with 14.8%, following a high growth in building and public works (30%), benefiting notably from investments in the social sectors and the reconstruction work on the 3rd bridge of Marcory-Riviera, in petroleum products (30.0%) with the resumption of domestic and sub-regional demand in terms of refining and in agro-business (13.0%). The tertiary sector has also recovered significantly with 14.1%, with all of the sectors showing strong growth.

Regarding demand, growth is fuelled by investments which have recorded a growth rate of 63.2%, carried by public works for social and economic infrastructures. Final consumption, benefiting from the climate of appeasement, from the increase in agricultural revenues and from the creation of new jobs, increased by 8.1% in 2012 compared with a decline of 5.1% in 2011. Thus, the nominal rate of investment stood at 12.5% of GDP compared with 8.2% of GDP in 2011, inducing a rate of gross domestic savings of 20.2% of GDP compared with 19.9% of GDP, one year earlier.

Inflation declined after the peak reached during the crisis. Inflation during 12 months declined from its peak of 9.5% at the worst stage of the crisis in April at 1.9% at the end of December, but the price levels are still 5% higher than the levels before the post-electoral crisis. Inflation remained low in 2012, standing at 1.0% compared with 4.9% in 2011. Price risks are minimal considering the freeze on domestic prices for combustibles and the barely perceptible impact to date of the drought in the Sahel.

Budgetary policy in 2011 made possible a major effort to collect revenues and a conservative management of the budget. Remarkable efforts have been made to strengthen the management of public finances, improve the business climate and reform the cocoa industry, but the implementation of reforms in the energy and financial sectors has been delayed. The budgetary results were better than anticipated, shown by the high mobilization of revenues and the complete execution of budget credits allocated to investment and expenditures in favor of the poor. Revenues in 2012 represented 20.0% of GDP compared with 14.9% of GDP, thus demonstrating the continued efforts to mobilize internal resources while benefiting from the rapid recovery of economic activity and the normalization of the security situation. If in 2011, expenditures were lower than forecast, it was due to the lower level of the salaries and wage bill owing to delays in recruitments and to lower expenditures for investments financed by external resources. Budgetary credits allocated to investments financed by domestic resources as well as expenditures in favor of the poor were executed in their entirety, owing to efforts to improve the coordination among ministries and accelerate the execution of projects. However in 2012, they increased considerably on the order of 39.7%, demonstrating the catching-up in the implementation of commitments especially in terms of recruitment. Investment expenditures were particularly high, thus rising from 2.6% of GDP in 2011 to 5.4% of GDP in 2012. In spite of everything, the global budgetary deficit stood at 4.3%, the same level as in 2011, which reduced the needs for financing on the regional financial market.

The IMF analysis of the **debt** shows that the Government and the holders of its short-term Treasury bonds – essentially the commercial banks of the WAEMU region – agreed at the end of 2011 on a restructuring of the outstanding Treasury bonds (608 billion FCFA, or 5.4% of GDP), that the BCEAO refinanced as of December 2010 during the post-electoral crisis. This restructuring in Treasury bonds over two years and in commitments over three and five years together with an interest rate of 4.75% - 5.25% (rates slightly lower than market rates) took place in December 2011 and the accumulated interest was paid in cash. This provided the authorities with a respite, making it possible for them to finalize a medium-term strategy for the domestic debt. For 2012, reaching the completion point of the HIPC Initiative led to the reduction of 4 090 billion FCFA or 64.2% of the foreign debt at the end of June 2012. Thus, the outstanding public debt stood at 35. 8% of GDP compared with 64.0% in 2011. The authorities also made a commitment to continue the restructuring of the debt by issuing medium-term notes through refinancing on the market, which they began at the beginning of 2012.

The **banking system** seems to have resisted the difficult period undergone by the country. The analyses of the IMF did not reveal any special weaknesses and the ratio of liquidity of the banking system improved somewhat in 2011. A contraction of loans to the private sector was noted in a political and economic environment that is still difficult. In addition, even if the ratio of non-performing loans increased during the course of the first half of 2011, it decreased afterwards when the banks worked out an agreement with their borrowers, mainly small and medium enterprises, to lengthen the period of the loans. The confidence of depositors in the banking system does not seem to have suffered from the closure for two or three months of most of the banks at the beginning of 2011. In contrast, the average ratio of equity capital to assets weighted by bank risks deteriorated somewhat in 2011, in relation to the reduction in the effective equity of public commercial banks which remained open during the post-electoral crisis. At the end of 2011, six commercial banks out of twenty-three, including four of the five public banks, had not complied with the regional minimum standards of equity capital. In 2012, the monetary situation, which normalized gradually, was characterized by a decrease in net foreign assets, especially those of the central bank and an increase in domestic credit. The net liability position of the Government widened in relation to the increased bank credit facilities for the Government. Consequently, the money supply stood at 4 886.8 billion FCFA, with an expansion of 6.3%.

The **external accounts** showed a record surplus in the current account and large capital outflows in 2011. Preliminary estimations show a surplus of the current account of 10.3% of GDP, which reflects a decrease in imports attributable to the slowdown in economic activity and an increase in exports mainly due to record high production and prices for cocoa. At the same time, capital outflows/errors and omissions were high at 6.2% of GDP, or 1.5 billion USD, which could explain in part the capital flight associated with the domestic crisis and to the under-recording of imports. In 2012, imports increased by 37.1%, fuelled by the purchase of intermediate goods and equipment linked to the regain in national economic activity while exports increased by 7.0% in relation to the sales of petroleum products and agro-industrial products. The current account deficit, excluding grants, stood at 1.9% of GDP compared with a surplus of 10.2% in 2011. The current external account was in a deficit position for the first time in several years owing to the higher than anticipated increase in imports linked to the increase in investments and the decrease in exports of cocoa and petroleum. The position of the capital and financial accounts was a surplus owing to the increase in project grants, portfolio investments and public drawings on foreign loans, a level that was not enough to avoid a deficit in the balance of payments of 200 billion FCFA after a surplus of 427.3 billion FCFA in 2011.

In 2013, the objectives of the economic policy aim at ensuring macroeconomic stability and restoring a dynamic of strong and sustained growth that will create jobs. With this perspective, and a sustainable debt, Côte d'Ivoire aims at a growth rate of nearly 9%. The primary sector will increase by 4.7% owing to the resumption of mining operations (6.4%), export crops (2.2%) and regular expansion of subsistence crops (5.3%). The secondary sector will reach a growth rate of 12.0% sustained by all branches of activity, notably agro-food (5.6%), building and public works (-24.7%), petroleum products (9.0%) and energy (9.5%). The tertiary sector will grow by 11.5% as the global economy recovers. Final demand will increase strongly, fuelled by both consumption and investment. The inflation rate will remain under 3.0%. Owing to the needs of reconstruction, the budgetary balance will still be in a deficit position in spite of the continuation of internal efforts to mobilize resources. The balance of current operations will still be in a deficit position. Public and private inflows of capital could lead to a surplus in the balance of payments.

2.5 Gambia

Economic growth was estimated 5.0% in 2012, following the strong contraction during the preceding year, estimated at -4.9%, attributable to a poor harvest brought about by the drought. The sectors of agriculture and tourism have recovered. Average inflation was estimated at 4.0% at the end of December 2012.

The preliminary estimations on the budgetary operations of the Government during the course of the first half of 2012 indicate an improved position, compared with the corresponding period of 2011. Total expenditures and net loans during the period were relatively high with 15.8% of GDP. At the end of June 2012, the overall fiscal deficit (including grants) were estimated at 1.7% of GDP, compared with 3.6% in the same period of 2011. The overall deficit (excluding grants) was 10.0% of GDP (reflecting the significant increase in grants), compared with 7.8% in the same period of 2011.

For **monetary policy**, the first objective of the Central Bank of Gambia was to maintain price stability through a restrictive monetary policy. Consequently, the broad money supply decreased to 5.8% in June 2012, compared with 13.4% in the same period in 2011. The stock of foreign exchange reserves amounted to 176.3 million USD at the end of June 2012, compared with 179.7 million USD one year earlier. During the course of this period, the dalasi depreciated by 9.8% against the USD and 6.1% against the GBP but appreciated 3.3% against the euro.

The stock of **external debt** decreased somewhat from 341.2 million USD at the end of June 2011 to 335.2 million USD at the end of June 2012.

In relation to **foreign** trade the balance of payments recorded a surplus position during the first quarter of 2012 which was lower than that of the same period in 2011. The surplus position of the current account decreased, while the deficit of the capital account increased. The current account recorded a lower surplus because the deficit position of the asset account widened in comparison to its position during the preceding year, owing to the increase in imports resulting from the rise in prices for fuel on freight, combined with the effect of the drought and also the depreciation of the national currency, the dalasi. Lastly, the deficit of the capital and financial account widened from 11.55 million USD in 2011 to 14.55 million USD during the period under review.

In terms of **outlook**, Gambia is implementing a medium-term programme for the 2012-2015 period. This programme places an emphasis on the development of agriculture and infrastructures in order to increase economic growth, planned for 5.5% and aiming at reducing poverty. To create the fiscal space necessary for its implementation, the government remains committed to reinforcing the management of public finances with the goal of reducing the weight of domestic debt on its finances. Growth of GDP in 2013 is expected to be around 10.0% and inflation should remain low, under 5.0%. This optimism is based on the total recovery of the agricultural sector, combined with the continuation of solid macroeconomic and structural policies favorable to the participation of the private sector and to the continuous engagement with development partners. Nevertheless the key challenges include the long delay in the recovery of the global economy as well as the possible shocks on the prices for food commodities and energy.

2.6 Ghana

The implementation of the medium-term development strategy of the Government of Ghana placed the emphasis on the consolidation of macroeconomic stability, the stimulation of the real GDP in 2012 to further accelerate growth and support the private sector in order to improve incomes and create more jobs. The public authorities also placed an emphasis on the modernization of agriculture and the agro-food industry in order to improve investment in infrastructures, in particular in the following areas: energy, (electricity, petroleum and gas), water and sanitation, railways, roads and ports as well as health, education and agriculture. These actions made it possible for the country to again record strong growth in its real GDP of 8.8% compared with 11.7% during the same period of 2011.

The primary sector recorded the lowest growth rate at 2.8%, even though this performance was higher than the 0.4% growth in 2011, owing to good results in the agricultural sub-sectors (including cocoa) while forestry operations, fishing and herding recorded declines in production. Industrial performance increased by 9.5% during the first half of 2012 compared with 33.8% in 2011. The fall in the production of petroleum, combined with the under-use of capacities in manufacturing limited its performance. The quality of electrical services during this period disrupted economic activities. With 49.3% of GDP, the tertiary sector grew by 10.3% compared with 1.4% for the year before, fuelled by the activities of the sub-sectors of tourism, transportation and storage, financial intermediation, information and communications, business and real estate.

The economy experienced low **inflationary pressures** during the first half of 2012 seeing that the year-on-year annual inflation rate had risen from 8.6% in December 2011 to 9.4% at the end of June 2012. The reasons that explain this level of inflation are a combination of several factors, notably the poor harvests of 2011, an upward adjustment of the price of petroleum in February 2012, a rapid depreciation of the cedi, due in part to the impact of the global financial crisis and to the increase in overall demand, attributable mainly to the rise in imports and to the system of private sector bank credits.

In the area of **public finances**, important reforms were carried out in order to limit losses through transfer prices, in addition to the improvements in administrative procedures and processes. The tax rate was also raised. All these measures should contribute to a high mobilization of resources in order to deal with the notable need for infrastructures. The current estimations indicate that revenues represented 16.6% of GDP compared with 16.5% in 2011. This low level reveals the importance of exemptions and stimulation measures set up for certain categories of investors, importers and other occupations in the business world. The total expenditures of the Government were equivalent to 11.9% of GDP compared with 9.9% during the same period in 2011. Current expenditures represented 9.5% of GDP compared with 8.0% in 2011 and capital expenditures were 2.4% compared with 1.9%. Budget operations of the Government during the first half of 2012 resulted in an overall budget deficit (on the basis of commitments, excluding grants) of 2.2% of GDP (or an annual deficit of 4.4%), compared with 0.2% (or an annual deficit of 0.4%) during the same period the year before.

The outstanding **public debt** at the end of June 2012 was 15 016.5 million USD, of which 51.1% represented the foreign debt. The public debt represented 34.5% of GDP, while the foreign debt represented 17.7%. About 59.6% of the domestic debt, amounting to 7 321.1 million USD, was medium and long term. The stock of foreign debt amounted to 7 704.3 million USD (17.7% of GDP) at the end of June 2012 compared with 7 589.5 million USD (20.4% of GDP) at the end of 2011. The payments for foreign debt servicing represented 3.3% of exports of goods and services. The stock of foreign debt consisted of long term loans of which 82% is held by bilateral and multilateral institutions.

The priority of the **monetary policy** is to preserve the gains of the recent macroeconomic stabilization, by maintaining inflation at one figure and by dealing with the volatility of the foreign exchange market. Even though an increase in credit in favor of the private sector was planned, monetary policy remained restrictive with the increase in the key rate from 12.5% at the end of 2011 to 15.0% at the end of June 2012. This change in the key rate should make it possible to contain inflationary anticipations born of the regular depreciation of national currency since the last quarter of 2011. Consequently, the expansion of the broad money supply (M2+) decreased by 12.1% compared with 11.3% recorded in the same period of the preceding year. Nevertheless, in contrast to the 3.8% reduction recorded during the first half of 2011, the monetary reserve increased by 6.5% owing to the large accumulation of bank reserves. The net position of the Government deteriorated and the credits allocated to the private sector have greatly expanded. The national currency, the cedi, experienced a moderate increase leading it to depreciate against the main international currencies.

For foreign trade, the deficit of the current account (including official transfers) increased by 156.7%, to settle at 5.9% of GDP, owing to a trade deficit of 3.1% of GDP and the net deficit in the services and revenues accounts, representing 5.6% of GDP. The performance of the capital and financial accounts was low with a surplus position of 1.8% of GDP lower than the first half of 2011. Foreign trade revealed a deficit position of 4.5% compared with a balanced result recorded in the first half of 2011. Expressed in terms of import coverage, the stock of reserves was equivalent to 2.3 months compared with 3.2 months at the end of 2011.

The outlook for 2013 is positive with all the sectors of the economy performing well, in particular in the agricultural, manufacturing and petroleum industries where special projects and initiatives were implemented in order to increase production. In the context of the expansion of economic activity stimulated by credit to the private sector, along with the high level of activities and confidence, it is probable that the economy will experience high growth of over 9.4%. An effort is necessary to curb inflation. The growing overall demand and other factors such as fiscal adaptation, the high cost of capital and the growing pressure on national currency are of concern. Containing the deficit in public finances will continue to be a priority objective even if the situation does not seem to be favorable. Monetary policy could also experience some challenges in maintaining macroeconomic stability, given the increase in overall demand and inflationary pressures. The outlook for the foreign trade sector remains mitigated with the uncertainties relating to the euro crisis and to the decline in growth of China, the USA and other developed economies.

2.7 Guinea

The Guinean economy continues to record **rapid growth**, estimated at 4.8% in 2012, boosted by the acceleration in investments in the mining sector and high growth in agriculture. The public authorities have also improved the management of the national electricity company in order to increase the production of electricity and to improve the quality of its services. In the primary sector, the value added recorded an increase of

4.9% in 2012 compared with 4.5% in 2011 notably under the impetus of the agricultural sub-sector with a rise of 5.6% in 2012 after an increase of 5.0% in 2011. The sub-sector of herding experienced an increase in the volume of production on the order of 4.1%. The new system of support to the agricultural sector is on schedule to respond to expectations. For the secondary sector, production rose by 5.1% in 2012 after an increase of 4.4% in 2011. This increase is fuelled by the construction of economic and social infrastructures and the investments of mining companies, along with the sub-sector of water-electricity which benefited from a development programme. Production in the tertiary sector increased by 3.3% in 2012 compared with 3.2% in 2011, benefiting from the impact of other activities on trade and transportation. Regarding demand, an increase in the formation of gross fixed capital of 51.0% was observed, carried by public administration (+190.0%) and mines (+13.4%). Final consumption stood at a lower level at 19.1% in spite of the increase of 27.5% in public consumption. In effect, private consumption decreased by 44.3%.

The year-on-year **inflation** rate, which had peaked at 21% at the end of June 2012, continued its declining trend, emerging at 15% at the end of June 2012 and the exchange rate stabilized. The year-on-year inflation rate at the end of June 2012 was around 15.0% compared with 19.0% in December 2011 and 23.5% at the same period of the preceding year. Inflation recorded during the course of the first half of 2012 follows the introduction of measures to improve and stabilize the macroeconomic framework implemented by the Government. These measures included the removal of subsidies, the renunciation of monetary financing of the budget deficit by operating on a cash basis, the stabilization of national currency and the tightening of monetary conditions. Nevertheless, the results of the agricultural growing season, the stabilization of fuel prices at the pump and measures of support for purchasing power contributed to containing inflation.

Vigorous reforms, notably the modernization of the legislation on the management of **public finances**, the revision of the application regulations for the mining code of 2011 and of those for the investment code, were carried out. For the entire year of 2012, domestic revenues were estimated at 7 239.0 billion GNF or 17.9% of the GDP compared with a ratio of 16.8% the preceding year. These results are related to the continuation of reforms and measures undertaken since 2011. The implementation of different action plans for the management of revenues in the framework of performance contracts has also contributed to achieving good results. As for total expenditures and net loans, they have been executed up to 11 270.7 billion GNF, or 25.3% of GDP. Current expenditures stood at 6 654.0 billion GNF, which represents nearly 60.0% of commitments and 16.4% of GDP. As for capital expenditures, they are projected at 4 615.47 billion GNF, or 11.4% of GDP. Investments are financed up to 57.2% on domestic resources. In total, the execution of the 2012 budget ended with an overall deficit on the basis of commitments excluding grants, of 10.0% of GDP. As for the deficit on a cash basis, it stood at 1 917.34 billion GNF. The budget deficit, excluding grants, is anticipated to be 10.0% of GDP. Concerning public finances, the execution of the Government budget showed an overall deficit, excluding grants, of 1.2% of GDP for the six-month period.

In terms of **public debt**, the foreign debt servicing at the end of June 2012 stood at 63.05 billion USD, of which 62 986 million USD committed and 62 730 USD paid out. To date, payment arrears have not been observed and this in compliance with IMF recommendations. The amount of debt relief for the period was around 36.32 million USD. Reaching the completion point of the HIPC Initiative, bringing about the cancellation of 2/3 of the debt of Guinea (2.1 billion USD) at the end of September 2012, constitutes a real relief for the public finances of the country. In effect, it made it possible for Guinea to benefit from a reduction in its foreign debt, in the framework of this initiative in favor of heavily indebted poor countries (HIPC) and the Multilateral Debt Relief Initiative (MDRI), as well as supplementary relief extended by bilateral partners. The savings on the total foreign debt service correspond to a reduction of 66% over 40 years. The multilateral lenders contribute up to 70%, while the rest comes from bilateral and commercial lenders. The following is the new profile of the foreign debt: the ratio of the current value of future debt servicing to GDP falling by about 50% at the end of 2011 and by 13% at the end of 2012 while the ratio of the current value of future debt servicing to exports falling by 186% and 49%, respectively, for the two periods.

Guinea also adopted a rigorous **monetary policy**, with a key rate of 22.0%, stable since March 2011 and a rate of required reserves also at 22.0% since October 2011. These measures made it possible to contain the rate of year-on-year inflation at 15% at the end of June 2012. The money supply contracted to stand at 11 204.1 billion GNF at the end of June 2012 compared with 11 337.9 billion GNF in December 2011, following the reduction of 9.9% of net domestic assets contained by an increase in net external assets of 10.2%. A reduction in the public debt with the banking system, the decrease in credits to the economy and the high variation in the net positions of other accounts were observed.

For 2012, the current deficit was 1 430.9 million USD, or 25.0% of GDP related to the rise in the deficit of the services account due to the increase in sea freight costs mitigated by the improvement in the trade balance. Imports have increased by 13.8% in 2012, while exports have increased by only 10.0%. These latter benefited from the increase in mining products. Thus, the current account balance stood in a deficit position at 24.9% of GDP. The country benefited from capital inflows in the framework of direct investments. Thus, foreign direct investments reached 361.1 million USD during the first half of 2012. These investments were oriented essentially towards the mining sector. The surplus position of the **overall balance of payments** was lower in 2012, or 3.4% of GDP.

This deficit will be financed partly by capital inflows of 1 131.0 million USD. The overall deficit of the balance of payments should stand at 81.5 million USD, or 0.2% of GDP. The financing of this deficit will be ensured by foreign exchange reserves.

For 2013, the growth rate of the economy should also stand at around 5% on average, while inflation should continue its downward trend.

2.8 Guinea Bissau

Economic activity recorded a **growth rate** of 5.3% in 2011 compared with 3.5% in 2010. This development in activity is explained by the performances of all the sectors of the economy. It was above all owing to good marketing of cashew nuts that Guinea Bissau achieved this performance. The reforms underway will continue in 2012. Indicators of the recent situation show that the economic dynamism that resulted from the continuation of structural reforms planned in 2012 was negatively affected by the military coup of April 12, 2012. This crisis paralyzed the operation of government structure for almost a month and brought about a wait-and-see attitude among the economic operators, notably those of the banking sector. It also disturbed the running of the marketing period for cashew nuts, the main export product of the country. The crisis also led to the suspension by technical and financial partners, in particular the European Union, the World Bank and the African Development Bank of their assistance in support of the execution of certain public investment projects. Consequently, economic growth in 2012 declined to 2.5%. Three main factors explain this lower growth: (i) the expected reduction in revenues from cashew nut exports; (ii) the suspension of the execution of public investment projects financed by certain development partners; (iii) the decline in activity in the sub-sector of building and public works. The primary sector also recorded a real rate of growth of 0.7% compared with 5.0% in 2011 principally due to the decrease in the production of cashew nuts (-25.1%), which contributes up to 30% on average of the value added of the sector. Subsistence agriculture, however, has increased by 3.0% compared with 2.3% in 2011. The secondary sector increased by 5.6% compared with 5.4% in 2011, fuelled by the agro-food industries and the sub-sector of water-electricity. The tertiary sector has increased by 3.4% compared with 5.3% in 2011, carried by the dynamism of activities in transportation, telecommunications and banks.

Regarding demand, final consumption increased by 5.6%, fuelled by private final consumption which increased by 6.6%.

Economic activity in 2011 took place in a context marked by **inflationary pressures**, with an annual average inflation rate that stood at 5.3% in 2011, compared with 2.2% in 2010. For 2012, a calming of tensions led to a moderate rise in general price levels of 2.0%, in spite of some frictions recorded in the prices of certain imported food commodities and energy products.

The execution of **Government financial operations** ended with an increase in the overall surplus position which stood at 0.4% of GDP in 2011 compared with 1.2% in 2010. The events of April 12, 2012 considerably affected the situation of public finances. However, reforms underway had made it possible for the country to reach the completion point of the HIPC Initiative and to benefit from measures to reduce public debt. Budgetary support expected from certain development partners was suspended. Public revenues in 2012 showed high negative values, obliging the public authorities to readjust their expenditures downwards, unfortunately, notably capital expenditures. Consequently, the budget deficit, on the basis of commitments, excluding grants, represented 6.8% of GDP. The overall deficit stood at 2.2% of GDP in 2012. This situation results from a greater decline in total revenues and grants in relation to the deterioration of the socio-political situation and total expenditures and loans which represented 19.4% of GDP compared with 20.6% of GDP in 2011. Budget revenues stood at 9.1% of GDP compared with 8.7% of GDP in 2011.

In 2012, the outstanding total **public debt** represented 36.5% of GDP compared with 38.7% of GDP in 2011. The public authorities are seeking ways to reduce this proportion with their bilateral lenders in order to benefit from supplementary debt relief after reaching the completion point.

The **monetary situation** was characterized by a rise in net foreign assets and domestic credit. Reflecting the evolution of its counterparts, the money supply consolidated at 41.5%, to stand at 184.8 billion FCFA at the end of December 2011. For 2012, there was a decline in net foreign assets, an increase in domestic credit and an increase in the money supply of 0.2% to stand at 174.0 billion FCFA. The growth in domestic credit of 20.2% results from the deterioration of the net position of the Government and the strong increase in credits to the economy in response to the needs for marketing of cashew nuts.

Concerning the **external accounts**, the deficit in the current account stood at 1.6% of GDP in 2011 compared with 8.5% in 2010. The reduction in this deficit is explained mainly by the decrease in the trade deficit due to the increase in exports of cashew nuts. The current account deficit was reduced by 0.6 billion FCFA, following the decrease in imports and lower public investments. Excluding grants, the current account represents 7.1 percentage points of GDP. The overall position of the balance of payments stood at 3 billion FCFA. For 2012, the current account deficit was 7.3% of GDP owing to a decrease in exports. Excluding grants, it represents 10.6% of GDP compared with 4.2% one year earlier. The surplus position of the capital and financial accounts is lower than in 2011 owing especially to the strong decrease in public and private investments. The current account deficit, together with a decrease in the surplus of the capital and financial accounts brought about an overall deficit in the balance of payments compared with a surplus in 2011.

For 2013, the political context remains marked by the transition, which will affect the economic outlook. Nevertheless, the Government remains committed to continuing a programme that will make it possible to achieve a growth rate of 4.7% in 2013 by pursuing improvements in public finances, by improving the business climate through the gradual reduction in barriers to the development of the private sector and by improving and modernizing the public service. With this programme, the primary growth rate is expected to be 4.9%, the secondary growth rate 5.2% and the tertiary 4.3%. Price increases will be contained at 3.0% maximum, as required by the Community standard. Budgetary projections for 2013 show a moderate increase of 7.5% in budget revenues compared with total expenditures and net loans increasing by 4.2%. Regarding the foreign debt an additional reduction will be sought from partners.

2.9 Liberia

The primordial objective of the Government of Liberia is to sustain the current macroeconomic outlook which aims at reducing poverty and stimulating economic growth. Liberia has recorded some remarkable macroeconomic results in the framework of a three-year agreement under the expanded credit mechanism, completed successfully in May 2012. In the framework of the new IMF programme, Liberia plans to implement priority development plans, notably the production of hydro-electrical energy at Mount Coffee, the construction of roads, the strengthening of capacities and the creation of jobs.

The real **GDP growth rate** for 2012 is 9.5% fuelled by a production of iron ore five times higher as well as the development of the services sector owing to the expansion of the sub-sectors of the telecommunications industry and financial services. The agricultural sector also benefited from rainfall that was evenly distributed throughout the country. Public investment programmes planned, especially in the sector of hydro-electrical energy at the Mount Coffee dam, have also stimulated the growth of GDP substantially.

The **inflation rate** slowed to stand at 7.1% compared with 8.8% recorded during the same period of the preceding year. This decrease is explained by the reduction in the global prices for petroleum during the period and by the slowdown in the deterioration of the exchange rate through interventions by the Central Bank.

The new orientation in the **budgetary policy** of the Government seeks to reach a balanced budget in compliance with the regulations in effect. Institutional and fiscal reforms were adopted with concern to rationalize public expenditures but also to limit the dependence of the Government on random resources. Efforts were thus made to improve public administration, to expand the tax base and to revise downwards the tax rate. Budget revenues stood at 23.6% of GDP for the first half of 2012 compared with 12.9% for the corresponding period of 2011 and total expenditures are lower at 26.4% compared with 34.5% in December 2011. A budgetary surplus of 0.7% was recorded during the course of the same period. The efforts to improve public finances have led the authorities to impose a ceiling on the stock of total foreign debt of 60% of the GDP of the previous year.

The objective of the **monetary policy** in 2012 is to contain inflation, while accompanying the development dynamic of the financial sector that aims to facilitate the access of the people to banking services. At the end of June 2012, a slowdown in the growth of the broad money supply (M2) was noted at 11.8% compared with the end of December 2011. Nevertheless it is expected that the broad money supply will expand, as it rose by 21.6% at the end of 2012. As for credit to the private sector, it increased by 10.6% during the first half of the year. The net position of the Government remained stable. The national currency, the Liberian dollar, depreciated by 3.6% from the end of January 2012 to the end of June 2012.

The main objective of the policy of the external sector was to maintain competitivity and create a comfortable level of gross external reserves equivalent to at least 3 months of imports. The current account balance during the first quarter of 2012 recorded a deficit of 279.6 million USD, compared with a surplus of 50.8 million USD during the corresponding period of 2011. However, an upturn in the current account balance was observed compared with the last quarter of 2011. The overall position of the balance of payments should show a deficit of 45 million USD between now and the end of the year, compared with a surplus of 11 million USD recorded last year. This is due in large part to the deficit of the current account which is estimated at 934 million USD.

The **economic outlook for the country in 2013** shows a slightly higher growth rate than that of 2012, but remains subject to the risks which weigh on the prices of raw materials. The macroeconomic challenge in the short term is to avoid hindering progress achieved on the path to stabilization while creating a budgetary space to stimulate expenditures in projects for infrastructure and human development, promote an expansion of the financial sector and access to credit and create a favorable business climate to sustain growth founded on an enlarged base and create jobs.

2.10 Mali

In 2011, economic activity will record a **growth rate** of 2.7% compared with 5.8% in 2010. This growth is sustained by the performances expected from all the sectors of the economy, notably the primary with the very strong recovery of cotton production (+67%). The good harvest, following favorable rainfall and the support of the Government for farmers through subsidies for inputs justifies the healthy performance of the primary sector. Economic activity took place in a context of inflationary pressures due essentially to the rising prices of imported food commodities.

The year 2012 was marked by several crises which negatively affected the living conditions of the people. The political crisis of March 2012 with a coup bringing about a break in the constitutional order led immediately to the suspension of development assistance, thus depriving the Government of more than one third of expected resources. The security crisis, almost concomitant with the political crisis, led to an attack by armed bandits occupying a part of national territory with its corollary of displaced persons. Consequently, a social crisis developed with food insecurity following the poor 2011-2012 growing season, atrocities suffered by the people in the occupied zones and the movements of refugees and displaced persons. The domestic economic situation thus finally ended up in a state of deterioration.

Thus faced with an uncertain international environment combined with the effects of the security and institutional crises as of the second quarter, economic activity contracted by -1.5% in 2012, in spite of the good performance of the primary sector. In effect, the good rainfall during the 2011-2012 growing season made it possible for the primary sector to achieve a growth rate of 9% compared with -1.3% in 2011 owing to subsistence agriculture. Agricultural production also benefited from the good conditions for the growing season, including the support of the Government for farmers through subsidies for inputs for cotton. In contrast, the secondary and tertiary sectors were affected by the security situation in the country. The secondary sector shrank by -2.2% compared with an expansion of 8.1% in 2011, owing above all to the decrease in building and public works (-20.0%) with the halting of public investments and the shrinking of the agro-food industry (-13.0%), in spite of the good performance of the textile industry (35.0%) and the extractive industries, notably the production of gold (7.4%) carried by the high prices for gold as well as the increase in the volume. The shrinking of the tertiary sector by 8.8% compared with an increase of 3.8% in 2011 was the consequence of the fall in the main branches which are "other non-financial market services", "trade" and "financial services" which decreased by 15.0%, 10.0% and 10.0%, respectively, compared with 2.0%, 4.0% and 3.0% in 2011.

Regarding employment, the downturn in economic activity led to lower consumption and a fall in investments. Public consumption decreased by 12.0% compared with an increase of 3.8% in 2011, following the institutional crisis leading to the suspension of cooperation with technical and financial partners and the need for the Government to finance necessary expenditures to resolve the crisis in the North of the country. Investments decreased by 67.7% as a consequence of lower public than private investments. In nominal terms, the share of gross domestic investments fell from 19.9% of GDP to 16.6% of GDP.

The annual average **rate of inflation** stood at 3.0% in 2011 compared with 1.2% in 2010. For 2012, general price levels, as measured by the Harmonized Index of Consumer Prices (HICP), are projected to increase by 5.7%, following the food crisis after the poor 2011-2012 growing season.

The situation of **public finances** is characterized by widening budgetary deficits in relation to a slow increase in revenues and a significant increase in total expenditures and net loans compared with 2010 levels. The overall deficit in these conditions stood at 6.4% of GDP compared with 2.6% in 2010. The basic budget balance in 2011 recorded a surplus of 0.3% of GDP. The underlying basic budget balance (excluding expenditures financed by the revenues from the privatization of the SOTELMA) also showed a net decrease with 0.7% of GDP. This result is explained by the good performance of fiscal revenues, the control of salaries and wages and the under-execution of other current expenditures and capital expenditures financed with domestic resources, including those executed with the revenues from the privatization of the SOTELMA. For 2012, the execution of the financial operations of the Government was marked by an adjustment in expenditures of all of the sectors except for the “social” and “defense and security” sectors. Also, an improvement is expected in the deficit position of the overall budget balance excluding grants which stood at 0.6% of GDP compared with 7.5% of GDP in 2011. As for the overall deficit, it stood at 0.6% of GDP compared with 3.6% of GDP in 2011. Budgetary revenues increased to represent 16.0% of GDP compared with 15.5% of GDP in 2011. Grants fell in relation to the suspension of cooperation with the technical and financial partners as a result of the crisis. Total expenditures and net loans declined to stand at 18.6% of GDP in 2012 compared with 24.3% in 2011 owing to the significant decrease in investment expenditures.

Outstanding **public debts** at the end of 2012 represented 27.8% of GDP compared with 29.1% of GDP in 2011.

The **monetary situation** was characterized by a decrease in net foreign assets and an increase in domestic credit. The increase in domestic credit being greater than the reduction in net external assets, the money supply increased by 15.3% to stand at 1 492.0 billion FCFA in December 2011. The most recent data available on the stability of the financial sector indicate that jobs increased more rapidly than equity capital which reached 15% of the total risk-weighted assets during the first half of 2011, compared with 16.9% in 2010. This development is explained by the cycle of setting up credits, notably for agriculture (credit for inputs and credit for cropping). These credits are granted throughout the first half of the year and are reimbursed during the course of the last quarter. All banks except one comply with the minimum level of capital which was raised to 5 billion FCFA. Outstanding non-performing loans (net of provisions) were maintained at 9% of the total credit (net of provisions), as the rate of provisioning for non-performing loans (63%) has not increased. It should be noted that following the invasion of the

North, the banks suffered considerable damage which was assessed at 18 billion FCFA, or 0.3% of GDP. For 2012, net foreign assets declined while domestic loans rose. The net position of the Government deteriorated while the outstanding credits to the economy stabilized. The money supply expanded by 5.1%.

The deficit in the **current account** (including grants) of the balance of payments should reach 7.5% of GDP compared with 12.7% in 2010. The favorable impact of the increase in prices for gold and cotton should more than compensate higher costs for petroleum and transportation. This deficit is almost entirely financed by net capital inflows in the form of foreign aid and foreign direct investments. Consequently, the overall position of the balance of payments was a deficit of 24 billion FCFA financed by withdrawals on the foreign exchange reserves of the Central Bank of West African States (BECEAO). The overall position of the balance of payments in 2012 was a deficit of 40.9 billion FCFA, a widening of 8.8 billion FCFA compared with the level estimated in 2011, the consequence of a decrease in the surplus of the capital and financial accounts, the effects of which were mitigated by the surplus of the current account which benefited from the increased production of gold and cotton and from the fall in imports. The deficit of the current account, excluding grants, was thus situated at 4.3% of GDP compared with 11.5% in 2011. The politico-military crisis resulting in the suspension of international financial cooperation and the rise in country-risk limiting private capital flows are the two main factors that are at the origin of the fall in the balance of the capital and financial accounts which declined from 486.7 billion FCFA in 2011 to 180.1 billion FCFA in 2012.

For 2013, the situation in Mali became increasingly problematic with the occupation of the North, resulting in war breaking out as of January 2013 and the consequences of which constitute a major risk for all the countries of the sub-region. This security issue amplified the structural constraints of the country: (i) the difficult business climate, marked by insufficient physical infrastructures (transportation, electricity…); (ii) limited financial intermediation; (iii) a weak legal system; and (iv) a level of qualification of labor that leaves much to be desired. These weaknesses confined private investment to a relatively low level compared with comparable countries. To deal with this situation, reforms should aim to: (i) implement sustainable budgetary policies; (ii) create the budgetary space for expenditures on infrastructures;

(iii) consolidate progress in terms of public financial management; and (iv) promote the development of the private sector by improving the business climate.

Nevertheless the rapid and vigorous reconquest of territory by the French and Chadian armies in support of the Malian army made it possible to retake all the large towns and the mountainous zones which had served as sanctuaries. Other African soldiers were deployed to secure the North of the countries. The prospect of the total liberation of the country led the authorities of the transition to adopt a roadmap for presidential elections in July 2013. This new context made it possible for the country to renew international cooperation, thus benefiting from support from the Bretton Woods institutions, the European Union, the Netherlands and several other partners. Thus, the authorities foresee a growth rate of 4.8% for 2013, carried by the recovery of all the sectors of activity, notably the primary, the secondary and the tertiary, supported by the startup of public and private projects. The management of public finances will be carried out in a context of maintaining a positive basic budget balance, in spite of the security problems and the elections. Inflation could fall to under 3% in 2013 following a good growing season. The current account deficit of the balance of payments including grants, should widen to reach 7.1% of GDP in 2013 under the effect of the stagnation of export revenues following a slight decrease in production and prices for gold, the declining prices for cotton and the resumption of imports with the recovery of economic activities.

■ 2.11 Niger

For 2011, the **growth rate** of the economy stood at 2.1% compared with 8.0% in 2010. This deceleration related mainly to the fall in agricultural production after unfavorable climatic conditions. The primary sector increased by 1.2% owing to herding. The secondary sector recorded growth of 7.1%, a development attributable to all of its sub-sectors. The tertiary sector showed a growth rate of 5.5% stimulated by trade and transportation. Regarding demand, economic growth was mainly supported by investments and exports. Investments increased by 9.8% in relation to the large public works and the increase in investments in priority sectors. Final consumption also grew by 2.4%, fuelled by private consumption that boosted by the increase in household incomes and public consumption, with 6.1%, following measures to improve the operations of the administration of the Government.

For 2012, the beginning of petroleum operations and the recovery of agricultural production contributed to stimulating the growth rate to 11.6%. The primary sector increased by 10.5% compared with a decrease of 3.0% fuelled essentially by agriculture for 15.0%. The other sub-sectors grew slightly, with herding at 3.0%, forestry at 2.9% and fishing at 2.5%. The secondary sector exploded with 35.7% compared with 4.2% in 2011, owing to the exploitation of petroleum bringing about a rise of 75.4%, to petroleum refining with an increase of 36.8% and to the production of energy achieving a growth rate of 11.2% in relation to the increase in the production capacities of the electricity company in charge of the production and distribution of electrical energy. The tertiary sector, benefiting from the dynamism of the other activities, increased by 6.5%, notably owing to transportation which recorded a rise of 22.8% in relation to the expansion of activities for the transportation of petroleum products.

Regarding demand, investments recorded an increase of 20% after a decline of 13.5% in 2011 carried by an increase of 21.9% of the private GFCF and an increase of 44.5% of public GFCF notably in the area of road construction and social programmes. Final consumption remained modest with an increase of 3.9% compared with 6.9% in 2011. In nominal terms, the rate of gross domestic savings emerged at 19.4% compared with 18.2% one year beforehand and the investment rate stood at 36.6% compared with 34.5% in 2010.

For 2012, the **inflation rate** emerged at 2.9% in 2011 compared with 0.9% in 2010. This increase in inflation is explained mainly by the higher costs for “transportation”, “lodgings, water, electricity and cooking gas” and “food and non-alcoholic beverages”. The underlying inflation rate stood at 2.4%, compared with -0.5% one year earlier. For 2012, the annual average inflation rate in Niamey stood at 0.6% compared with 2.9% in 2011. Measures taken by the Government to limit the effects of the food crisis have thus fully met expectations.

Concerning **public finances**, the overall deficit, excluding grants, stood at 7.7% of GDP compared with 7.2% in 2010. At the same time, the overall balance as a ratio of GDP went from -2.5% in 2010 to -3.6%.

Total revenues increased from 13.1% to reach 14.8% of GDP owing to the continuation of efforts to modernize public financial management. Mining revenues remain dominant. Grants recorded an increase of 66.9% in response to the smooth running of the political transition process. Total expenditures and net loans increased by 29.9% to represent 25.8% of GDP, owing to the fact that investment expenditures increased by 47.4% to stand at 10.9% of GDP compared with 7.9% in 2009. For 2012, the overall deficit excluding grants stood at 15.9% of GDP and the overall balance went from -0.5% of GDP in 2011 to -6.3% of GDP. Total revenues were 15.9% of GDP owing to an increase in non-fiscal revenues representing 1.3% of GDP, fuelled by mining dividends. Grants increased strongly to emerge at 9.7% of nominal GDP compared with 3.8% of GDP. Total expenditures and net loans have increased to represent 31.9% of GDP owing to the high increase in investment expenditures which represented 18.8% of GDP compared with 6.9% of GDP in 2011.

The outstanding **external debt** was assessed at 697.8 billion FCFA compared with 610.0 billion FCFA in 2010, or 20.4% of GDP compared with 22.1% of GDP in 2010. For 2012, it represented 23.7% owing to the increased mobilization of external resources in order to sustain mainly the construction of infrastructures. Domestic debt, estimated at 97.0 billion FCFA, represents 13.9% of the entire debt.

Concerning the monetary situation, outstanding domestic credit increased by 67.4 billion FCFA or 19.1%, settling at 418.5 billion FCFA at the end of December 2011. The net liability position of the Government deteriorated from 11.9 billion FCFA to 15.7 billion FCFA. Outstanding credits to the economy stood at 402.6 billion FCFA, an increase of 16.0% compared with its level in December 2010, owing to the increase in ordinary credit flows essentially attributable to cash flow advances to companies in the sectors of petroleum, mining, telecommunications and energy, as well as to enterprises in the sector of general trade. The money supply recorded an increase of 6.1% to stand at 611.2 billion FCFA at the end of December. This increase in overall liquidity induced an increase of 14.8% in currency in circulation. Nevertheless, bank deposits decreased by 3.7%. The monetary situation in 2012 showed a rise in net foreign assets and domestic credit (16.4%). The net position of the Government improved and ordinary credit increased by 19.1% in response to the needs of companies in the sectors of petroleum, mining, telecommunications, transportation and general trade.

Consequently, the money supply increased by 27.7% to stand at 780.5 billion FCFA at the end of December 2012.

The **overall position of the balance of payments** was a deficit of 27.4 billion FCFA, a deterioration of 126.1 billion FCFA compared with 2010 when there was a surplus balance of 96.6 billion FCFA. This results essentially from a deterioration in the current deficit, which widened from 563.0 billion FCFA in 2010 to 691.0 billion FCFA in 2011. Exports increased significantly by 7.8% owing to the products from the mining and agro-pastoral sectors. The trade balance underwent the influence of an increase in imports that was significantly higher than that of exports. The balance of the services account also deteriorated owing to expenditures for freight and the consumption of other services in the mining and petroleum sectors. Excluding grants, the current deficit stood at 24.4% of GDP in 2011 compared with 22.1% one year before. For 2012, the overall position of the balance of payments was a surplus of 131.8 billion FCFA in 2012 resulting from an increase in the surplus of the capital and financial accounts, in spite of the widening current deficit. A strong increase in imports, carried by food commodities to deal with the food crisis and equipment, in spite of the decrease in petroleum products, explains the position of the current account. The surplus of the capital and financial accounts follows a real improvement in the mobilization of foreign financial support for the Government, the effects of which were mitigated by the fall in foreign direct investment.

For the year 2013, the authorities are aiming at a growth rate of 6.7% in the framework of an ambitious programme for strong, diversified, sustainable growth that will create jobs. With this outlook, the Government plans to pursue its programme concluded with the IMF and the structural and institutional reforms necessary for the implementation of this programme. The combat against inflation will continue in compliance with the Community standard and also in the framework of the ambitious “3N” programme, of which one of the objectives is the regular supply of markets in basic consumer products with a view to accelerating agricultural production and herding to ensure the food security of the country. In the area of public finances, the position of the budget balance should improve and a prudent policy for debt management by relying on concessional loans will be pursued. The current account deficit of the balance of payments, excluding grants, as a ratio of GDP is projected downwards at 21.6% in 2013. The monetary and credit policy will follow the Community monetary policy and will be prudent and compatible with the objectives of re-launching economic activities and ensuring price stability in the country.

2.12 Nigeria

The growth of the real gross domestic product experienced an increase of 6.5% during the first half of 2012, compared with 7.5% in June 2011. This performance is attributable to the non-petroleum sector which, with a share of 85.2% of GDP, attained a growth rate of 7.8% compared with 8.7% in the same period of 2011. The petroleum sector, which has a share of 14.8% of GDP, also declined by 1.55% in 2012 compared with the increase of 0.31% in the same period of 2011. This downturn is linked to the morose global economic situation and notably to the low demand in crude petroleum from China and the United States. Domestically, the economy was weakened by riots throughout the country owing to the removal of subsidies for petroleum products, by the attacks and incessant threats to security perpetrated by Boko Haram and by the devastating effects of flooding which affected fifteen of the 36 ~~states~~ of Nigeria during the last quarter of 2012.

The sectoral contribution to growth shows that the sector of building and public works as well as the sectors of services for companies and other services sectors have grown by 0.64 and 0.59 percentage points, respectively, compared to those of the corresponding quarter in 2011. In addition, the sectors of crude petroleum, natural gas and solid mineral resources recorded increases of 0.34 and 0.18 percentage points compared with those of the corresponding quarter in 2011. During the third quarter of 2012, the activities of manufacturing industries experienced an improvement for the second consecutive quarter even though there was a decline compared with the same period in 2011. The manufacturing industries recorded a slowdown in growth of 7.8% in the third quarter of 2011 compared with 7.8% of the third quarter of 2012. These developments depend on a certain number of factors, notably the decrease in agricultural production, which plays an important role in the supply of raw materials to this sector and the challenges related to the ease of access to funds. In addition, with a share of 40%, the agricultural sector constitutes the largest contribution to the GDP of Nigeria. As the motor of the economy, more than 70% of the rural population works in subsistence agriculture. The decline in the contribution of the sector is attributable on one hand to security problems in certain ~~states~~ in the North of the country which have disturbed the activities of farmers and on the other hand, to the new plantations of agricultural lands and to major flooding in certain regions of the country to different degrees. Nevertheless, considering the fact that the peaking of the floods occurred towards the end of the third quarter of 2012, the impact on agricultural production was low according to the data of 2012. Accordingly, the full impact of the flooding would be more visible during the first and second quarters of 2013. It is during this period that crops that had suffered from flooding would be ready for harvesting.

Overall inflation was relatively high in 2012 in Nigeria. The Nigerian economy experienced a certain number of shocks such as the partial removal of the subsidy on premium grade fuel for vehicle motors, leading to the national strike and the increase in electricity charges and the increase in taxes on wheat and flour between 2011 and 2012. Owing to these shocks the Composite Index of Consumer Prices experienced a rise in January 2012 and during the whole of 2012. Thus, the corresponding general index rose by 12.6% in January 2012, or an increase of 22.3% compared with 10.3% recorded in December 2011. During the rest of the year, the highest rates were recorded during the months of April at 12.9%, June at 12.9% and July at 12.8%. The general index went from 12.0% in December 2012 to 12.3% in November 2012. This development was moderated by a restrictive monetary policy that led to the stabilization of the exchange rate.

Regarding **public finances**, budget operations during the first half of 2012 resulted in an overall deficit (excluding grants) of 1.5% of GDP compared with 2.7% in the corresponding period of 2011. Fiscal revenues, at the end of June 2012, represented 10.9% of GDP compared with 14.7% of the corresponding period in 2011, while non-fiscal revenues stood at 13.8% of GDP compared with 14.3% of GDP during the corresponding period of 2011. Petroleum revenues contributed 90.1% of total revenues compared with 89.4% of total revenues in the corresponding period of 2011, a rise that reflects the increase in the prices for petroleum on the international market and the stability of the petroleum sector. The total expenditures of the federal government, including net loans (and transfers to States and local governments) were 9.7% of GDP during the period under review, compared with 10.1%

of GDP in the corresponding period of 2011. Financial upgrading led to a real improvement in budgetary performance, following the large reduction in expenditures such as transfers, notably the partial removal of subsidies for petroleum and of general charges. Capital expenditures amounted to 1.3% of GDP, compared with 1.9% of GDP in the corresponding period of 2011. The revenues of the financial year 2012 were projected to be 9 693 billion naira (or an increase of 5.9% compared with the budget of 2011) and the overall budget deficit should be limited to 3% of GDP, while increasing investments in the essential priority sectors such as security, infrastructures, agriculture, education and health. The objective of removing the subsidy was to free up around 1.4 trillion naira (9.3 billion USD) in order to constitute a fund for safety nets for the poor to mitigate the effects of the removal of the subsidy. This fund should also be dedicated to the development of infrastructures through a programme for the reinvestment of subsidies and autonomy (SURE-P) and the sovereign investment fund.

The **outstanding total debt** at the end of June 2012 was 19.0% of GDP compared with 17.5% at the end of December 2011. The domestic debt has increased, bringing its share of the total debt from 13% to 40%, leading automatically to the reduction in the share of foreign debt from 87 to 60. In addition, 66% of the domestic debt was long-term and 34% was short-term. The debt policy, as stated in government strategy documents, aims at making the debt sustainable in the medium term and ensuring that the central Government and the governments of the States hold to prudent, sustainable borrowing and the efficient use of resources.

The restrictive **monetary policy** led to a decrease in monetary reserves of 9.8%, compared with an increase of 11.9% during the same period of 2011. The broad money supply increased by 1.4%, compared with the growth rate of 5.7% in the corresponding period of 2011. The net foreign and domestic assets contributed 2.9% and -2.8%, respectively, to the expansion of the broad money supply, compared with -0.5% and 1.8%, respectively, during the same period of 2011. The net credits of the Government contributed -6.6% to the expansion of the broad money supply compared with 1.3% during the same period of 2011. The level of foreign reserves went from 7.2 months of import coverage in the first half of 2011 to 7.6 months of import coverage during the period under review. The naira remained relatively stable. It should be noted that the Central Bank of Nigeria (the CBN), a quasi-governmental institution, does not have total management autonomy. It is obliged to finance budgetary deficits or to undertake quasi-budgetary activities, including quasi-budgetary operations (loan guarantees) for public enterprises.

For **foreign trade**, the balance of the current account recorded a surplus of 7.7% of GDP, a decrease compared with the surplus of 9.5% of GDP during the first half of 2011 owing to the deterioration in the trade balance, which fell from a surplus of 18.4% of GDP during the first half of 2011 to 15.9% of GDP during the period under review. Exports of crude petroleum and natural gas continue to dominate total exports up to 97%, thus reflecting the very narrow productive base of the economy and the absence of other sources of foreign exchange, originating notably from the manufacturing industries. This situation has made the Nigerian economy vulnerable to external shocks. Imports are dominated by a non-petroleum component of 69.5% in 2011 and 71.8% during the first three quarters of 2012, while the rest corresponds to the share of imports of crude petroleum and gas. At the end of the third quarter of 2012, the surplus of the *current balance* reached 15.4 billion USD compared with 8.7 billion USD during the same period in 2011. Net services deteriorated, falling from a deficit of 26.0% of GDP during the first half of 2011 to a deficit of 26.4% of GDP during the period under review. This deficit widened further at the end of the third quarter of 2012 compared with the same period of 2011. Net revenues deteriorated also, going from a deficit of 10.8% of GDP to a deficit of 9.3% of GDP at the end of the second quarter and widened further at the end of the third quarter owing to the increase in dividends and profits repatriated by non-resident investors, transfers which had increased from 1.0% of GDP to 8.7% of GDP in the second quarter of 2012 compared with the same period in 2011, thus reflecting the impact of the crisis in developed countries. At the end of the third quarter 2012, the financial and capital accounts declined from 12.7 billion USD to 5.4 billion USD during the same quarter of 2011. However, the reduction in foreign direct investment flows was observed owing to the unstable economic climate caused by security problems in the northern part of the country and by the repeated kidnapping of foreigners in the southern part of the country. The overall position of the balance of payments recorded a surplus of 2.3% of GDP compared with the deficit of 0.5% in the first half of 2011.

For **2013 and beyond**, the objective of the macroeconomic policy of the country is to ensure price stability, the viability of the external sector, the reduction of poverty, the creation of employment and sustainable growth. The year 2013 will without any doubt be decisive for undertaking fundamental economic reforms as the political decision-makers will suspend the necessary reforms in 2014 to the extent that the struggle for power and political positioning will begin for the primary and general elections in 2015. Nevertheless, the expectations for 2013 should not be very high because the same problems, which currently explain the poor results of Nigeria in terms of development, still persist. In addition, the "Energy Information Administration" of the United States foresees a fall in the price per barrel of crude Brent petroleum from an average price of 112 USD per barrel in 2012 to 105 USD per barrel in 2013, which indicates an increased supply of liquid fuels by countries that are not members of OPEP. This will have a negative impact on Nigeria's petroleum revenues and thus on its development track. A major challenge for Nigeria in 2013 will be the reduction of the domestic debt, which totaled 41 billion USD in September 2012. The objective of the authorities should be to pursue the prospects for inclusive growth by improving the business climate, by filling the gaps in infrastructure and by implementing reforms that favor the main sectors with the greatest potential for creating jobs and for diversification. Resolute actions are also necessary in order to bring religious conflicts under control in the framework of efforts deployed to progress more rapidly in the area of social inclusion, notably employment for young people.

The outlook, in spite of the uncertainties of the international environment, remains good owing to the structural reforms underway in the country. For 2013, growth will be 6.7% under the assumption of a recovery of global demand for petroleum. The non-petroleum sector will continue its healthy trend, thus reducing the effects of external shocks on the economy. The outlook for inflation is promising, with a rate that should fall even though the ECOWAS criteria of 5% will be difficult to satisfy.

2.13 Senegal

In 2011, economic activity recorded a growth rate of 2.6% compared with 4.1% in 2010. Macroeconomic performances were affected by the drought in the Sahel. In effect, the production of cereals and peanuts decreased by about one third in 2011, which limited the growth of GDP.

In 2012, after a tense electoral campaign, the presidential elections led to a peaceful change in the administration, with the election of a new Head of State in April 2012, followed by legislative elections from the beginning of July. A **growth rate of 3.5% was achieved in 2012**, owing to an increase in public investments in infrastructures and the revitalization of the agricultural sub-sector (17.4%). The data reflect the good performance of the primary sector with 8.9% of growth compared with a decline of 10.8% in 2011, carried by agriculture, a priority sub-sector of the Government. This sub-sector has consequently increased by 14.9% compared with a decrease of 21.6% in 2011. The objective of the heavy involvement of the public authorities through subsidies and programmes is to make it possible for subsistence and industrial agriculture to recover and to carry, for a large share, the growth of the Senegalese economy.

The under-performance of the secondary sector, which declined from 7.2% in 2011 to 2.7% in 2012, is explained by the energy crisis, combined with difficulties in access to credit and to structural problems. The extractive industries (8.2% on average), petroleum refining and coking (10.8% on average) and the branch of water and electricity (with 9%) and also the branch of cotton ginning and textile manufacturing (with 22.7%) have amortized the decline in this sector. The sub-sectors of building and public works (-0.5%) and cement manufacturing (-0.6%) are undergoing the effects of the Malian crisis and of a timid domestic demand. The fall in the growth rate of the tertiary sector, from 4% in 2011 to 3.7% in 2012, is explained by the poor performance of almost all of its components. In effect, compared with 2011, the post and telecommunications sector lost 0.9 points, although the sub-sector of telecommunications showed a modest growth of 3.2%, financial services (-4 points), the services of hotels and restaurants (4.8% to -15.1%), real estate activities (-0.7 points) and transportation (-7.5 points), except for trade, which gained 2 points.

Regarding demand, final consumption increased by 2.7% compared with a decline of 1.6% in 2011. The GFCF has risen by 6.0% in 2012 compared with 2.2% in 2011, attributable mainly to the public GFCF with 13.6% in 2012 under the impetus of investments in the electricity sector compared with a decrease of 1.9% the preceding year.

To better guide the economy onto the path of high growth, structural reforms are necessary notably an exhaustive tax reform and above all of energy. In general, priority reforms should be in the management of public finances and of the debt, of tax and customs administration, the financial sector and other measures designed to eliminate constraints to growth and improve the business climate.

Economic activity during the period took place in a context marked by **inflationary pressures**, owing to the shortage of food commodities. In effect, the annual average inflation rate stood at 3.4% in 2011 compared with 1.2% in 2010. Inflation in 2011 resulted from the effect of high prices for transportation and food commodities. The inflation rate measured by the Harmonized Index of Consumer Prices was 1.2% in 2012, largely below the WAEMU standard of 3%.

In the **area of public finances**, the situation is characterized by an aggravation of the overall balance in connection with the high increase in expenditures. As a result, the overall deficit, grants included, stood at 6.7% of GDP in 2011 compared with 5.2% in 2010. In spite of an increase in resources (revenues and grants) of nearly 13% in 2012, the overall balance deteriorated by 19.13% in two years. This situation corresponds to a deficit widening slightly from 8.7% of GDP in 2011 to 8.8% in 2012[3]. The overall deficit, including grants, in spite of a slight improvement, remains wide, going from 6.7% of GDP in 2011 to 5.9% of GDP in 2012. Budgetary revenues increased slightly to 20.9% of GDP compared with 20.2% in 2011 and grants showed a strong increase of 41.3%. Total expenditures and net loans stood at 29.7% of GDP compared with 29.0% in 2011. Investment expenditures, on external resources, increased by 16.3%, compared with a decrease of 0.8% in 2012 on internal resources, for an increase of 16.5% recorded in 2011.

The control of **the deficit** was also accompanied by an effort to rationalize public expenditures favoring the protection of the poor, as well as by a restructuring of the public debt. This is the result of exogenous shocks on the budget (the drought in the Sahel and in general, the economic slowdown) and the very high costs of subsidies for electricity as well as measures taken by the authorities to stabilize the

3. GDP to market price in 2011 = 6 816.4 and that of 2012 is projected at 7 225; SEF, october 2012, p. 32.

prices of food commodities and petroleum products. For a more rational and efficient management, the public authorities took important measures to (i) significantly reduce current expenditures (ii) re-schedule the launching of a certain number of public investment projects that have not had a real positive impact on growth and poverty reduction, and (iii) bring the budgetary deficit down to a level compatible with the viability of the debt.

In 2011, the **outstanding public debt**, with 2 704. 2 billion FCFA, or 39.7% of GDP, was projected at 3 041.1[4] billion FCFA in 2012, or 42.1% of GDP, remaining below the 70% standard for the framework of the WAEMU Convergence, Stability, Growth and Solidarity Pact. Regarding the external debt, it is projected at 2 324 billion FCFA or 32.17% of GDP in 2012 compared with 2 050.9 billion FCFA, or 30.09% of GDP in 2011. At the end of 2011, the structure of the external debt of Senegal showed a multilateral debt of 64%, a bilateral debt of 23.8% and a commercial debt of 12.2%. The servicing of the foreign public debt should stand in 2012 at 9.9% and 8.3% of budgetary revenues and exports of goods and services, respectively. The domestic debt in contrast is estimated at 717.1 billion FCFA or 9.93% of GDP in 2012 compared with 653.3 billion FCFA or 9.58% of GDP in 2011. The external debt represented 76.42% in 2012 of the total amount of the public debt.

The **monetary situation** is characterized by a decline in net foreign assets and a rise in domestic credit in 2011 as well as in 2012. With the rise in domestic credit being greater than the decline in net foreign assets, the result was an expansion in the money supply of 5.2% at the end of December 2011. The Net Government Position (NGP) also improved following the increase in the deposits of the Government with the Central Bank resulting from the international bond issue (Eurobond) in 2011 in order to finance the toll highway. In 2012, in spite of a large increase in credits to the economy owing in part to the increased financing of imports of combustibles for the production of energy, contributing to the decrease in foreign assets, monetary growth remained moderate at about 7.0%. The increase in domestic credit by 13.6% reflects the deterioration of the NGP following the increase in the reliance by the Government on public securities to finance the budget deficit. This expansion in overall liquidity should be reflected by an increase in bank

4. This amount does not include the bond loan of 50 billion launched in november 2012.

deposits of 8.6% and an increase in currency in circulation of 1.1%. In total, the rate of overall liquidity of the economy went from 39.8% in 2011 to 40.2% in 2012. These developments reflect the reduction by the BCEAO of the key interest rates by 25 basis points and measures to improve public finances.

The **situation of the current account** in 2011 reflects the significant deterioration in the trade balance attributable to the continuous rise in domestic demand and international prices but also to the low level of exports. The deficit in the current account widened from 4.5% of GDP in 2010 to 5.6% in 2011, owing essentially to the deterioration in the balance of goods and services. Nevertheless, the current account deficit was mitigated by the surplus of current transfers which stood at 11.4% of GDP compared with 12.1% of GDP in 2010 or a slight improvement reflecting the 2.5% increase in migrants' remittances. They thus reached a total of 702.5 billion FCFA in 2011, or 10.3% of GDP. **In 2012**, the deterioration of the current account accentuated, under the effect mainly of the widening deficit in the trade balance. In effect, the current account deficit, excluding grants, was estimated at 8.2% of GDP compared with 8.7% of GDP in 2011. The impact of the deterioration of the trade balance on the current account was mitigated by the surplus of 821.6 billion FCFA (+11.4% of GDP) in the balance of current transfers attributable to the migrants' remittances. In spite of the persistent crisis in the euro zone, these transfers stood at 787.7 billion FCFA (+10.2% of GDP, compared with 10.3% in 2011) or an increase of 5% compared with 2011. The current account deficit of 579.7 billion FCFA should be partly compensated by the surplus of 475.7 billion FCFA of the capital and financial account. In total, following 2011, the position of the balance of payments was a deficit of 104 billion FCFA.

The **real GDP for 2013** will increase by 4.3%. This recovery will be carried essentially by, on one hand, policies oriented to the attainment of the MDGs and the improvement in the supply of electricity and, on the other hand, by the projects implemented in the framework of the Millennium Challenge Account (MCA). Added to this are other important infrastructure projects, such as the Dakar-Diamniadio toll highway and the Blaise Diagne international airport and also heavy minerals mining projects, such as the Grande Côte Zircon Project (GCZP).

To restore high levels of sustainable growth, in a context of equitable distribution of incomes, the authorities plan on carrying out policies to improve the macroeconomic framework. This involves proceeding with a re-balancing of the budget in 2013 with the improvements in public finances and the viability of the debt. This re-adjustment is necessary in order to preserve the stability of the macroeconomic framework. The budget deficit in 2013 should be under 5%, to ensure the viability of the debt and to reconstitute margins for budgetary maneuver. For the public authorities, a deficit under 5% is necessary to maintain, among other things, the public debt, projected at 3 321.1 billion FCFA, on a viable track. Also, as of January 2013, a better alignment of the finance law with development strategies with the objective of ensuring a more prudent management of the debt will better identify and prevent the risks of it getting out of control. The gross annual financing needs in the medium term remain relatively high in Senegal and should be around 9.6% of GDP during the 2013-2016 period after reaching 13% in 2012.

Inflation, measured by the Harmonized Index of Consumer Prices (HICP), should stand at around 2% in 2013, or largely under the Community threshold of 3% set in the framework of the WAEMU multilateral surveillance. The projections carried out show a moderate increase in production prices considering the declining trend of global market prices and an adequate supply for the domestic market.

In 2013, the **current account deficit** is expected to reach 591.6 billion FCFA (7.7% of GDP). Nevertheless this should be largely counterbalanced by the surplus of 734.1 billion FCFA of the capital and financial accounts. In total, the balance of payments should produce a surplus of 142.5 billion FCFA in 2013 compared with a deficit of 104 billion FCFA in 2012.

Regarding currency, the favorable situation of the balance of payments should be reflected in an improvement of 142.5 billion FCFA of net foreign assets. Favored by the good performance of credits to the economy, domestic credit is expected to rise by 7.5%. Thus the money supply, which the reflection of its counterparts should experience an expansion of 11.1%.

The risks facing the Senegalese economy remain significant. The unfavorable global environment, especially in Europe, as well as the rise in petroleum prices and the persistent instability of neighboring countries are the main external risks that weigh on the outlook. Domestically, the high expectations that the people have placed on the new Government in terms of job creation and the reduction in the cost of living could complicate the re-balancing of public finances in the medium term.

Also to consolidate its performance and respond to social demand, Senegal plans to:

- accelerate the attainment of the MDGs as an important lever for improving the living conditions of the poorest of the poor, from which the importance granted by the Government to the development of essential infrastructures and reforms to improve the business climate and to develop appropriate social policies;
- finalize the big projects underway in the framework of the "Millennium Challenge Account (MCA)", the Dakar-Diamniadio toll highway and the Blaise Diagne International Airport and in fine, participate in the reduction of regional disparities;
- implement the Grande Côte Zircon Project (GCZP) and the Massawa and Golouma Gold Mining Projects and strengthen the production of phosphates;
- improve the electricity supply;
- apply measures to lower income taxes and adopt and new general tax code;
- continue the implementation of the National Agricultural Investment Programme (NAIP) and the support project for agricultural industries in the framework of water management and productivity improvement as well as agricultural diversification but also the removal of fishing licenses to foreign fishing industries and the continuation of other measures aiming at conserving the fishing resources;
- lastly, develop and implement a framework for good governance to contribute to making Senegal a model of democracy in order that the re-launching of productive activities will have positive and sustainable effects on the economy.

2.14 Sierra Leone

The growth in the real GDP was 18.2% in 2012, which is a real improvement compared with the 6.0% recorded in 2011. The primary sector increased by 5.31% in 2012, compared with 4.6% in 2011. The subsectors of agriculture, herding, forestry and fishing which increased by 5.4%, 4.30%, 2.7% and 2.5%, respectively, in 2011, recorded growth of 6.4%, 4.7%, 3.4% and 1.8%, respectively, in 2012. They benefited from the support of the public authorities through the Smallholder Commercialization Programme and the Rural and Private Sector Development Project, in addition to favorable rainfall. The industrial sector rose from a growth rate of 9.7% in 2011 to an exponential expansion of 148.1% in 2012, fuelled essentially by the sector of mines and quarries with a rate of 345.5% in 2012 compared with only 17.2% in 2011 and good performance in the other sub-sectors. The tertiary sector rose by only 6%, compared with 7.2% in 2011, fuelled by trade and tourism at 8.5%, as well as finance and insurance at 6.2%.

The **inflation rate** fell from 16.6% at the end of December 2011 to 12.5% at the end of June 2012. This is real progress compared with the year-on-year inflation rate of 16.8% recorded at the end of June 2011. The fall in inflation is due to the stability of the exchange rate, to the tightening of monetary conditions, to the increase in national production and the removal of customs and excise duties on petroleum products as well as to the payment of subsidies to vendors in order to mitigate the effects of the high fuel prices at the pump.

Budgetary operations during the first half of 2012 brought about an overall deficit of 6.1% of GDP, compared with 12.7% of GDP during the corresponding period of 2011. The budget deficit (including grants) amounted to 3.1% of GDP, compared with 7.1% for the corresponding period of 2011. The reduction in the budget deficit was linked to the increase in total domestic revenues and to the strict control of important expenditures. The total of expenditures and net loans during the period under review was 16.9% of GDP compared with 20.9% of GDP during the same period of 2011.

The **total amount of the debt** of Sierra Leone represented 75.5% of GDP in 2011 and was estimated at 63.9% of GDP in 2012. The amounts of the domestic and foreign debts represented 72.4% and 27.6%, respectively, of the total debt. Most of the outstanding foreign debt, or 61.9%, is owed to multilateral institutions while 24.8% is owed to private institutions and the rest (13.3%) to bilateral institutions.

The objective of **monetary policy** was the maintenance of flexibility in the exchange rate and stability in the financial sector, while containing inflationary pressures. The key rate was maintained at 20% with a view to containing inflation. Its implementation brought about a decline in the money supply of 0.7% during the period under review compared with a rise of 2.2% during the same period of 2011. This development also results from the rise in net domestic assets of 6.7% which could not compensate the decline in net foreign assets estimated at 1.0%. The contributions of the private sector, of public institutions, of the Government and of other actors of the economy to the expansion of the broad money supply were 0.02%, 0.5%, -0.3% et 0.2%, respectively, compared with 3.3%, -0.5%, -6.4% et 5.7%, respectively, during the same period in 2011. The national currency, the leone, was relatively stable during the first half of 2012, with an appreciation of 0.9%, compared with a depreciation of 3.7% recorded during the same period of 2011. The stocks of gross external reserves recorded an increase of 384.4 million USD at the end of June 2012, or 3.0 months of import coverage compared with 2.4 months of import coverage at the end of December 2011.

For **foreign trade**, the provisional data on the balance of payments reveal a fall in the trade deficit from 46.0% of GDP in 2011 to 15.5% in 2012, owing to the increase in exports from 13.2% of GDP in 2011 to 22.6% in 2012 and a decrease in imports from 59.2% of GDP to 38.1% of GDP. Exports benefited from the increase in sales of iron ore and rutile (including aluminate) while the fall in imports results from that of the import of transportation equipment for iron ore. The improvement in the current account deficit is also based on the reduction in the net deficit in the services account, from 12.0% of GDP in 2011 to 5.7% of GDP and on the rise in the surplus of net current transfers from 5.2% of GDP in 2011 to 3.4% of GDP. The capital and financial accounts recorded a lower surplus, from 3.5% of GDP in 2011 to 1.6% of GDP in 2012. This development is explained by the reduction in direct foreign investment in the mining sector, in particular in iron ore and by the reduction in the surplus of the capital account, which consists essentially of project grants.

For 2013, the objective of macroeconomic policy aims at sustainable economic growth, the creation of jobs and the increase in economic and social opportunities for a larger portion of the population, with a view to consolidating gains. The launching of the activities of the iron mining companies and the increase in investments in infrastructures or other social services, in particular the production of energy will contribute to reaching a growth rate of 7.5% in 2013. Construction work should expand as the Government pursues its commitment to increase investments in infrastructures and to supply social services. The main budgetary objectives were investments in infrastructures and the supply of basic necessities for the attainment of the Millennium Development Goals (MDGs). The volume of the debt still is cause for concern. A significant improvement in exports, sustained by the expansion of the mining sector, mainly the export of iron ore, is expected while imports should fall further. The current account deficit and the exchange rate should remain stable, owing to the increase in export revenues. The stability of the exchange rate and the rigorous monetary policy will make it possible to contain inflation at one figure, even though the objective of the ECOWAS convergence criteria of 5% will be difficult to achieve.

2.15 Togo

The growth rate of the real GDP in 2011 was 4.9% compared with 4.0% in 2010, in relation to the regain of activities in all sectors. The primary sector increased by 5.1% compared with 2.4% in 2010. The secondary sector increased by 4.5% compared with 5.0% in 2010, with the normalization of the electricity supply. The tertiary sector increased by 1.0% compared with 3.1% in 2010. Regarding demand, the GFCF increased by 41.3%, compared with 14.5% in 2010, in relation to the strong rise in public investment in the context of continued construction of infrastructures. On the other hand, final consumption declined by 2.8%. The situation in 2012 evolved as in 2011, with a growth rate in GDP of 5.0%, fuelled mainly by the secondary sector with 13.0%. This sector benefited from the improvement in the supply of electricity and the good performance of extractive industries. The tertiary sector also benefited from the regain of activity in the secondary sector, carrying its rate of growth to 4.6%. However, the primary sector declined with a rate of 4.1% in 2012, less than in 2011, owing to the deceleration of agriculture with 2.7% in 2012 compared with 5.1% in 2011.

Regarding demand, the GFCF increased by 15.6% compared with 8.7% in 2011, following that of the private sector (12.8%), especially in housing, and of the public sector (18.3%) in the construction of infrastructures. Final consumption fell by 15.5% compared with a rise of 6.9% in 2011, in relation to the fall in private consumption of 18.4%.

Economic activity took place in a context marked by **inflationary** pressures due to the rise in prices for food commodities and transportation. The annual average inflation rate stood at 3.6% compared with 1.4% in 2010. As for underlying inflation, it stood at 3.4% compared with 1.5% in 2010. For 2012, the inflation rate was estimated at 2.5%.

In the area of **public finances**, the situation is characterized by an aggravation of budgetary deficits. Budget revenues represented 18.2% of GDP compared with 18.8% in 2010 owing to results obtained in the collection of the VAT, taxes on foreign trade and taxes on incomes and profits. Grants increased by 32.7% after a decline in 2010 to represent 4.9% of GDP. Total expenditures and net loans reached 24.1% of GDP compared with 22.4% in 2010, with an increase of 83.1% of capital expenditures to represent 13.3% of GDP compared with 7.8% in 2010. In total, the overall position excluding grants and the overall position including grants stood at -9.6% and -6.4% of GDP, respectively, compared with -1.1% and 0.3% in 2010. For 2012, the situation remains close to that of 2011 with budget revenues representing 18.2% of GDP, while total expenditures and net loans were 31.6% of GDP with a doubling of investment expenditures. In total, the overall deficit excluding grants and the global deficit deteriorated in 2012 to represent 13.4% and 9.6% of GDP compared with 6.0% and 1.1%, respectively, in 2011.

The benefit of the Heavily Indebted Poor Countries Initiative has made it possible for the **outstanding external debt** to fall from 770.1 billion FCFA in 2009 to 236.3 billion FCFA in 2010 then to 224.7 billion FCFA in 2011. As for the outstanding domestic debt, it rose from 472.9 billion in 2010 to 510.6 billion FCFA in 2011, or a rise of 8.0% due to the bond loan issued by the Government at the beginning of the year. The outstanding public debt stood at 773.6 billion FCFA, or 43.3% of the nominal GDP compared with 44.8% in 2010. This rate was 43.0% in 2012.

Regarding the **monetary situation**, at the end of December 2011, the net external liability position improved with the rise in net foreign assets. The outstanding domestic debt also increased strongly with 21.6%. The net liability position of the Government recorded a decline in favor of credits to the economy which increased strongly. This change is related to the assistance granted to companies operating in the sectors of distribution of petroleum products and the chemical industries. The money supply expanded by 15.9%. For 2012, foreign assets continued to improve and outstanding domestic credit increased by 10.8%. This change resulted from the improvement in the net position of the Government and in the increase in credits to the economy. The money supply expanded by 9.8% in 2012.

Concerning **foreign trade**, the overall position of the balance of payments stood at a surplus of 31.7 billion FCFA in 2011, which was a reduction of 4.8 billion FCFA compared with the preceding year, under the effect of a deterioration of the current deficit, which stood at 111.4 billion FCFA. This development is attributable to the balance in the goods and services account, in line with the rise in imports, which, at the same time, increased the freight bill. Nevertheless, this trend was mitigated by an improvement in current transfers in favor of the private sector. The deficit of the current account, excluding grants, in relation to the GDP, was 10.6% compared with 7.7% in 2010. The surplus of the capital and financial accounts amounted to 192.5 billion FCFA in 2011 compared with a level of 130.0 billion FCFA one year earlier, in relation notably with the increase in other public drawings and the decline of amortizations due to the public external debt. The improvement in this surplus was also influenced by the rise of inflows of portfolio investments and foreign direct investments, owing to the granting of a new license for mobile telecommunications. For 2012, the situation deteriorated slightly with a lower surplus in the balance of payments of 11.5 billion FCFA. This situation is the consequence of the widening deficit following the deterioration in the balance of the goods and services account and stability in revenues and transfers. Also the deficit in the current account excluding grants stood at 10.7% in 2012. The surplus in the capital and financial account is anticipated to be lower, in relation notably to the decline in project grants and the deterioration in the levels of other private capital, in spite of the improvement in net public drawdowns on external loans.

For 2013, the anticipated growth rate is 5.3%, carried mainly by the secondary sector with 10.5%. The primary sector will increase by 4.1%, while the tertiary sector will increase by 4.8%. In 2013, a regain in final consumption with 5.5% and growth in investments on the order of 9.7% in relation to the continuation of construction work on infrastructures. Regarding public finances, the overall deficit excluding grants and the overall deficit including grants will decline to represent 6.1% and 2.8% of GDP, respectively.

2.16 Conclusion

The economic situation is improving throughout the countries of the Community. In terms of political commitment, the authorities are determined to meet the challenges that mark the pathway to growth on which their countries are engaged. Nevertheless, structural transformation that generates jobs and is a source of diversification for economies will take time as the needs in terms of financing to do this remain sizable while domestic savings are still low. Important reforms are underway to improve the business climate. However, it should be noted that only countries endowed with strategic natural resources are the main beneficiaries of foreign investment flows. In addition, growth is most often fuelled by these capital-intensive operations. West African countries must mobilize domestic resources to accelerate their economic growth, reduce the fluctuations of growth that are closely linked to exogenous shocks and improve the living conditions of the people.

It is important for the continuation of the dynamic of growth in the sub-region to remind Governments of the need to comply closely with the Action Programme submitted to the Regional Economic Commission of the sub-region. In effect, each country is committed to a medium-term programme aiming at accelerating its economic growth while consolidating the fundamentals of its economy and promoting a better distribution of the fruits of growth.

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Chapter III: Inclusive green growth to accelerate socio-economic development in West Africa

Introduction

The green economy, a controversial concept owing to its different definitions, is considered to be a tool for the promotion of sustainable development and remains at the heart of national and international debates on combating climate change and creating massive numbers of jobs that are respectful of the environment. The concept of green growth is raising increasingly greater interest among political decision-makers and development practitioners to deal with the ravages of the global economic model. The RIO+20 Conference in June 2012 was for the international community the occasion to seek a renewed political commitment in favor of sustainable development and to deal with the new emerging challenges of development. This meeting placed the emphasis on two specific themes: *the green economy in the context of poverty eradication and sustainable development and the institutional framework for sustainable development.*

The dominant model of development facing the world presents us with multiple simultaneous crises, the exhaustion of natural resources and market disruptions that have marked the first decades of the new millennium. It has proven to be inefficient for productive work and decent jobs. This type of traditional economy or “brown economy”, exacerbates the phenomena of climate change and exhaustion of natural resources and various crises of biodiversity, energies, food security, indeed the of the financial system itself as recently as in 2008. All this increases social disparities, under-employment, uncontrolled emissions of greenhouse gases, migrations, etc. which constitute major development challenges that humanity must face.

At the same time, investments have difficulty in orienting towards sectors that create massive numbers of jobs and are respectful of the environment. The current economic model has not made it possible to create enough decent jobs and has generated inefficiencies in the financial system, the costs of which are very high for companies and workers. These excesses have been favored by poor allocation of financial resources. According to the UNEP, during the course of these last few decades, large volumes of capital have been invested in land, fossil fuels and financial assets incorporating derivatives but relatively little in renewable energies, energy efficiency, public transportation, sustainable agriculture, the protection of ecosystems and biodiversity and the restoration of water and soil.

Most strategies for development and economic growth favored the rapid accumulation of physical, financial and human capital at the cost of the exhaustion or excessive degradation of natural resources and in particular subsistence agriculture on which nearly 1.3 billion people depend. The consequences of these planetary crises severely affect the economies of the world especially those of fragile developing countries, particularly in Africa and notably in the sub-Saharan region. In this sub-region of Africa, natural capital, which is the basis of food security and of the creation of wealth, has undergone serious degradation whereas countries are facing growing demand for energy, water, food and health as well as the urgent need to reduce poverty and stimulate economic activity in order to create jobs and raise income levels.

In spite of this, Africa has experienced rapid economic growth during the course of the last decade with annual average growth rates of 5% to 6% in several countries, exceeding those of other regions. Important leverages for growth are due to the high demand for and prices of raw materials. In addition, macroeconomic reforms associated with greater stability and growing urbanization have led to strengthening the services sector, to the emergence of a middle class and to a pan-African spirit of enterprise.

These remarkable performances mask existing inequalities in the observed progress which are growing from one region to another, from one country to another and within the same country between rural and urban areas. Poverty, unemployment and food security are persistent problems. The lack of universal access to energy, health, education and infrastructures continues to reinforce social insecurity. The weakness of the economy is shown, for example, by the existence of small businesses, often informal, with low investment capacity and with limited skills and inefficient technologies, which explains their lack of competitivity on the global market.

The urgency for Africa is to guarantee to its population that is old enough to work (estimated at half a billion in 2020, BAD) strong, socially inclusive growth which creates economic opportunities for all in sectors which are labor-intensive. Considering that African economies are profoundly dependent on natural capital, green economic growth should make possible a more judicious use of natural resources through more productive and more efficient investments.

A transition towards a more sustainable economy that is more respectful of the environment will be necessary to reduce poverty and make it possible to develop the livelihoods of millions of people, including youths and women, who depend essentially on natural resources such as fertile lands, forests, fishing resources and other types of natural capital. The adoption of modes of more sustainable production and consumption should guide African economies along the path to competitivity, creation of wealth, jobs and the eradication of poverty.

The green economy proposes to break with the current inefficient development model and to opt for a more sustainable development model that is characterized simply by a low rate of carbon emission, the rational use of resources and social inclusion. Green growth aims at combating climate change while making the green technologies and industries that are necessary the driver of national economic growth. The UNEP defines the green economy as “an economy which leads to an improvement in human well-being and social equity while significantly reducing the environmental risks and the scarcity of resources”. Operationally in this type of economy, growth in incomes and jobs should originate from public and private investments that are low in carbons, low in pollution, efficient in the use of resources including energy resources and likely to preserve biodiversity and the services of the environment.

A successful transition to the green economy will necessarily involve strengthening the technical, financial and political capacities that are appropriate for West African countries. From this point of view, this transition should make it possible to create the skills and conditions for the involvement of all the actors concerned in the process of implementing the green economy for the mitigation of climate change.

3.1 Analysis of the potential and the challenges of the green economy in West Africa

In the West African context, an examination of the issue of the green economy, according to the experts, shows that the sectors based on natural resources such as agriculture, forestry, the mining sector, fishing resources, renewable energy, water management and the other sectors of transportation and waste management, constitute the most important niches for the creation of jobs and green growth. The sectors of agriculture, forestry, mines and fishing resources generate 80% (UNECA, 2012) of jobs in Africa. The sectors of industry and manufacturing, which are good sources of a green economy, are still in their infancy and not sufficiently diversified to produce a great variety of intermediate and finished products. Within the ECOWAS, the manufacturing industry is dominated by agro-industry and in 2006 represented only 7.4% of GDP.

3.1.1 The importance of the green economy based on specific sectors

The majority of African economies depend mainly on their heritage of natural resources, which are highly vulnerable to climate hazards. In spite of the importance of the services sector, the driver activities of the economy in the ECOWAS space are, on one hand, those of the primary sector which absorbs more than 2/3 of the labor supply and is made up of the sub-sectors of farming, fishing, herding and forestry and on the other hand, those of the industrial sector with the importance of the SME and the SMI in the areas of minerals, manufacturing and agro-industry.

The agriculture sector is the largest employer in West Africa with more than 70% of the active population. It contributed 33% of GDP in 2009 (BAD, 2011) and employs a large number of agricultural workers who are poorly paid and subsistence workers (essentially women). The revenues drawn from cultivable lands compose a large part of the wealth of the sub-region. The sector is marginally connected to the international market through a certain number of crops (coffee, cocoa, peanuts, etc.)

Within the ECOWAS, about 80% of the food needs of the people are met by regional agricultural production. During the 2002-2004 period, the value of agro-food exports reached 5. 96 billion USD, thus providing a positive agro-food trade balance of 522 million USD. While the region imports significant quantities of food products (for a value of 5. 44 billion USD in 2002-2004), the region is not dependent on imports to cover its food needs[6]. The sub-sector of herding plays an important role in the economy of the West African sub-region with a contribution of 44% of the agricultural GDP. Thus, animal production contributes directly to the improvement of food and nutritional security in West Africa[7].

The forestry sector occupies a primordial place in the local economies of the sub-region with a vital contribution to livelihoods, supplies of wild resources and environmental services. Beyond their function of production of eco-system goods and services, forests play a fundamental role in the development of *eco-tourism*. However, the tourism sector contributes, directly and indirectly, 8.3% of GDP and 5.9%[8] to the creation of jobs in Africa. The fishing sector is crucial to the creation of added value and remains among the most labor-intensive sectors in Africa, particularly in the coastal regions of West Africa. The fishing sector concerns 10 million Africans, whose incomes depend on it in large part. It represents a major source of daily food, notably in terms of animal protein, for thousands of African households.

In spite of the importance of the agriculture sector, very severe cases of malnutrition are found in certain areas of the sub-region. The sector is a victim of climate change and hazards, crop pests and soil degradation, which explains the challenges of the sector in guaranteeing food security and achieving national and regional food sovereignty.

Regarding **energy**, access to energy services, notably modern, constitutes a real vector of economic growth and social development. Modern energy services contribute to improving basic services for health, education and water supply. Modern energy cooking services greatly facilitate the daily lives of women who spend many hours a day in

6. FARM : les potentialités agricoles de l'Afrique de l'Ouest, CEDEA, 2008.
7. ECOWAS 2009 ; Note adoptée d'orientation pour le développement de l'élevage dans l'espace CEDEAO & OCDE 2013.
8. UNECA, 2012.

collecting wood for energy and in cooking with traditional stoves with very high levels of pollution.

Access to renewable energies and to modern energy services plays a primordial role in the protection of the environment and in combating climate change, thus making it possible to meet the challenges of climate adaptation that are facing them. Efficient policy options for the development of renewable energies and energy efficiency can be real opportunities for the stimulation of the transition to a green economy.

The industrial sector contributes little to the creation of the GDP of the region with only 7.4% which shows that the natural resources of the region, notably agricultural production, are poorly exploited.

3.1.2 Analysis of the development potential of the green economy

As already stated above, the driving sectors of green growth in West Africa are: agriculture, construction, energy, fishing, forestry, industry, tourism, transportation, cities, waste management and water. Moreover, considering the galloping pace of urbanization in the sub-region, the sectors of sustainable cities, waste management and sustainable eco-construction offer important potential for low-carbon development.

Natural resources, including mining and energy resources, are special economic goods because they are not manufactured. Consequently, natural resources generate economic benefits and incomes if they are properly exploited. These revenues can be an important source of development.

In the agricultural sector, the niches for green growth identified are:

– **Sustainable agriculture** will be organized around activities related to the following systems: organic fertilizer, use of plants as green fertilizer, improved seeds according to the characteristics of different agro-ecological regions, fallows, improved fallows, crop rotation, crop diversification, integration of herding and forestry with agriculture, efficient water management, lines of stones, contour cultivation, recycling of crop residues – all these activities being organized generally in the direction of intensification of systems. On a global basis, sustainable agriculture could contribute to increasing employment by 4% during the next decade (UNEP, 2011).

– The development of activities in the **agro-food processing** of products with high added value. Assistance in developing agricultural enterprises and the entrepreneurship of young people and women in the sector of agriculture, notably in the rural areas, would make it possible to stabilize local labor.
– The promotion of **clean agricultural techniques** by the development of sustainable practices using fewer pesticides in agricultural enterprises, productive family operations and successful adaptations to climate change.
– **Secure land rights** in the forestry sub-sector through policies of agricultural intensification in lands already cleared and in agro-forestry or sylvo-pastoral systems.
– The exploitation of non-timber forest **products** and facilitation of their distribution in local and international markets. The participative development of forests and the diffusion of modern cooking services which consume wood energy with a view to remedying the over-exploitation of forests.
– **The regeneration of forest ecosystems** by favoring low-carbon solutions in order to follow the pro-active dynamic of the Nationally Appropriate Mitigation Actions (NAMAs). Conservation and reforestation could amplify formal employment by 20% in the forestry sector between now and 2020 (UNEP, 2011).

The agriculture sector also presents a potential for mitigation and adaptation to climate change. Clearly defined options for adaptation and mitigation could mobilize several types of financing (national financing, ODA, private, Reduction of Emissions from Deforestation and Forest Degradation (REDD+) partnerships, national adaptation programme funds (NAPAs), NAMAs, MDP, etc.)

On the industrial side, the sources of the green economy identified here are:

– Energy efficiency in industry and low-carbon technologies and industrial processes. These actions can be carried out in the manufacturing industries which are at the root of 17%

of health problems related to atmospheric pollution, which results in losses equivalent to 1-5% of global GDP (UNEP, 2011) and the mineral industries which are at the root of conflicts, of environmental degradation and air pollution.
– The important contribution of renewable energies and energy efficiency can also be found in agro-food industries, the fishing industry, forestry, transportation, waste management, etc.
– The implication of enterprises, notably the numerous SME and SMI in West Africa, in international standardization processes, which could positively affect the competitivity of enterprises.
– The promotion of recycling for agro-food wastes and refuse.

In the energy sector, the promotion of the green economy can be achieved through:

– The **renewable energies** industry can create important niches for the creation of green jobs and the mitigation of climate change. They can provide large numbers of jobs for qualified skilled labor in the areas of manufacturing materials and equipment, the distribution of equipment, the installation, maintenance and exploitation of equipment, etc.
– The promotion of **energy efficiency** that has been experimented with successfully in different countries has shown that concerted public efforts to promote energy savings can provide improved services with less energy. The measures which provide a return on investment within less than 3 years can generally save up to 30% in energy consumption. The World Energy Council and the French Agency for Environmental and Energy Management (ADEME) estimate that overall savings in West Africa could be even higher, representing up to 40% of the current energy consumption[9].
– **Adaptation** options can be found through the promotion of substitute fuels (GPL, biogas, biochar, etc.) for wood and wood coal but also in the sustainable exploitation and management of forests through community forest management models.

9. EEEP: ECOWAS Energy Efficiency Policy.

– The promotion of the access of marginal populations to **modern energy services** for their basic needs (cooking and lighting) by favoring low-carbon options in order to follow the pro-active dynamic of the NAMAs.

3.2 Evaluation of the impacts of the transition towards the green economy in West Africa

3.2.1 Impacts on poverty and employment

3.2.1.1 Impacts of the green economy on poverty

For the green economy to have a sustainable impact on poverty, relevant actions must be taken in different sectors that are important for the poor.

Regarding food security, through the development of the agriculture sector on which the poor depend directly in West Africa, developing flagship activities for the green economy around this sector will make it possible to considerably reduce poverty in the rural areas but also to ensure the food security that is essential for development and poverty reduction. This should involve support for smallholders by the promotion and diffusion of sustainable practices. According to the UNEP, a study of 286 projects based on "good practices" of 12.6 million agricultural holdings in 57 developing countries showed that the adoption of approaches to the protection of resources (for example: integrated management of crop pests, integrated management of nutrients, minimal weeding, agroforestry, aquaculture, water management and the integration of herding) leads to an average increase in yield of 79% and improves the supply of essential environmental services.

Regarding access to basic social services and infrastructures, notably access to water and sanitation, the poor have very limited access to drinking water and the great majority of the people in the rural zones are deprived of adequate sanitation services in West Africa. Accordingly, it appears that the development of green activities around access to drinking water, to sanitation and to cleanliness would make it possible to considerably influence the reduction of poverty and also to contribute to attaining the MDGs in terms of access to water between now and

2015. A large program of boreholes and manual pumps has been underway in the WAEMU countries since 2008, making it possible to increase access to drinking water and to develop revenue-generating activities in the agricultural sector such as market-gardening.

Regarding the development of access to energy services, which in 2012 still constitute a major problem for a good number of West African countries, the transition to a green economy in energy terms should be carried out within the framework of the development of strategies that permit access to sustainable modern energies for the greatest number of beneficiaries. Such an approach would make it possible to contribute to the improvement of the living conditions of the people and also to favor the development of local enterprises and economic structures, the guarantee of a real impact on poverty. The potential for renewable energy and efficiency could make it possible for the area to strengthen its energy mix, notably through hydroelectricity, solar energy, bioenergy notably biogas, agricultural residues and biofuels.

Regarding training of human resources, important actions are required. In effect, West Africa is characterized by the youth of its population (60% of the population of theregion is less than 35 years old and nearly 40% of the labor force is considered to be young) but also the lack of professional qualifications of labor, especially in the rural areas. Thus, the development of the skills training of youth, centered on green trades that would make it possible to improve the level of training and to prepare skilled labor would contribute to significantly reducing poverty but also to reducing unemployment among youth. For example, in management training, corporate social responsibility would be introduced; in tourism training, climate change would be introduced; in the training of engineers, the analysis of the life cycle and waste management would be introduced; and in the training for construction and public works, eco-construction would be introduced.

Relying on training and matching skills to the demand for new trades in the green economy remains a major challenge for West African countries in the transition to a green economy, which aims to substantially reduce the level of poverty in the medium and long terms. This transition can be carried out only with workers who have the training and qualifications required.

3.2.1.2 Impacts of the green economy on employment

Several sectors of the economy have been identified as being generators of "green trades" within which numerous activities relating to the green economy could be developed. The branches or sectors of West Africa could be rapidly inserted are listed below.

The agriculture, environment and agro-food sectors with the promotion of activities around the protection of the natural heritage, of eco-advisors in agriculture, eco-energy advisor in the agro-food industry or legal advisor on the environment have been identified as generators of employment.

Waste management or the development of trades related to the collection, transportation, processing and recycling of wastes offer a very important potential for job creation. For the public authorities, this would first involve structuring the industry as a whole from collection to recycling making it possible to generate a whole series of jobs, most of which could be made profitable by the production of value added in the recycling of wastes. In this way, the structuring of the industry, apart from the considerable contribution that it could bring to hygiene, health and the environment, could also generate more profitable trades that could create a new economy.

Water management and sanitation with all the activities related to production, control, distribution and management of water and sanitation but also the activities of maintenance and servicing of works and structures are among the activities that have a high impact for employment.

The building trades, from design to construction, are among the many potential jobs relating to the green economy, notably around trades favoring the development of architecture of high environmental quality, the use of durable materials, the setting up of ecological sanitation systems…

Transportation which benefits from the stated willingness of certain Governments to develop modes of transport with low CO^2 emissions but also innovative urban transportation projects that should generate many innovative jobs as a consequence.

Energy where the different sectors of activities dependent on the development of renewable energies, notably photovoltaic energy, wind energy, bio-energy and bio-fuels, in production, in finding solutions, in supplies and in the maintenance of equipment are an important source of jobs.

3.2.2 Impacts on the industrial sector

Faced with globalization, the different activities to develop could involve the processing of agricultural products, market gardening, tree-farming, fishing and herding. This would involve complying with ecological standards, notably with a view to sub-regional and international marketing. It is also true that the mining industry is one of the paths for industrial development in West Africa. Mining operations could make more ecological investments directly by using technologies that are respectful of the environment and are innovative but especially, in the name of corporate social responsibility, to stimulate local dynamics for low-carbon development.

3.3 Analysis of institutional and financial barriers to a green economy

In spite of all these economic and social advantages, the adoption of an approach to development founded on the principles of a green economy comes up against several constraints or barriers that are quite rigid. Nevertheless, through awareness and advocacy, encouraging signs are appearing in the different international meetings, notably. These constraints, of all orders, are presented here.

3.3.1 Analysis of political and institutional barriers

3.3.1.1 Political barriers

Inadequacy of a coherent political and strategic framework to make it possible for different actors to evolve in a strategic orientation framework. However, up to now, a review of the national frameworks for sustainable development shows that not all countries have developed their National Strategy for Sustainable Development (NSSD). It should be recognized all the same that countries have adopted various policies, strategies and plans aimed at managing sustainable development issues. This involves notably, national long-term visions, national and regional development plans, Poverty Reduction Strategy Papers (PRSP) and sectoral strategies in the areas of agriculture, environment and natural resources. However, without a panoply of existing planning tools, mobilization and appropriation are difficult.

Political instability and conflicts have greatly compromised the peace and security of the region and for a long time. The consequences of multiple armed conflicts have been the forced migration of large numbers of people and the destruction of the socio-economic tissue and its resources.

Poor political and economic governance constitutes the enemy of the creation of wealth. Even though much effort has been made at the national and regional levels, the poor business environment still constitutes a major obstacle to foreign and domestic investment, owing to administrative red tape, the complexity and opacity of legal decisions, etc. , which increase the costs of transactions and discourage investors in a global economic global economic context of crisis[10]. The economies of West African countries and especially the industrial sector, cannot be revitalized without a strong regional orientation. Thus, the simplification and the harmonization of procedures as well as honoring community commitments and multilateral control constitute the first step for gaining the confidence of investors.

At the end of the 14th session of the African Ministers' Conference on the Environment, the AMCEN, these latter decided to initiate a **partnership to follow the pathway to the green economy**. This commitment for a more ecologically-sound development assumes that it is possible to overcome all the barriers that have always hindered real development in the sub-region.

3.3.1.2 Institutional barriers

A review of national reports on the Rio+20 Conference shows that in most countries of West Africa, an institutional framework was set up

10. ECOWAS (2010): West African Industrial Common Policy. July 2010, 74 p.

within the framework of objectives for sustainable development. This framework includes notably laws and regulations, agencies, commissions and others. A certain number of countries (Côte d'Ivoire and Senegal notably) also created ministries in charge of the environment and sustainable development. Local communities complete this framework with the transfer of skills.

Institutional frameworks are generally handicapped by the lack of coordination among a growing number of participants and institutional frameworks. The multiplicity of these structures justly poses a certain number of problems and the most common is the lack of coordination, even if, as in the case of Côte d'Ivoire for example, the powers are clear. It should also be noted that for certain ministries and structures, their competencies indirectly affect the environment and sustainable development. This is why coherence among these structures is necessary.

Weak leadership at the regional level owing to blurred mandates does not facilitate the management of this sector of which the borderless dimension is recognized by all. At the sub-regional and regional levels, institutions were created in the 70's to deal notably with the environmental and economic vulnerability of countries. Today, sustainable development frameworks have been set up, notably the Regional Economic Commissions and Communities (RECs), and regional centers. This is explained by the fact that at the beginning, the mandates of some of these institutions were limited (for example the CILSS, the AGRHYMET regional center, etc.). Thus it was difficult for these regional institutions to get into a **leadership position** in an area that was not part of their competency. In fact, certain institutional frameworks had been set up to meet the need to implement certain agreements and not to meet the needs of countries.

Thus, to efficiently pursue the objectives of sustainable development and the green economy in West African countries and to try to overcome the different institutional barriers mentioned here, the following actions are proposed for countries of the region: (i) an institutionalization of the integration of sustainable development in programmes and actions ; (ii) the popularization of the legal texts and regulations to raise awareness and promote the effective involvement of all actors and sectors; (iii) the availability of material and human resources, including capacity strengthening; and (iv) the setting up of a framework for collaboration and consultation.

The regional and sub-regional institutions must play an important role in the promotion and implementation of the green economy in West Africa.

3.3.2 Analysis of financial barriers

For the countries of West Africa, the financial resources necessary for the implementation of sustainable development are limited and apart from the Government budget, the mechanisms for mobilizing additional resources set up within the framework of different Multilateral Environmental Agreements (MEA) (such as the Clean Development Mechanism (CDM), the national environment funds, the Global Environment Fund (GEF) at one time, etc.) often turned out to be inoperative, not accessible enough and inefficient. In addition, financial support from developed countries for the implementation of projects and programs is still low and poorly exploited. In fact, the financial framework is not yet well defined and the barriers to financing the green economy can be numerous. To set up such a framework, many ambiguities must be clarified, such as for example, which types of financing are required for the sectors of the green economy, which financial instruments and at what sort of scale.

For the countries of West Africa, the financing of the transition to green growth will come up against their extremely limited financial capacities. There exists practically no instrument for the efficient mobilization of internal resources in favor of the environment, either. Moreover, for resources that are supposed to be available, countries apparently have a low absorption capacity.

Insurance funds, pension funds, or sovereign funds can play an essential role[11]. They can substantially fill the financing gap in favor of green growth in the West African sub-region. The Climate for Development in Africa Programme (ClimDev-Africa) set up by the

11. BARON, Richard, et al., *Le financement de la croissance verte*, Paris : CEDD, octobre 2010, 120 pages.

ADB, the ECA and the Economic Commission of the African Union, as well as the African Green Funds should thus be able to be used as supports for the implementation of schemes for the mobilization of resources and financing which would go beyond the climate change for which they were created. Nevertheless, to get there, support measures at the regional and international levels should be taken to overcome the obstacles which hinder the attraction of foreign investments: access to markets which are limited, the improvement of the business climate and governance, the sharing of risks through public-private partnerships and the strengthening of the capacities of local enterprises to make it possible for them to conclude partnerships.

The continental or sub-regional banking institutions such as the African Development Bank (ADB) and the West African Development Bank (BOAD), which have invested heavily up to now in hydrocarbons could help countries to get involved in green growth by enlarging their choice of ecological products and services and by helping countries to create a lever effect for long term investments.

3.3.3 Barriers related to climate change mitigation

The total potential mitigation in Africa is estimated at 2800 MtCO2e and could thus serve as a base to ensure the financing of low-carbon growth. However, the financing of mitigation options in Africa is still cited as being the major obstacle to making it possible to follow the path of low-carbon development. From this point of view, it will be necessary to seek innovative solutions to overcome this obstacle and the non-negligible potential of the continent and above all sub-Saharan Africa could constitute the solution to this barrier for financing[12]. It is estimated that the costs of financing could easily be covered by the costs saved due to mitigation, especially for the sectors of forestry, agriculture and energy, up to 41 billion USD per year between now and 2030.

Nevertheless, considering the rapid urbanization and galloping demography, long-term planning is necessary. The option taken by the ECOWAS to integrate energy planning in long-term development

12. Grantham Research Institute (2009), Possibilities for Africa in Global Action on Climate Change, 86 p.

strategies at the local, national and regional levels constitutes from this point of view an essential step in optimizing investments.

3.4 Promoting the green economy to face of the challenges of climate change adaptation and mitigation

The conceptual analysis shows that there exists a complementarity between the green economy and adaptation/mitigation of climate change. The green economy could even include these two concepts through actions of "low-carbon" adaptation, notably in agriculture. However, these sectors that will constitute the pillars of the green economy are vulnerable to climate change as shown by the country NAPAs.

3.4.1 Vulnerability of the agriculture sector

In all of the sub-sectors, agricultural activities in West Africa depend essentially on climatic conditions. This dependency on climate constitutes one of the main sources of vulnerability in this key economic sector. Agricultural productivity and production are particularly sensitive to climatic variability. However, the main characteristic of the climate in West Africa for the last 50 years is the increase in the variability in precipitation and that of the frequency and the intensity of climate extremes, in particular droughts, high winds and diluvian rainfall.

These climate events have a direct impact on the activities of agricultural production. They destroy crops, degrade vegetal cover, including the mangroves, which are the habitat of a variety of species exploited for fishing, and they reduce pastoral forage resources as well as surface and ground water resources.

Apart from climatic stimuli, other biophysical, technical and politico-institutional factors negatively affect the performance of agriculture in West Africa. From the biophysical point of view, the agricultural sector suffers from soil degradation (low fertility and erosion), from a deficit in the quantity and quality of water resources and from inappropriate agricultural crops for the new climate regime.

The productivity of agriculture in West Africa is greatly hindered by the shortage of mechanical inputs, infrastructures and high-performance technological packages that are low in carbon. The low capacities of producers in terms of planning and management of activities constitutes an important obstacle for the adaptation of agriculture to climate change.

Vulnerability of the herding sector. Herding is directly affected by climate change. Droughts lead to the reduction in quantity and quality of forage and water resources; this is reflected in the high mortality of herds and in the reduced production of milk. The rise in temperature, the high winds and diluvian rainfall affect the health of the animals. All of these constraints are reflected in the significant reduction of the revenues of herders. In addition, climate change pushes herders, faced with scarce grassland forage, to start to use aerial forage, notably that of tree cover. This is reflected in the cutting of the branches of trees, which not only contributes to freeing carbon, but compromises the viability of vegetal species.

Vulnerability of water resources. Underground and surface water resources are particularly vulnerable to climate change in West Africa. Droughts and rising temperatures are reflected by a reduction in hydrological resources and by the degradation of water quality. For example, in May 1985 owing to the drought, the River Niger ceased to flow altogether. In the peanut basin of Senegal, episodes of drought led to the salinization of underground water resources. In addition to the climate, water tables and surface water bodies have been affected by the high increase in demand due to the development of irrigation and demographic increases. The use of pesticides and fertilizers, the lack of effective sanitation systems for waste water and industrial wastes also constitute factors of degradation in the quality of underground and surface water in West Africa.

Vulnerability of the fishing sector. This sector is also threatened by climate change for several reasons: the degradation of coastal and marine ecosystems, the rise of the oceans and the erosion of the coasts, flooding, etc. This phenomenon is worsened by non-sustainable fishing techniques and technologies, by the lack of exploitation of fishing by-products, by the lack of a structured marketing system for fishing products; this shortcoming in the organization of the market for fishing products explains the low prices for producers. Climate changes have thus had impacts that are direct and negative on fishing. Natural catastrophes are not without direct consequences on fish nurseries. The countries which suffer the most from this are those considered to be coastal; they have a direct impact on production as a result of the evolution of the winds and the upwelling which is an extremely important enrichment factor of the coasts of the Atlantic Ocean in Africa.

Vulnerability of the forests. Climate change, notably through droughts, brings about a reduction in the density and diversity of ligneous species. This is reflected in the transformation of initial vegetal formations into sparse vegetation units and sometimes by the total disappearance of vegetal cover. To these climatic stimuli can be added the effects of human action which, through agriculture, herding and forestry operations, destroy the vegetation.

Climate change requires adjustments from the point of view of politics, institutions and governance and techniques of agricultural, pastoral, forest and fishing production.

3.4.2 Vulnerability of the industrial sector

In West Africa, the industrial sector is in general, low in terms of GHG emissions but also in the number of jobs provided. The emissions from the industrial sector do not exceed 5% of the total emission of carbon dioxide (CO_2). The industrial sector is dominated by manufacturing which, in turn, is heavily dependent on agricultural, pastoral, fishing and forest resources. To understand the vulnerability of the industrial sector to climate change, the analysis above on the vulnerability of different sectors constitutes its foundation. Apart from climate change, the industrial sector suffers from a constraining legal and fiscal environment (difficulty in creating an enterprise, long and costly administrative procedures, corruption, etc.), of a lack of a business culture in West Africa and high competition in a context of globalization.

3.5 The opportunities and benefits of the green economy for West Africa

In this field, West Africa benefits from many opportunities. First, there are those related to low-carbon growth which depends on the adaptation and mitigation of climate change of the sectors of agriculture and industry that could be niches for the green economy as presented in the table below:

Sectors	Opportunities
Healthy, sustainable agriculture	– Integrated approach (water, agriculture and herding); – Water management with pumping systems using renewable energies; – Promote innovative financing; – Promote agroforestry and reforestation; – Sustainable land management; – Soil rehabilitation.
Sustainable forestry	– Reforestation; – Forest development; – Natural assisted regeneration and agro-forestry.
Sustainable fishing	– Promotion of economical equipment for the processing of fishing products; – Regenerate the mangrove ecosystems; – Develop protection infrastructures for sandy unstable coasts (protective dykes, piers, seawalls, artificial beaches, reconstitution of sand dunes, etc.);
Industry	– Perfect resistant equipment and processes; – Perfect industrial processes using renewable energies; – Promote Corporate Social Responsibility for enterprises.

Table 1: Sectoral opportunities in terms of the green economy

Strong sub-regional institutions for integration, a propitious framework for the advent of a green economy. In effect, West Africa is equipped with political, economic and monetary institutions. Even better, alongside the common monetary policy that is being promoted, the ECOWAS is developing common agricultural and industrial policies. These policies aim at allowing the full participation of civil society, the private sector and Member ~~states;~~ It is a question of changing a paradigm: create wealth and favor its retention through free investment, build West African skills through training, enable the creation of community and cross-border enterprises and proceed with the restructuring of large industrial enterprises. For example, the ECOWAS and the African Union, in collaboration with development partners, have set up in West Africa the Strategic Analysis and Knowledge Support System (WA-SAKSS) of which the objective is to inform and guide the process of implementing the National Agricultural Investment

Programme (NAIP). This also integrates the issue of the sustainability of the sector and the different actions related to the green economy that results from it. Moreover, the existence of several political and institutional management frameworks for hydrographic organizations such as the Organization for the Development of the Senegal River (OMVS) is a factor for the generalization of the use of hydroelectric energy in West Africa.

A source of renewable energy that could guarantee energy sovereignty and industrial development. The useful exploitation of resources offered by certain cross-border river basins could contribute to absorbing the high energy deficit in West Africa. As an example, the Republic of Guinea has a hydraulic potential of **6000 MW**. This potential could supply the neighboring countries. **The setting up of an ECOWAS Energy Efficiency Policy (EEEP) and a Renewable Energy Policy (REP) show the political will for an energy transition in the region with a long-term vision and ambitious objectives, including:** about 30% of the consumption of electricity in the ECOWAS region will be saved between now and 2030 owing to control over demand and to the improved efficiency of the offer; the share of sources of renewable energy (including the large hydro-electrical power plants) in electrical production capacity installed in the region will increase to 35% in 2020 and 48% in 2030.

West Africa is a source of decent green jobs. It could increase employment with the advent of the green economy by the promotion of labor-intensive jobs in the environmental, agro-food, energy and building sectors. The greening of the construction industry will reduce carbon emissions and the energy budget. This has the effect of increasing needs in terms of consumption of energy (ventilation, air conditioning). The consumption in energy is all the greater in that the type of material with which buildings are currently constructed does not take into consideration this increase in heat, in addition to the lack of compliance with building standards[13] to favor the natural oxygenation of buildings. The transition to green buildings, more precisely to eco-construction would

13. In the suburban zones, very few dwellings obtained authorizations from the appropriate services (municipality, Urbanism…) when they were being built or rehabilitated from simple shelters. This is why roofs and walls often collapse; these accidents are sometimes fatal.

make it possible to mitigate the consumption and expenditures in energy that have undergone an unprecedented increase during the first decade of the 21st century in West Africa. This type of construction could also contribute to reducing the destruction of habitations by climatic extremes, notably in the rural and suburban zones of West Africa.

The high West African demography, a springboard for green industry. The transformation of the economy of West Africa requires industrial development. Given that the development of all industry requires outlets and that the market of consumers in West Africa is estimated at more than 330 million persons (and at more than 600 million in 2050), West Africa has a powerful lever for the flow of manufactured products and the promotion of the industrial sector. This market represents an advantage that is all the more important as sub-regional institutions continue to promote a common market.

3.6 Conclusions and Recommendations

The demographic challenges of food security, of energy security, of climate change, of the equilibrium of ecosystems, of healthy growth and equity in the distribution of wealth are challenging all the actors in West Africa. Their involvement is necessary if a transition is to occur in the modes of production, distribution and consumption and to follow the trajectories of sustainable development. Thus, in conformity with the orientations of RIO+20, the green economy constitutes a means for achieving sustainable development and for better combating the mechanisms for the creation of poverty.

The urgency of the zone is to guarantee to its population socially inclusive and sustainable high growth which can create economic opportunities for all in labor-intensive sectors. As a result of the fact that the economies of the region are profoundly dependent on natural capital, green economic growth should make it possible for a more judicious and inclusive exploitation of natural resources through investments that are more productive and more efficient and resilient to climate change.

The current negotiations on the climate, in their objective to arrive at a post-2012 agreement, are the moment for the countries of West Africa to get involved in this dynamic of economic transition by joining more global objectives at the planetary scale and by following pathways to low-carbon development that are more resilient to the effects of climate change. Already these negotiations include the modalities for the involvement of countries that are not listed in appendix I (developing countries) in order to respond to the mitigation objectives for greenhouse gases (GHG) as defined in the Convention on Climate Change with, in particular, the formulation of NAMAs (Nationally Appropriate Mitigation Actions), including their accompanying financing and technology transfers from which these countries could benefit.

Thus, like any structural transformation phase, the transition towards the green economy requires management and services to accompany actors at the political, as well as the institutional level (instruments, institutional/restructuration leadership), investments or startup financing, research and development, training/retraining on emerging trades, information and awareness on the "low-carbon" or "win-win" strategies. This involves setting up political processes in each country for resolving gaps that constitute a hindrance to "**sustainable development**".

1: The definition of a clear long-term political vision. Concerning the updating of policies in a context of multiple crises, each country should have a long-term vision accompanied by a new strategy of green growth in the framework of sustainable development. This vision and this strategy should adopt the contours of climate change to orient actions towards balanced carbon development and thus stimulate economic growth by contributing to the mitigation of carbon emissions. The establishment of this vision and this strategy first requires a conceptual consensus on the content of the green economy and then the participation of all the stakeholders by setting up a framework for consultation at the regional, national and local levels. Thus, a mode of political, economic and social organization is necessary while respecting the principle of the sovereignty of each country.

2: The formulation of policies on the basis of good practices associating adaptation and mitigation in labor-intensive sectors. The synergy between adaptation and mitigation can improve the cost-efficiency ratio of measures proposed and make them more attractive to stakeholders, notably the potential financial partners. Sector analysis reveals that opportunities for Adaptation-Mitigation-Development synergies are more important in agriculture, forestry, construction/urban infrastructures, and renewal energies/associated industries and thus this constitutes many niches for the creation of decent green jobs and green growth. Numerous initiatives launched in these sectors at the community level show the need for a change of scale and prove the possibilities of replication, appropriation of processes and instruments.

3: The organization of procedures and processes to manage challenges, concepts and tools at the local, national and regional levels. In this connection, it could be relevant to set up a regional task force to accompany the appropriation of concepts and their alignment with the process of sustainable development. A group which has these relays at the level of the country and community, notably for countries involved in decentralization, will be better equipped to set up monitoring-evaluation systems of the impacts of the implementation of green economy strategies in order to better appreciate the real transformations noted at the political, social, environmental and institutional levels.

4: The needs in terms of capacity development and regional and national leadership to meet the challenges of good governance on the green economy. Added to this is the necessary strengthening of human and institutional capacities to make possible the institutional coherence of actions and to put countries into a position to draw full benefit from all possible financing.

5: The strengthening of holistic approaches at the territorial level to benefit from endogenous dynamics and potential synergies. Sectoral approaches to development have now shown their limits. Today in the framework of sustainable development and to operationalize the green economy, it is urgent to adopt integrated approaches to benefit from different synergies that are as much geographical as the pooling of financial resources, competencies and know-how, including endogenous knowledge.

6: The integration of the green economy into local, national and regional strategies. The “mainstreaming” approach of the green economy in development strategies requires radically new tools and approaches and the “greening of industries and territories” by favoring a “step by step” approach within the industry or territory (example).

7: The search for innovative financing through flexible and appropriate instruments mixing financial resources including those of Governments and local communities.

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Chapter IV: Progress in the implementation of regional and international programmes: the challenges of access to education

Introduction

This chapter is dedicated in particular to the monitoring of sectoral policies by the Sub-regional Economic Commissions, notably those proposed within the NEPAD Strategic Framework. It is also traces progress in international initiatives such as the Millennium Declaration and others that represent a special interest for the sub-region. For this year, concerning the attainment of the objectives of the NEPAD, it also involves assessing the progress of the Comprehensive Africa Agriculture Development Programme (CAADP) and the Programme for Infrastructure Development in Africa (PIDA).

With regards to the CAADP, all of the countries of the sub-region have signed the Compact and are equipped with a framework for the implementation of identified investment programmes. At the sub-regional level also, the ECOWAS and the WAEMU have each set up agricultural programmes that are based on national programmes and are coherent with them. Major efforts have been deployed to strengthen food security and increase production of cash crops that generate export revenues. It should be concluded that the shortage of qualified human resources in certain member States of the ECOWAS limits their capacity to adapt continental – and regional – scale programmes to the national level. In addition, even if constant progress has been achieved with the increase in agricultural production during these last few years, additional efforts will be necessary to preserve current gains in order to bring about a spectacular change in agricultural production in the future.

Regarding the PIDA, it groups projects and programmes classed according to the following main categories: (i) energy: hydro-electrical energy, interconnections, oil pipelines and gas pipelines; (ii) transportation: feeder roads, modernization of corridors, ports and railways, modernization of air transport; and (iii) ICT: technologies for information and communication; and (iv) cross-border water resources: multi-purpose dams, capacity strengthening, water transfers. The majority of the priority projects of the PIDA in West Africa are already under way under the direction of appropriate regional institutions.

For international initiatives, the chapter is limited to dealing with the monitoring of the MDGs and the Beijing Plan of Action. For the attainment of the MDGs, the countries of the sub-region have made major efforts which have made significant social advances possible. Even if it will be difficult for all of the countries to reach them by 2015, a good dynamic has been initiated in terms of political will to promote the sectors concerned. Concerning the Beijing Plan of Action, progress is underway, but much remains to be done.

Lastly, the chapter focuses on the evolution of the educational sector in West Africa. All levels of the educational system, both formal and informal are covered in the study.

4.1 Regional Initiatives: Objective of the NEPAD and strategic areas of intervention

The NEPAD was approved by the African Heads of State and Governments in October 2001 as a framework for the development of the continent, through which would be developed various programmes aimed at tackling the major challenges which perpetuate poverty and at taking measures to strengthen the integration process in Africa. West African countries, in collaboration with development partners, are implementing activities in order to attain the objectives of the NEPAD. This part of the report provides an overview of the actions taken in the sub-region in the area of agriculture and infrastructures.

4.1.1 The Comprehensive Africa Agriculture Development Programme (CAADP)

The agricultural programme of the NEPAD, the CAADP, aims to provide a continental framework for the implementation of development policies and strategies for the agricultural sector which countries and regions can follow to meet the challenges which tend to hold back development centered on agriculture on the continent (EU/ECOWAS Commission, 2008). Continental and regional agricultural programmes have been systematically taken into account by intergovernmental institutions in charge of regional integration and cooperation (WAEMU, ECOWAS). Activities carried out under these programmes attracted more attention at the beginning of the millennium, when well-formulated and coordinated policies and strategies for agricultural development were set in motion. Within the framework of the Comprehensive Africa Agriculture Development Programme (CAADP), made public in 2002, the ECOWAS developed its agricultural policy while the WAEMU set up the Pan-African Union for Agriculture.

4.1.2 ECOWAS agricultural policy (ECOWAP)

The regional and collective response of the leaders of the ECOWAS countries on agricultural and food security issues in the sub-region was the adoption of the **Regional Agricultural Policy for West Africa (ECOWAP)**. The necessity for a regional agricultural policy is based on the following elements (ECOWAS Commission, 2008):

- The abundance of natural resources, notably land, rivers and forests, as well as the excellent climatic factors, such as rainfall, temperature and sunshine, to which should be added various populations;
- The advantage of complementarities between the basins of production and the basins of consumption in relation to the rainfall gradient which provides comparative advantages to certain places in the types of food commodities they can produce, such as for example, the forest zones of the South are specialized in the cultivation of root crops and tree crops, whereas the grassland zones of the North have cereal production and herding as their main activities.
- The strong will to favor the integration of the populations of the region through trade in goods and services, for

example, the vision which consists of graduating from an ECOWAS of States to an ECOWAS of Peoples in order to enhance regional integration in the economic and social areas;

- The need for a collective approach to dealing with the problems related to food security, especially in emergency situations such as drought, floods, crop pests or unusual fluctuations in prices for food commodities as was the case in 2007/2008. All of these factors can lead to shortages and deficits in food stocks in certain zones, while surpluses exist in other places.
- Experience has shown that collective negotiation can make it possible for African farmers to draw the highest profits regarding certain products such as cocoa, palm products, cotton, fruits, vegetables for which countries continue to face the negotiators of the EU, the USA or elsewhere as is generally the case currently. The regional approach can make the balance tip in favor of West African countries in international trade negotiations.

As mentioned by the ECOWAS Commission (2009), the NEPAD has clearly defined four areas of action (pillars) to bring about rapid agricultural growth, reduce poverty and ensure food and nutritional security: (i) extend the areas under sustainable land management and reliable water control systems; (ii) increase market access through improved rural infrastructures and other trade-related interventions; (iii) increase food supply and reduce hunger across the region by raising smallholder productivity and improving responses to food emergencies; and (iv) improve agricultural research and systems in order to disseminate appropriate new technologies.

The ECOWAP should also be considered as a common framework to "harmonize and integrate the objectives aimed at, through the various strategies and programmes implemented of countries and other intergovernmental organizations in the sub-region" (ECOWAS Commission, 2011b). Among these initiatives should be noted: (i) the agricultural policy of the WAEMU (PAU); (ii) the strategic food security framework promoted by the CILSS and the sub-regional action programme to combat desertification; (iii) the regional initiative for food production and against hunger.

This framework should foster understanding and make it possible to avoid duplications and to ensure coherence between the projects and programmes implemented by the institutions of technical cooperation for development acting in the areas of agriculture, herding, distribution of inputs, water management and natural resources, etc.

Regarding the implementation of the ECOWAP plan of action, after having clearly stated the objectives, the vision, the strategies and the modalities of action, the challenge then became to implement the ECOWAP plan of action. This implies seeking an approach which could easily integrate (in synergy) the national agricultural policy of each Member state of the ECOWAS, the regional agricultural policy (ECOWAP) and the continental CAADP. To ensure this synergy, the Heads of State and of Government of the ECOWAS gave to the ECOWAS the power to coordinate and monitor its implementation. It is in this way that the ECOWAP became operational in 2005 following the development of the plan of action for the launching of certain regional programmes including the formulation of agricultural investment programmes, at the national level, (National Agricultural Investment Programme – NAIP) and at the regional level (Regional Agricultural Investment Programme, RAIP).

The Regional Agricultural Investment Programme (RAIP) includes the following six components (Oxfam International, 2009):

– Improved water management, including(i) the promotion of irrigation, (ii) the integrated management of invasive aquatic plants; and (iii) capacity strengthening for cross-border river basin organizations;
– Improved management of other shared natural resources, including (i) the organization of transhumance and the improvement of rangelands; (ii) the sustainable management of forest resources; and (iii) the sustainable management of fishing resources;
– Sustainable management of agricultural operations, including (i) the integrated management of soil fertility; (ii) the strengthening of support services for producers; and (iii) the dissemination of improved technologies;
– The development of agricultural industries and the promotion of markets, including (i) the development of different industries (subsistence, suburban agriculture, export

crops, short-cycle animal rearing, agro-forestry products, artisanal fishing); (ii) the development of processing of products; (iii) the strengthening of support services for operators; and (iv) the promotion of national, regional and international trade;

– The prevention and management of food crises and other natural calamities, including (i) the promotion of early warning systems; (ii) the development of crisis management systems, (ii) post-crisis support for the rehabilitation of zones, and (iv) the development of mechanisms for insurance compensation after disasters;
– Institutional strengthening, including (i) the integration of a standard approach; (ii) support for the improvement of capacities to formulate agricultural and rural policies and strategies: (iii) the sustainable financing of agriculture; (iv) communication, (v) capacity strengthening for steering and coordination; and (vi) the strengthening of capacities in monitoring and evaluation.

The programming of activities was then carried out at several levels. The four pillars of the CAADP served as reference points for the identification of priorities for the NAIP. Each of the priority themes was then allocated to a competent regional institution, which was made responsible for defining the programmes to be implemented.

4.1.3 The WAEMU Agricultural Programme

The agricultural policy of the WAEMU was adopted in 2001, several years before the ECOWAP and the CAADP. The agricultural policy of the WAEMU aims to reduce poverty, ensure food security and improve the general living conditions of farmers. Its implementation is supported by an institutional framework, a management structure, financing mechanisms and a regulatory framework. Within this framework, several programmes and activities were designed to support Member ~~states;~~ They include: (i) a regional land development plan; (ii) national programmes for climate change; (iii) the improvement of the competitivity of the agricultural sector; (iv) the harmonization of policies and regulations, as well as capacity strengthening; (v) the development of fishing, supply of agricultural inputs, the regional programme for village water supply, measures to deal with biosecurity and other similar issues.

4.1.4 Country Compacts

The Comprehensive Africa Agriculture Development Programme (CAADP) provides a common platform for coordinated action within the framework of the strategic planning and implementation of the agricultural development programme by African countries. The CAADP offers numerous prospects regarding political, technical and financial assistance to countries with plans and strategies which are aligned along the principles and framework of the CAADP. To ensure that all of the countries which have a shared vision of the CAADP have formulated their plans for agricultural development along the orientations of the CAADP, each country was to develop its own programme of agricultural development and sign the CAADP Compact. In addition, in 2005, the ECOWAS Commission and the NEPAD Secretariat developed a common ECOWAP/CAADP plan of action for the 2005-2010 period with a view to developing agriculture in the region. (ECOWAS Commission, 2009). In 2009, several West African countries signed their agricultural development plans, compacts, with the NEPAD/CAADP. The different documents show clearly how each country perceives its agriculture, the objectives pursued in the sector and what it must do to reach the different objectives, notably on issues relating to investment plans and financing strategies.

Country	Date of Signature of the CAADP Compacts	Period of meetings for services concerned at the national level
Benin	15-16 October 2009	2011
Burkina Faso	22 July 2010	(1st quarter) 2011
Côte d'Ivoire	27 July 2010	n.d. (no data)
Cape Verde	10-11 December 2009	November 2010
Gambia	27-28 October 2009	November 2010
Ghana	27-28 October 2009	June 2010
Guinea	6-7 April 2010	November 2010
Guinea-Bissau	18 January 2011	n.d.
Liberia	5-6 October 2009	June 2010
Mali	12-13 October 2009	November 2010
Niger	29-30 September 2009	September 2010
Nigeria	12-13 October 2009	June 2010
Senegal	9-10 February 2010	June 2010
Sierra Leone	17-18 September 2009	June 2010
Togo	29-30 July 2009	n.d.

Table 2: Date of Signature of CAADP Compacts and of the validation of investment plans.
Source: data from the ReSAKSS Report 2012 and compiled from various sources.

4.1.5 Lessons learned from the activities supported by the ECOWAP/CAADP

The shortage of qualified human resources in certain Member States of the ECOWAS limits the capacity of Member ~~states~~ to adapt programmes from the continental and regional scales to the national level. This situation has an important impact on the setting up and management of programmes. Programmes should be organized for training and skills transfer to fill the gaps in human resources as necessary in order to implement agricultural development plans. This capacity strengthening is of particular importance for agro-food and agro-industrial enterprises. Nevertheless, the process of capacity strengthening has begun as technical partners are now involved.

– Certain signs indicate that the ECOWAP has been accepted in the region and at the national level from the enthusiasm and interest currently demonstrated by officials and institutions (at the national, regional and international levels). In the region, a consensus has been reached according to which the efficient implementation of the ECOWAP/CAADP framework offers opportunities for economic revitalization founded on the agricultural potential of the region.
– The roles and responsibilities of certain public actors are not well defined. This situation tends to delay the design and implementation of identified activities.
– The coordination process at the regional and national levels is difficult and constraining.
– Once again, financing is a sizable problem. The lack of financial resources limits the implementation of programmes, notably at the national level.
– Political instability still poses a problem in the sense that resources are diverted away from productive activities to be allocated to security and defense.

Even if continuous progress has been made with increased agricultural production during these last few years, additional efforts will be necessary to preserve current gains in order to make a spectacular change in agricultural production in the future.

In this regard, the following measures are recommended: (i) each country should re-examine its portfolio of activities and programmes. The programmes for which the Government does not have sufficient resources for their implementation should be replaced by projects with "rapid impact" while long-term, capital-intensive projects should be delayed until funds are located or local technical competencies are developed in the framework of their implementation; (ii) governments must have the political will to grant more funds to agriculture following the initiative of the NEPAD/CAADP; (iii) efforts must be deployed to implement appropriate macroeconomic policies in order to create a favorable framework for private sector investments in agriculture; (iv) development partners should be engaged once again in a dialogue for financial assistance, following the commitment of the governments of each country to include agriculture in their development programme in conformity with the Country Compacts that they have signed.

4.1.6 The Programme for Infrastructure Development in Africa (PIDA)

The PIDA is a programme designed to facilitate the preparation, setup, financing and implementation of infrastructure projects in different regions of the African continent. It is an instrument resulting from the failures and lessons learned from preceding initiatives to implement the NEPAD, notably: (i) the Medium to Long Term Strategic Framework (MLTSF), (ii) the Short Term Action Plan (STAP) and (iii) the Priority Action Plan (PAP), which have not had significant results.

The priorities of the PIDA result from the strategic objective of the programme and the declaration in 2004 of the African Union on its vision, which proposed to "build an integrated Africa, a prosperous, peaceful Africa, led by its own citizens and representing a dynamic force on the international scene". The PIDA projects adhere to the general objectives of the development of regional infrastructures and are aligned with the AU vision and the priorities of the RECs.

The PIDA projects were arranged in a hierarchy on the basis of three broad categories of criteria: (1) admissibility and regional integration; (2) feasibility and status of preparation; and (3) impacts on development. Projects and programmes have been grouped according to the following main categories: (i) energy: hydro-electric energy, interconnections, oil and gas pipelines; (ii) transportation: feeder roads, modernization of corridors, ports and railways, modernization of air transport; (iii) ICT: Technologies of information and communications; and (iv) cross-border water resources: multi-purpose dams, capacity strengthening, water transfers. The national infrastructure networks of countries are the foundations of the PIDA and the regional infrastructure networks are fundamental structures for regional integration.

The ECOWAS Commission recognizes that "the development of infrastructures is a major challenge and an essential factor which favors global development. The West Africa region, like other regions, is faced with enormous difficulties relating to infrastructures in all sectors. This is reflected by an increase in production costs that, in this way, paralyze the competitivity of our industries and our trade". (ECOWAS Commission, 2011).

To provide a real solution for these problems, the ECOWAS sub-region undertook numerous actions among which can be cited the creation of several special funds to finance infrastructures, notably the Special Fund for the Development of Telecommunications in ECOWAS Member ~~states,~~ the Fund for the Development and Financing of the ECOWAS Transportation and Energy Sectors (ECOWAS-FODETE), the Project Preparation and Development Unit (PPDU), the West Africa Power Pool (WAPP), the African Bio-fuels and Renewable Energy Fund (ABREF) and the partnership between the ECOWAS and the People's Republic of China. In addition to these funds, the regional banks such as the EBID and the BOAD complete the support from traditional development partners. In effect, the approaches and strategies of the PIDA for a common vision on the development of regional infrastructures are consolidated by these regional initiatives. The majority of the PIDA priority projects in West Africa are already underway under the direction of the appropriate regional institutions.

4.1.7 Energy

The search for solutions to energy problems has been a subject of concern in the ECOWAS sub-region for decades. Article 28 of the revised Treaty of the ECOWAS relating to the coordination and harmonization of the energy policies of Member ~~states~~ constitutes an important step in the integration of the energy sector in the sub-region. This was followed by the Decision A/DEC. 3/5/82 relating to the ECOWAS Energy Policy; the

Decision A/DEC. 5/12/99 relating to the development of a Power Pool in West Africa (WAPP); the Decision A/DEC. 3/12/03 relating to the programme of rural electrification; the Regulation C/REG. 7/12/99 relating to the adoption of a management plan for the production of energy and the inter-connection of electrical networks in the Member ~~states~~ of the ECOWAS.

The agreement signed between the ECOWAS and the WAEMU on August 22, 2005 on the implementation in common of actions in the energy sector created a synergy for the activities of the two institutions. The recommendations formulated by the multi-sectoral delegations of Member ~~states~~ during the ECOWAS-WAEMU Forum held in Bamako from May 16 to 19, 2005 and those of the Regional Multi-sectoral Committee during the ECOWAS-WAEMU meeting held in Accra from October 24 to 26, 2005, have strengthened their cooperation on energy issues.

These meetings opened the way for the adoption, in 2006, of Decision A/DEC. 24/01/06 relating to the ECOWAS/WAEMU regional policy on access to energy services for the inhabitants of the rural and suburban zones, aiming at accelerating the attainment of the Millennium Development Goals (MDGs) in West Africa. This regional policy was made tangible by the ECOWAS/WAEMU white paper on a regional (energy) policy. The white paper aims to provide access to improved fuels for domestic use and to sustainable electricity services for the majority of the population of the countries of West Africa between now and 2015. The regional energy policy was completed by an action plan and an investment programme.

The white paper observed that, even if energy is not explicitly taken into account in the Millennium Development Goals, the contribution of energy services to the attainment of these objectives is widely recognized. Energy has a profound impact on the well-being of people. Energy plays a big role in the supply of water and in agricultural production and in sectors such as health, education, job creation and environmental sustainability. The white paper also emphasizes the fundamental role that renewable energies play in increasing access to energy in the sub-region.

The creation of an ECOWAS Regional Center for Renewable Energy and Energy Efficiency materializes the commitment of the

ECOWAS to strengthen the capacities of its Member ~~states~~ to exploit alternative and renewable energy sources and underlines the importance granted to combating energy poverty in West Africa by exploiting local renewable energies. The Center based in Praia, Cape Verde, completes the efforts of the West Africa Power Pool (see the table below) and the West Africa gas pipeline by facilitating efficient local development and management of the energy available in the sub-region. In the same way, the EBID, the UNCTAD and the World Bank collaborated to create the African Bio-fuels and Renewable Energy Fund (ABREF), a fund which finances feasibility studies of projects, activities to strengthen capacities and technology transfer related to biofuels and renewable energies. The Fund is managed by the African Bio-fuels and Renewable Energy Company (ABREC) which is located at the EBID in Lomé, Togo. The main objective of the company is to promote the identification, development, financing and implementation of biofuel projects and renewable energies in Africa, with a special accent on West Africa.

Box 4: The WAPP

The West Africa Power Pool (WAPP), which is a specialized institution of ECOWAS, constitutes the institutional framework of the regional electrical system. The strategic objective of the WAPP is based on a dynamic vision of the integration of the operation of national electricity networks in a unified regional market. This unified regional market must make it possible to ensure in the medium and long term an optimal electricity supply, reliable and at an affordable cost for the population of the different Member States.

Source: ECOWAS Revised Master Plan for the Generation and Transmission of Electrical Energy, Report Vol. 1, September 2011, p.7.

The WAEMU Commission developed a *Common Energy Policy (PEC)*, together with its Member ~~states~~ and in accordance with its Treaty. The policy adopted by the Heads of State and Governments was materialized in the *Supplementary Act* n° 04/2001 of December 19, 2001.

In September 2009, the WAEMU Council of Ministers approved Decision n° 06/2009/CM/UEMOA which adopted the strategy known as the "Regional Initiative for Sustainable Energy (IRED)" of the WAEMU. The WAEMU has important and unexploited potential renewable substitute energies for non-sustainable fossil fuels; this is the assumption that underlies the vision of the WAEMU for the development of its energy sector. With this strategy, the WAEMU is firmly committed to exploiting all types of renewable energies within the WAEMU space, including solar energy (more than 3 000 hours of sunshine per year in the Sahel and 5.8 kWh per m^2) as well as biomass of which the potential is hardly exploited. The WAEMU has also created a fund with favorable terms, the Energy Development Fund (FDE), to assist in launching the Regional Initiative for Sustainable Energy by contributing to financing projects for the production of energy.

The Energy Programme of the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) aims to provide basic energy services to people in the Sahelian. To limit the effects of desertification and contribute to the improvement of the living conditions and health of the inhabitants, the CILSS has successfully developed through its Regional Solar Energy Programme (PRS), the use of photovoltaic solar energy to (i) improve the access of rural communities to drinking water, (ii) improve the health conditions of the inhabitants, (iii) supply electricity to respond to the needs of households and community centers (dispensaries, schools, training and literacy centers) and small-scale irrigation projects, and (iv) protect and restore the environment (CILSS).

Supplies of firewood and charcoal for the inhabitants are a major concern in the Sahel. This aggravates the phenomenon of desertification. To remedy this problem, the CILSS launched a program for the promotion of household and renewable energies in the Sahel (PREDAS)[14]. Nevertheless, many other energy initiatives have also been developed in the sub-region. These are notably hydro-electrical projects under the authority of inter-state organizations for the integrated management of water resources (OMVS, OMVG, the Volta River Authority, the NBA, etc.).

4.1.8 Information and Communication Technologies

The West African Telecommunications Regulators Association (WATRA) is responsible for the harmonization of policies and the liberalization of services and has focused on issues involved in the deployment of cross-border infrastructures. It is attempting to offer a

14. Regional Programme to promote Household and Renewable Energies in the Sahel (PREDAS).

better environment for operators to link easily to other countries of the sub-region. "WATRA is interested to have a common ICT operating platform in West Africa". In comparison with other RECs, the ECOWAS has recorded acceptable results regarding access to ICTs. Nevertheless, relatively high prices for essential ICT services can be noted. In addition, owing to the appearance of a certain number of regional operators and the intense collaboration among the telecommunications regulators and the region is very advanced regarding regional arrangements for roaming. The creation of competition among the networks is essential. In order for the advantages of access to undersea cables to be extended to the region, it will be important to complete segments of the fiber optic land-based network. Related investments are minimal and profits anticipated from the reduction in prices for access to broadband are relatively high, with a recovery period of less than one year.

A certain number of projects to lay new fiber optic cables are underway to serve countries that were not connected. According to the 2010 report of the World Bank/AICD, the ECOWAS, in comparison with other areas in Africa, has several undersea fiber optic communication cables. The main international communications cable in the region is the South Atlantic 3 undersea cable (SAT-3)/WASC, from Malaysia to South Africa, along the West Coast of Africa to Portugal and Spain. In addition, the Atlantis-2 cable links Senegal and Cape Verde to Latin America and Europe (Portugal and Spain). The undersea communications cable Glo-1 (Globacom-1) of 9 800 kilometers began operations to lay it in September 2009, with a landing station in Nigeria. It links several other countries in West Africa and extends to London and New York.

Several other undersea communications cables are planned so that by 2012, West Africa will be served by at least five undersea communications cables. For example, there is the Africa Coast to Europe (ACE) 3, which goes from France to Gabon, and should be operational by 2011. The Main One initiative of 14 000 kilometers will link Africa to Europe, to the American continent and Asia in 2010. Initially it will link Portugal to Nigeria, with a landing station in Ghana. Once this operation is finished, the network will be extended to link South Africa, Angola, Gabon, Senegal, the DRC, Côte d'Ivoire and Morocco. Similarly, the ACE (Africa Coast to Europe), an undersea communications cable of significant length, will link all of the countries along the West coast of the African continent, from Morocco to South Africa (more than twenty-five countries in Africa and western Europe). Seventeen (17) operators signed the Agreement in November 2008 and the operations to lay the cable should begin in 2011. The West Africa Cable System (WACS) will link Europe, West Africa and South Africa. The WACS consortium includes eleven operators from nine countries.

Nevertheless, a certain number of countries are not linked via undersea cables and the basic infrastructure for the undersea cables remains incomplete. Currently, only five coastal countries in the ECOWAS space have landing stations for SAT-3, which are Benin, Côte d'Ivoire, Ghana, Nigeria and Senegal. In contrast, the other coastal countries are currently completely left out (Guinea, Liberia and Sierra Leone) and do not have fiber optic land-based connections with the regional network that could supply at least some form of indirect access. Landlocked countries are not linked either, even if new infrastructures are being installed. The planned ACE communications cable includes landing stations for Gambia, Guinea, Liberia, Mauritania, Sierra Leone and Togo. In addition, it will increase the competition in each of the countries that already has access to undersea infrastructures by providing an alternative route for the traffic. The European Union is financing a project through the ECOWAS to undertake feasibility studies to develop regional basic infrastructures to link fragile ~~states~~ and countries emerging from conflicts (Guinea, Guinea-Bissau, Liberia and Sierra Leone) to the SAT-3/WASC undersea cable. Another plan for a regional communications cable connection involves the optimization of the un-used fiber optic electrical cables of electricity companies. This project is underway, in collaboration with the West Africa Power Pool and the association of electricity companies in the region.

4.1.9 Transportation

In West Africa, the main issues dealt with by the PIDA vary to a certain extent according to different modes of transportation (road, rail, air, sea). They include: (i) the integrity of the network inter-connections (for example, the incomplete segments); (ii) the facilitation of access to markets (that is, non-physical or flexible constraints on the flow of traffic); (iii) the harmonization of standards, notably technical standards of safety and security; (iv) the deregulation of markets; (v) competition with other modes of transport; (vi) mechanisms of financing and available options, for both construction and especially for asset management and maintenance; (vii) maintenance for the road sub-sector, the importance of which was underlined by the AICD study; (viii) the possibilities for the participation of the private sector and the encouragements to stimulate participation; (ix) the impact on the environment; and (x) the need to strengthen capacities.

On the continental scale, nine roads have been identified as forming an approximate road network of six main East-West roads and three main North-South roads. A fourth North-South road was formed from the extremities of the two East-West roads. The roads which cover the countries of West Africa are two East-West roads and one North-South road:

- The Trans-African Highway 5 (TAH 5) called the Trans-African, linking Dakar-N'Djamena, is 4 496 km long; also the Trans-Saharan, linking the countries of the Sahel of West Africa (Senegal, Mali, Burkina Faso, Niger, Nigeria, Cameroon and Chad). It is 100% paved in West Africa (on 4 460 km), from Dakar to Fotokol (the Nigeria-Cameroon border), even if some segments need repair.
- The Trans-African Highway 7 (TAH 7) called the Trans-West African Coastal Highway, linking Dakar-Lagos, is 4 010 km long; also called the West African transnational coastal link, it is 80% complete. This highway joins the TAH 1 to create a new North-South road around the western end of the continent, linking 12 coastal countries from Mauritania to Nigeria, with branches to Mali and Burkina Faso. The segments crossing Nigeria, Benin, Togo, Ghana, Côte d'Ivoire and Senegal are entirely paved. The incomplete segments total 765 km and are located in Liberia, Sierra Leone, Guinea and in Guinea-Bissau.
- The Trans-African Highway 2 (TAH 2), linking Alger-Lagos is 4 504 km: also called the Trans-Saharan Highway, it goes from Algeria through Niger to Nigeria. It has mostly been completed; only 200 km of desert track have not been paved. Nevertheless, security checks at the border limit its use.

The ECOWAS has a regional road network that is relatively well developed around seven main roads. Five of these regional roads are corridors to the coast for the three landlocked countries (Burkina Faso, Mali and Niger), offering to each of these countries more than one access road to the sea. These main corridors have already been almost entirely paved and most are in good condition. One of the weak points of the regional road network of the ECOWAS is the coastal link between Abidjan and Dakar where the impacts of conflicts in a good number of countries have led to the deterioration of the coastal road.

There is no real regional rail network in the ECOWAS space. Moreover, the existing lines are not used much and the co-existence of several types of rail gauge further complicates the integration process. The national railway networks of the Member ~~states~~ of the ECOWAS are frequently independent of one another except for the two bi-national rail corridors which have more or less succeeded. This situation contrasts with southern Africa where the national inter-connected railways form the regional railway network which covers half a dozen countries. An improved integration of rail systems in West Africa is technically complicated owing to the coexistence of three different types of rail gauge in the region. In view of the poor results and the relatively low use of existing railways, the economic argument in favor of integration is also far from clear. Absolute priority must be granted to improving the performances of national systems to make it possible to compete with road transport.

West Africa possesses a dozen large coastal ports, but the sub-region does not have a real maritime hub that plays the role of a center for a more efficient maritime network of trans-shipping. In effect, the sub-region should aim at improving the overall performance of the sector. The results recorded by West African ports are of no comparison with ports elsewhere in eastern and southern Africa; similarly, West African ports are far behind in terms of best practices used globally. Services can easily cost nearly double the international reference price and delays can be several times longer. Before the Ivorian conflict, Abidjan had begun to play the role of trans-shipping hub, but currently, the big shipping lines are serving West Africa via North Africa and even via southern Spain. The creation of such a hub would help to consolidate sea freight throughout the region.

Regarding air transport, the ECOWAS has made great progress in the liberalization of the market, but security remains of concern in certain cross-border zones. The region does not have a strong platform for air transport and does not have a communications cell. West Africa is one of the most advanced regions with the implementation of the Yamoussoukro Decision. The arrival of new airline companies has made it possible to inverse the trend of the collapsing market following the closure of the main transporters, including Air Afrique. Many countries in the region must strengthen their civil aviation authorities and a regional approach should make it possible to put scarce human resources in common and to strengthen the independence of the regulatory framework. As in the maritime sector, there is a notable absence of a strong platform of air transport, in contrast with eastern and southern Africa, where solid platforms exist which have made their presence known such as in Addis Ababa, Johannesburg and Nairobi.

4.2 International Initiatives

Concerning international initiatives, the attainment of the Millennium Development Goals are dealt with here along with the application of the Beijing Platform for Action.

4.2.1 Evaluation of performances in terms of the MDGs

Regarding the implementation of MDG 1, to reduce extreme poverty and hunger, the data show that global levels of poverty have experienced a slow reduction and that most West African countries have little chance of attaining this objective. Regarding MDG 2, if progress has been made in the GERs, the NERs in certain countries are still lower than 65% which means that they run the risk of not attaining the goal set for 2015. The NER in primary education is the proportion of school children beginning their first year of primary school who reach the last year of primary school and the literacy rate of people aged 15-24 years constitute indicators that make it possible to assess that attainment of MDG 2. The performance of countries regarding MDG 3, to promote gender equality and the autonomy of women, shows that for the male-female ratio of enrolment in primary school, all of the countries have recorded impressive performances. Even though some countries have experienced a regression, the representation of women according to the number of seats in national parliaments has also increased considerably. The performance of countries regarding MDG 4, to reduce child mortality, shows that in spite of an overall reduction, the current rate will not make it possible to attain this goal. Regarding MDG 5, maternal mortality remains a major challenge for most countries with a high number of women dying of complications during childbirth. As for the performance of countries for MDG 6, combating HIV/AIDS, malaria and other diseases, a marked reduction in the prevalence of HIV/AIDS (in the 15-24 age group) as well as an increase in the number of persons with HIV who have access to anti-retrovirals are noted. Malaria remains a challenge for more than 50% of countries. Regarding MDG 7, to ensure a sustainable human environment, a reduction in forests must be noted in most West African countries since 1990 while an improvement was recorded in terms of access to a source of drinking water and the population living in slums has also been reduced. As for MDG 8, to build a global partnership for development, of the 32 heavily indebted poor countries that have reached the decision point for debt relief in 2011, 13 were West African countries. Concerning access to ICTs, compared with 2008, the number of people with access to mobile phones and internet has significantly increased in 2011, with limited penetration of internet, which calls for the development of infrastructures, including the exploitation of all forms of energy.

Even though most countries have recorded considerable progress since the adoption of the MDGs in 2000, with less than three years to go for the deadline of 2015, the global report leads us to believe that most of the West African countries will not be able to attain the targets set (see Appendix I).

4.2.2 Implementation of the Beijing Platform for Action

West African countries have made considerable efforts to tackle the 12 critical areas of action defined in the Beijing Platform for Action. According to the Regional Review Beijing +15 conducted in 2009, countries of West Africa have adopted various measures, notably: (i) the formulation of development strategies; (ii) a sexo-specific budget incorporated into the PRSP of different countries; (iii) the definition of long-term objectives for eradicating poverty; the re-allocation of public expenditures in favor of programmes for the promotion of male-female parity and the introduction of systems of microfinance targeting women. In the same way, regarding the issue of the participation of women and their rights in the economy, many countries offer them training, provide legal services, grant loans to enable them to launch their activities and most countries have adopted laws guaranteeing equality of access to employment and to strengthening capacities. Moreover, most of these countries have also ratified ILO Conventions n° 100 and n° 111. Concerning education and training for women, among the measures taken can be cited: free, compulsory primary education, cancellation of school fees for primary school; the development of a strategic plan for the education of girls, the introduction of a system of scholarships aiming specifically at promoting girls' education; the development of a school feeding programme; the formulation of policies aiming at promoting girls' education through the elimination of sexist stereotypes in school textbooks, the creation of relevant national institutions and the adoption of measures making it possible to retain girls in institutions of higher learning.

West African countries have recorded high levels of maternal mortality as well as low percentages of births assisted by qualified health personnel. Certain measures have been taken in order to: (i) control the spread of malaria, cardio-vascular diseases and STIs and encourage the early detection of breast cancer; (ii) set up special committees to ensure the supervision of the treatment of cancers; (iii) formulate plans to treat the sexo-specific dimensions of HIV/AIDS and set up distribution points for condoms. With regards to gender-based violence (GBV), including sexual violence, economic exploitation, forced marriage, degrading widowhood practices and female genital mutilations (FGM) countries have undertaken to integrate into their national legal system laws aiming at combating female genital mutilations, the entry into effect of the Convention on the Rights of the Child and the AfricanCharter on the Rights and Welfare of the Child and the ratification of the Convention on the Rights of People with Disabilities.

With regards to the increased participation of women in decision-making on conflicts, some measures have been taken, including: (i) offering training in conflict resolution, reconciliation and tolerance; and (ii) ensuring their participation in peace processes and awareness campaigns organized within the framework of the promotion of a culture of peace and tolerance. Mechanisms of support for refugee women and for Internally Displaced Persons (IDPs) and the integration of human rights, including the rights of women and issues of male-female parity in military programmes have also been dealt with. In terms of governance and decision- making, women have succeeded in obtaining or in occupying key decision-making positions, such as the presidency or vice-presidency.

Concerning the institutional mechanisms for the promotion of women, even if much remains to be done, most countries have set up such mechanisms, such as the design of a strategy to integrate men and women and the collaboration with CSOs composed of women leaders of opinion, religious groups and representatives of women's associations. As for the implementation of measures relating to women and the media, the evaluation in most countries indicates that the presence of women in important decision-making positions in media institutions remains very low. However, a certain number of initiatives have been taken by countries, notably the adoption of strategies or policies aiming at strengthening the role of women in the media and at eliminating all forms of sexist stereotypes.

Women and the environment represent another area in which certain countries have developed an Action Plan for the promotion of their activities in the sector of the environment and in the provision of technical assistance with the aim of increasing production in the sectors of fishing and agriculture. Concerning young girls, the Action Plan calls for the elimination of economic exploitation, cultural attitudes and practices that are harmful for young girls and for protection at the workplace as well as the elimination of violence against young girls. To implement this measure, certain countries have Codes of protection for children, with a special emphasis on the respect for the status of the child as a human right, while others have adopted and applied legislation aiming at protecting girls from violence.

4.3 Situation of Education in West Africa

Education is not only the cornerstone of development, it is also a right for all citizens. As indicated in previous sections, education is the transversal theme of all commitments and international and regional instruments that countries have signed with the aim of favoring development and eradicating poverty.

In spite of its importance and the various commitments and initiatives taken, many countries in sub-Saharan Africa are still lagging behind regarding the attainment of objectives for education in 2015. For example, according to UNESCO (2012), with less than three years to go before 2015, twenty-nine (29) countries have a net enrolment rate that is less than 85% and thus probably cannot reach the goal of EFA by the deadline. In sub-Saharan Africa, the adjusted NER in primary schools in 2010 was 77%. (EFA Global Monitoring Report, p. 59 of the version in English). In this region, only 77% of children of primary school age were effectively in school in 2010. According to the most recent data (2008-2011), twenty-nine countries had enrolment rates of less than 85%. Consequently, these countries will probably not attain universal primary education by 2015. Sixteen of these countries are located in sub-Saharan Africa, including nine in West Africa: Benin, Burkina Faso, Gambia, Ghana, Guinea, Mali, Niger, Nigeria and Senegal are among those countries that have not reached an enrolment rate of 80 % in 2009 (MDG, 2012). In this context, the present chapter, which opens with an evaluation of primary education, examines the situation at all levels of education in West Africa and the progress accomplished towards the attainment of MDG 2.

4.3.1 Primary Education

Universal Primary Education (UPE) is an objective set within the framework of EFA as well as the MDGs. These two frameworks aim at ensuring that by 2015, all children, notably girls, children in difficulty, as well as minority groups, have access to primary education and are able to complete this cycle. Moreover, this objective is reiterated in the Beijing Platform for Action which calls for equal access for girls and boys to basic education by 2000 and for ensuring universal primary education in all countries before 2015. Similarly, one of the objectives of the NEPAD concerning the elimination of disparities in education consists of achieving UPE by 2015.

Consequently, countries are attempting to take measures to attain the objective of UPE which appears in various commitments. However, in spite of these efforts, many countries of sub-Saharan Africa, in particular those of West Africa, are lagging behind. According to UNESCO (2012), the net enrolment rate (NER) for many West African countries is lower than 70%, or 58% in Burkina Faso, 61% in Côte d'Ivoire, 65% in Gambia, 62% in Mali, 57% in Niger and 58% in Nigeria. Moreover, the same report indicates that Nigeria ranks first in terms of lack of schooling, with a total of 10.5 million children out of school. (Summary of the EFA Global Monitoring Report, p. 61 of the version in English). Only Cape Verde and Togo have data on the NER during the decade of the nineties. Other than the overall low levels of the NER, there are also gender disparities that favor boys. For example, Togo, with an overall NER of 92%, has a NER of 97% for boys and a NER of 87% for girls. Similarly, for an overall NER of 84%, Ghana has a NER of 84% for boys and a NER of 84% for girls. (See table below).

Country	NER (Net Enrolment Rate)		
	Total	Boys	Girls
Benin	-	-	-
Burkina Faso	58	60	56
Cape Verde	93	94	92
Côte d'Ivoire	(2009) 61	67	56
Gambia	65	64	67
Ghana	84	84	84
Guinea	79	83	70
Guinea-Bissau	73	75	72
Liberia	-	-	-
Mali	62	66	57
Niger	57	63	51
Nigeria	58 (UIS estimates)	60	55
Senegal	77	75	73
Sierra Leone	-	-	-
Togo	(2008) 92	97	87

Table 3: Net enrolment rate in primary school (%)[15]
Source: World Bank data and the EFA Global Monitoring Report, 2012.

Table 9 indicates clearly that countries such as Nigeria, Niger, Mali, Gambia, Côte d'Ivoire and Burkina Faso most likely will not attain the target of 100 % enrolment in primary school by 2015. Moreover, there is a disparity between the sexes with the NER in favor of boys in many countries, notably in Côte d'Ivoire, Guinea, Mali and Niger, whereas a slight disparity between the sexes in favor of girls appears in Gambia, Ghana and Senegal. In contrast, when the proportion of children who complete primary school is considered, the drop-out rates are higher for girls in Gambia and Ghana.

15. Except where otherwise indicated, all data relate to 2010.

Enrolment trends over ten years show slow progress in countries where the NER is still equal to or less than 65%. In certain cases, countries such as Gambia and Nigeria show a decline in enrolments. Others, such as Ghana and Guinea, record satisfactory progress (see table 3 for enrolment trends over ten years). A certain number of reasons could explain this decline and slow progress. For example, in explaining the problems that Nigeria encounters in the education sector, Odia and Omofonmwan (2007) have blamed lack of financing and of school infrastructures, notably a lack of classrooms and didactic materials, the lack of quality teaching, a learning environment which leaves much to be desired as well as social problems such as corruption and poor practices during examinations which undermine the educational system. All these problems have an impact on accessibility, success rates and the quality of education.

Even though enrolments increase slowly in Burkina Faso, this progress is accompanied by a high rate of grade repetition which has an influence on the dropout rate. The evaluation of the ten-year basic education programme showed gaps between results expected and those achieved, due to a lack of coordination between the different actors in the education sector, to the poor matching between programming tools and budgets and to the inability to use the information provided by evaluation to correct the programme. Moreover, the report emphasized that efforts to enlarge access were made to the detriment of quality (Josselin, 2006).

The effects of conflicts on the educational system of Côte d'Ivoire (destruction of facilities, closure of schools, emigration of teachers and the halting of the educational system) and their contribution to the low rate of enrolment have been mentioned in different reports. In addition to contributing to the deterioration of the educational situation, discrimination in terms of education between the North and the South of the country is considered to be the main cause of the conflict which broke out in 2002(Sanny, 2010).

A certain number of reasons explain the low level of school attendance and of the quality of education observed in the Gambia. Some of these reasons are structural problems that limit access and educational and socio-economic factors which hinder school attendance. Poverty is one of the major reasons. For poor families, the education of children is accompanied by sacrifices which deprive parents of the contribution of children to family revenues that they need. This sacrifice commonly affects girls more than boys. The quality and utility of education as well as the relevance of school programmes and didactic materials constitute other challenges. Consequently, the programme of studies for basic education has been revised with an emphasis on strengthening the system of evaluation in order to make it more relevant for the learning needs of children. False religious ideas and cultural beliefs also work against school attendance. As a result of the erroneous idea that children who attend school become disobedient, stubborn and disrespectful towards their elders, many parents are very reticent to send their children to school (Sarr & Hydara, 2005).

As indicated in the preceding paragraphs, many factors have a negative influence on education. The common factor for all countries is poverty, which is shown at different levels and in different forms. Socio-cultural aspects, including gender discrimination, are also found in many countries. These issues are further enlarged upon in the following paragraphs 4.6 The encouraging case of Rwanda regarding the successful achievement of a quality primary education and basic education is presented with the concern to share experiences.

Regarding the proportion of students who reach the last year of primary school, data drawn from the EFA Global Monitoring Report and the World Bank show that three countries, Benin, Senegal and Togo, have a primary school completion rate of less than 60%, while Cape Verde recorded the highest rate with 86%, followed by Nigeria with 80%. The data available on trends in the completion of primary school over a period of ten years (2000-2010) show that except for Cape Verde and Mali, the survival rate has decreased with time for all of the other countries. In this context, it is hardly likely that two countries, notably Gambia (63%) and Niger (69%) will be able to reach the level of 100% survival by 2015.

Box 5: Strategies for the accelerated implementation of the nine-year basic education programme – Rwanda Education Board, Ministry of Education, Republic of Rwanda

The introduction of universal primary education in Rwanda in 2003 led to a remarkable increase in the number of children who complete their six-year programme of primary education as of 2008. These advances increased the demand for secondary school education. The Government of Rwanda made the response to this demand one of its priorities. In 2009, an approach « of accelerated implementation» was adopted in order to introduce a period of the first three years of secondary school education and thus make the length of basic education nine years long. The objectives of the nine-year basic education programme was to ensure equitable access for all children to basic education and to provide them with the quality skills necessary to achieve their full potential while reducing the rates of grade repetition and dropouts.

An essential component was the rapid construction of classrooms and latrines. This strategy was based on the Rwandan of umuganda, which is a culture of the participation of communities in development activities. This initiative included: the expansion of the system of alternating classes to the entire primary school education system as a temporary measure, the specialization of teachers in order to optimize the use of their time and to improve their skills, a reorganization of the content of programmes and courses to enable students to obtain a more solid foundation of aptitudes in reading and mathematics, teacher training and the decentralization of the purchase and supplies of teaching materials. The community approach was very profitable.

The accelerated implementation of the nine-year basic education programme resulted in an increase in enrolment, survival and completion rates in primary schools and in the first three years of secondary school. The number of students in primary schools increased by 34% between 2001 and 2011. The overall NER in primary schools went from 91.2 % (2003) to 95.9 % (2011), while the NER for girls was 97.5 %. The rate of transfer from primary school to secondary school reached 94% in 2010, compared with an objective of 92% in 2012; in 2011, it was around 96%. Some 6 008 new classrooms and 14 899 latrines were built in 2009 and 2010. The rates of grade repetition in primary school have fallen, going from 15.3% in 2008 to 13% in 2010, and the dropout rates declined from 15.2 % in 2008 to 11.4 % in 2010.

Bolstered by the experience of this project, the Government of Rwanda is working on extending this programme to a 12-year basic education programme. The decision to extend it was based on a number of positive lessons drawn from the nine-year basic education programme.

Source: (UNES CO , 2012).

Concerning the proportion of students completing the primary cycle, a certain number of factors are associated with school dropouts. According to a cross-analysis of the situation in several countries carried out by

Hunt (2008), the factors which favor school dropouts include household poverty, the indirect costs of schooling, shocks affecting household revenues, child labor, the death of parents, the level of education of members of the household, especially that of mothers, the supposed advantages of schooling, conflicts, accessibility and quality of schools, grade repetition and gender discrimination.

The completion rate of primary school is one measure of the quality of the educational system, as well as one of the indicators of the attainment of MDG 2. According to UNESCO data (2012), as well as the World Bank data base, two countries (Liberia and Togo) have completion rates for primary school that are lower than 60%, while Cape Verde has the highest rate at 86%, followed by Nigeria with 80%. Certain countries which seem to have progressed in the NER rate have declined on the completion rate. Guinea, for example, ranks third regarding the NER, after Cape Verde and Ghana, but has a completion rate of only 66%, which leads us to suppose that a relatively high proportion of children drop out of school.

Even though there are no data for Guinea-Bissau, those available on the trends in the completion rates of primary school over a period of ten years (2000-2010) show that with the exception of Cape Verde and Mali, the survival rate for all of the countries has continued to decline over the years (see Appendix 4.7.4). As an example, Benin went from 82% in 2000 to 56% in 2010. Similarly, Côte d'Ivoire has fallen from 87% in 2000 to 61% in 2008 (MDG data base). Gambia, Guinea, Senegal and Togo are in a similar situation. This means that, in spite of the increase in levels of enrolment, countries are regressing, as a good number of children leave school before they have completed primary school.

Country	NER		
	Total	Boys	Girls
Benin	56	58	53
Burkina Faso	(2009) 64	61	67
Cape Verde	(2007) 86	85	87
Côte d'Ivoire	(2008) 61	62	59
Gambia	(World Bank) 63	60	66
Ghana	(2008) 72	76	69
Guinea	(2009) 66	74	56

Country	Net Schooling Rate		
	Total	Boys	Girls
Guinea-Bissau	-	-	-
Liberia	(2008) 68	73	62
Mali	75	77	74
Niger	(2009) 69	71	67
Nigeria	(2009) 80	77	83
Senegal	59	59	60
Sierra Leone	-	-	-
Togo	52	55	48

Table 4: Proportion of students who complete primary school
Source: EFA Global Monitoring Report, 2012.

Disparity between the sexes in the completion rates persists. Guinea, with an overall completion rate of 66%, shows a completion rate of 74% for boys and 56% for girls, while Ghana, with an overall completion rate of 72%, showed 74% for boys and 56% for girls. (See table 4 above).

Apart from the factors associated with dropping out of school by girls and boys, there are other factors that especially affect the schooling of girls. These are notably domestic work, caring for younger brothers and sisters, early marriage, teenage pregnancies and other socio-cultural factors. Moreover, certain factors mentioned previously affect girls more than boys. For example, in the case of household poverty, which forces households to choose whether to send girls or boys to school, in most cultures, boys are favored. Similarly, the distance from school affects girls more. It is interesting to note that in a few countries, the gap between the sexes in school attendance favors girls. These are Burkina Faso, Cape Verde, Gambia, Nigeria and Senegal.

Regarding primary school, countries remain confronted with several challenges in their efforts to attain MDG 2. These are notably: the quality, which is reflected in the number of qualified teachers as well as the teacher-student ratio, the deficit in the number of schools, infrastructures and equipment, a high dropout rate, poverty at the national level as well as at the household level, internal conflicts in certain countries, as well as the disparity between the sexes caused by several socio-cultural factors.

4.3.2 Secondary school

Regarding secondary schooling, the data show that rates are declining rapidly if the Gross Enrolment Rate (GER) is considered. According to Table 5, among the West African countries for which data is available, the trends in secondary schooling show that the GER is higher than 80% in Cape Verde, followed by Ghana with 58%. Even countries which had recorded improved performances in primary school lose their students in secondary school. For example, the NER of Guinea falls from 77% in primary school to 38% in secondary school and for Senegal, this rate falls from 75% in primary school to 37% in secondary school.

A similar trend is observed in the NERs with Cape Verde showing the highest performance, followed by Ghana over a period of ten years (2000-2010). In effect, the data available on trends in the NERs during the period show that progress observed at the primary level is absent at the secondary level (see appendix 4.7.5). A number of reasons could explain this discrepancy. First of all, countries have devoted all their attention to primary education in order to attain MDG 2 and EFA as well as to meet other relevant commitments and this to the detriment of secondary education. Secondly, funders and development financing institutions at the international level essentially favored the early years of schooling (World Bank, 2008). This led to the under-development of secondary schooling, which means that many students who complete primary school have difficulty continuing their studies owing to the poor access to secondary schooling, to qualified teachers and to infrastructures and equipment. This situation, combined with the poverty of households and socio-cultural practices which prevent girls from attending school and continuing their studies, contribute to lower the enrolment rates in secondary schools.

Country	GER (Gross Enrolment Rate)			
	Total	Boys	Girls	GPI
Benin	-	-	-	
Burkina Faso	23	25	20	0.78
Cape Verde	88	80	95	1.20
Côte d'Ivoire	-	-	-	
Gambia	54	56	53	0.95
Ghana	58 (UIS Estimates)	61	55	0.91

Country	GER			
	Total	Boys	Girls	GPI
Guinea	38 (UIS Estimates)	48	28	0.59
Guinea-Bissau	-	-	-	
Liberia	-	-	-	
Mali	39	46	33	0.71
Niger	13	16	11	0.66
Nigeria	44	47	41	0.88
Senegal	37	40	35	0.88
Sierra Leone	-	-	-	
Togo	-	-	-	-

Table 5: Gross enrolment rate in secondary schools (%)
Source: Global EFA monitoring Report, 2012.

The table above also shows a gender disparity in favor of girls in Cape Verde. Disparities in favor of girls have also been observed in medium-income countries and higher medium-income countries in the Americas, such as Colombia, Costa Rica and Mexico. The disadvantage for boys in schooling is related to poverty and the nature of the labor market, because jobs available on the market are filled by boys rather than girls. In this context, when families need extra income, boys are withdrawn from school to contribute to family revenues (UNESCO, 2012).

4.3.3 Higher education[16]

In the past, the contribution of higher education to the development of a nation has for long been a controversial question. As a result, emphasis has been placed on expanding access to primary school, followed by secondary school, as can be seen from the objectives of EFA. In contrast to this point of view, higher education is today considered to be a major contributor for poverty reduction and for sustainable human

16. Higher education in this context includes International Standard Classification of Education (ISCED) 5A and 5B. ISCED 5A are largely theory-based and are designed to provide sufficient qualifications for entry to advanced research programmes and professions with high skill requirements. They have a minimum duration of three years, the faculty has expertise in the research area and could require the preparation of a research project or a thesis. ISCED 5B, however, are typically shorter and focus on practical, technical or vocational programmes compared with ISCED 5A, have a minimum duration of two years and prepare students for direct entry into a specific occupation.

Box 6: Associate local communities with the acceleration of girls' education: experience of Côte d'Ivoire

414. UNGEI Côte d'Ivoire collaborated with the local and regional authorities to improve girls' education. The need to improve girls' education in order to meet international commitments, the problems that girls face in education and the assistance that the authorities could provide were explained to the municipal, departmental and regional councils. Following this approach, the Ministry of Education, the Union of towns and communes of Côte d'Ivoire and the Assembly of Districts and Departments of Côte d'Ivoire signed an agreement in 2008 aiming at making girls' education easier. The measures of this agreement provide for the access and survival of girls in child development centers, in primary schools and in non-formal education programmes for youth, as well as literacy programmes for women. The local and regional authorities contributed to this initiative in various ways: the installation of infrastructures and equipment in pre-schools, primary and secondary schools throughout the country, support for the mothers of educated girls by the organization of community events to raise awareness on the importance of girls' education and setting up revenue-generating activities to promote the autonomy of the mothers of educated girls. This active participation created a feeling of cohesion at the national level. It also contributed to the development of capacities at the local level, as well as the formulation of two action plans for the education sector in general and that of girls' education in particular, with the collaboration of the Union of towns and communes of Côte d'Ivoire and the Assembly of Districts and Departments of Côte d'Ivoire. The action plans fit in well with national priorities concerning girls' education announced in the policy of the country relating to the education sector and they are aligned with the Poverty Reduction Strategy Papers. Tackling problems related to girls' education at the national level by raising awareness and by strategic planning, while collaborating with the local and regional authorities, who play an important role in facilitating the access of local populations to basic social services such as health, sanitation and education has favored rapid and tangible changes in schools. The participation of the local and regional authorities in the acceleration of girls' education in Côte d'Ivoire in 2008-2009 has established a solid foundation for decentralized management of education that the government is envisaging in the medium term.

Source: (Sany J., April 2010).

development. This involves notably putting on the labor market appropriate skills; a capacity to understand and use science and technology on a global scale, notably for agriculture; a capacity to analyze existing information and to generate a new understanding through research; and closer working relations with the productive sectors of the economy. Higher education can favor rapid technological catch-up and can improve the capacity of a country to maximize its productivity. (Bloom, Canning and Chan, 2006).

In concentrating specifically on Africa, Bloom, Canning and Chan (2006) maintain that higher education plays an appreciable role in economic growth. It can facilitate technological catch-up and in so doing, contribute to maximizing the potential for Africa to attain the highest economic growth possible considering current constraints. Investing in higher education in Africa can accelerate technological diffusion which could contribute to filling the gaps and helping to reduce poverty in the region (Bloom, Canning and Chan, 2006).

In spite of these observations, the enrolment rates in higher education in sub-Saharan Africa are the lowest in the world. For example, table 6 below shows that, in West African countries for which data are available, Cape Verde has the highest enrolment in higher education at 18%, followed by Ghana with 12%. Niger has the lowest rate at 2%.

Country	GER en %			
	Total	**Men**	**Women**	**GPI**
Benin	11	15	6	0.38
Burkina Faso	4	5	3	0.50
Cape Verde	18	16	20	1.29
Côte d'Ivoire	-	-	-	
Gambia	-	-	-	
Ghana	12	15	9	0.62
Guinea	11	16	6	0.33
Guinea-Bissau	-	-	-	
Liberia	-	-	-	
Mali	6	8	3	0.46
Niger	2	2	1	0.38
Nigeria	-	-	-	
Senegal	8	10	6	0.60
Sierra Leone	-	-	-	
Togo	-	-	-	

Table 6: Gross enrolment rates for higher education (percentage) - 2012
Source: Global Education Digest, 2012.

The trends in the GERs over a period of ten years (2000-2010) shows a very slow advance in all countries (see Appendix 4.7.6), which indicates that countries must make greater efforts to improve access and quality as well as the relevance of higher education.

A number of reasons can explain these low rates of higher education. The first, as indicated previously, is related to the fact that it is only recently that higher education has begun to attract special attention and efforts have been undertaken to bring about the changes necessary and to favor its expansion. Consequently, it has yet to respond to the needs for a growing demand for higher education as only a minority currently has access to these institutions. The large numbers of students who abandon their studies at different stages of their schooling also reduce the numbers of those who enroll in higher education. Regarding women students, apart from socio-cultural and economic issues, their mediocre performances at the end of secondary school constitute a bottleneck. According to a study carried out in Ghana, Nigeria and Senegal, many women students do not enroll in higher education mainly because they do not have the marks required on the entrance examinations for colleges/universities (Emebet, 2012).

4.3.4 Technical and Vocational Education and Training

One of the demographic characteristics common to many developing countries is the high proportion of youth in the population. UNESCO (2012) indicates that the population of youths is particularly high and increasing rapidly in sub-Saharan Africa; nearly two-thirds of the African population is less than 25 years old. Even though this population of youths represents a reservoir of human resources, it is not exploited enough in many poor countries, as they lack skills and do not create enough jobs to absorb this growing segment of the population. Most students do not go on to secondary school which constitutes the foundation for developing skills and as indicated previously very few accede to higher education.

The problems encountered in sub-Saharan Africa on this subject persist. Regarding West Africa in particular, UNESCO (2012) indicates that in Burkina Faso, Mali and Niger, 3/5 of young people aged 15 to 19 years have never received any education. Moreover, the dropout rate is very high. In 2009, it ranged between 57.4% for Liberia and 13.0% for Cape Verde, with 40.6% for Côte d'Ivoire and Gambia, 38.9% for Senegal and 33.1% for Niger. Consequently, the absence of any training for youths and the high dropout rate which affects a large proportion of children who have been to school creates a situation where a large number of young people are not prepared for the labor market even when jobs are available. This has led to a constant increase in unemployment among young people who in turn threaten social and political cohesion (UNESCO, 2012). Unemployed youths may also become involved in various social and political conflicts, violence and other criminal behavior.

In order to avoid these social and political problems and to mitigate the existing situation of high unemployment among young people, one of the measures taken by many sub-Saharan African countries has been to set up programmes to develop skills. Many countries in West Africa are thus attempting to offer technical and vocational education and training (TVET) to their young people. TVET also constitutes one of the areas covered by most of the PRSPs. For example, the Poverty Reduction Strategy Papers of Liberia indicate that with the aim of strengthening the quality and accessibility of skills as well as vocational training, the Government intends to: (i) renovate and equip four existing polyvalent secondary schools and two vocational and technical establishments in order that they may be able to offer vocational training; (ii) provide support for literacy and vocational training in youth centers, notably the training of young people to teach literacy and school education for their communities; and (iii) increase by 50% the number of vocational training graduates each year as of 2010 (Republic of Liberia, 2008). Similarly, the PRSPs II developed by Gambia indicated that the goal of the TVET programme is to improve access to TVET and its quality in the country. It also describes the various measures to take in order to: (i) improve the relevance of TVET; (ii) improve the quality and the management of the TVET sector; and (iii) ensure adequate financing and prepare a political and strategic framework. In spite of the efforts deployed up to now, the proportion of young people enrolled in TVET remains low. The table below supplies data relating to the number of students enrolled in TVET.

Country	Total in thousand	Percentage of women
Benin	-	-
Burkina Faso	26	46
Cape Verde	2	48
Côte d'Ivoire	-	-
Gambia	-	-
Ghana	72 (UIS Estimates)	44
Guinea	11 (UIS Estimates)	44
Guinea-Bissau	-	-
Liberia	-	-
Mali	94	46
Niger	3	14
Nigeria	No data	
Senegal	37	52
Sierra Leone	No data	
Togo	No data	

Table 7: Enrolment rates in Technical and Vocational Education and Training (percentage)
Source: EFA Global Monitoring Report, 2012.

A clear, detailed comparative table was drawn up from data relating to the TVET enrolments, compared with the percentage of the number of secondary students. Data over a period of ten years (2000-2010) show that except for Mali and Senegal, the TVET enrolments in other countries have stagnated or have fallen (see Appendix 4.7.7). This means that in spite of the need to enlarge and improve TVET so that it can help a larger number of young people to obtain or create jobs, this segment of the educational system has not yet received all the attention it needs. The presentation below shares the experience of Zambia.

Box 7: Good practice: TVET graduate empowerment scheme – Zambia

Zambia was affected by the economic recession which led to an increase in the already high unemployment rate. It was in this context that the Government decided that the youth registered in training establishments of the Ministry of Scientific, Technological and Professional Training (MSTVT) would first be provided with entrepreneurship skills and should benefit from support that would enable them to get involved in productive activities. Consequently, the Technical and Vocational Education and Training (TVET) graduate empowerment scheme was set up in 2008 in TVET colleges to reduce unemployment by encouraging and motivating TVET graduates to set up small businesses.

The TVET graduate empowerment scheme was implemented through several stages. These were notably: the acquisition of toolkits, tutoring in the development of enterprises and monitoring of the business plans. After the acquisition of the toolkit, the graduates were trained in the development of enterprises and other necessary skills. Partnerships enabling graduates to create groups of skills were encouraged. After the formulation of proposals, the candidates chosen received toolkits, which led to the creation of their small businesses.

The TVET graduate empowerment scheme was officially launched in November 2007. From 2005 to 2007, one hundred graduates were selected to receive toolkits within the TVET scheme. The administrators within training institutions also received training on the management of this scheme.

The enterprises of the institutes operated for one year before being transferred to business incubators set up in the Institutesof Kabwe, Kasama and Mansa with teachers for special trades. These teachers were also responsible for assisting the graduates to ally theory and real action.

In 2010, twelve institutional enterprises and nineteen companies belonging to graduates were established following the implementation of this scheme. The TVET empowerment scheme raised considerable interest for entrepreneurship among TVET graduates in training institutes and developed the spirit of enterprise among graduates of TVET programmes and training institutes.

Source : (UNESCO-UNEVOC, 2010).

4.3.5 Literacy for youth

Regarding literacy, over 50% of the youth in three countries (Burkina Faso, Mali and Niger) are illiterate. This rate is a little over 25% in eight other countries (Benin, Côte d'Ivoire, Gambia, Guinea, Guinea-Bissau, Nigeria, Senegal and Sierra Leone). The trends in the literacy levels among youth over ten years (2000-2010) show that little progress has been made in many countries. For example, the situation in Côte d'Ivoire has improved by only 6% in 10 years, rising from 61% in 2000 to 67% in 2010. Similarly, Nigeria rose from 69% in 2004 to 72% in 2010, or an improvement of only 3% over 5 years. Moreover, the data reveal gender disparities in favor of men in all countries, except for Cape Verde. Consequently, in maintaining these rhythms, it is hardly likely that Burkina Faso, Mali and Niger, and others among the eight countries for which the literacy rate is less than 75%, will be able to reach the rate of 100% of literacy among youth by 2015.

Nevertheless, the levels of schooling and of literacy have a systematic impact on national income and on the income of individuals. Each additional year of schooling increases individual incomes by an average of 10%, the effects being higher in poor countries and for women. The levels of literacy and education also represent important factors of improvement in health standards. Studies show that literacy and the education of women are particularly important for children and families. Literacy and education also constitute strategies to combat inequalities when they are offered in an egalitarian and equitable manner. They also serve as instruments in favor of human rights as education and literacy make it possible for individuals to understand and to assert their rights (Hanushek & Woessman, 2007). Apart from these advantages of literacy, it also constitutes one of the indicators of the attainment of MDG 2. If great importance is granted to literacy, it should be concluded that the levels of illiteracy among the populations of many countries in West Africa are still high.

Country	NER (Net Enrolment Rate) (%)		
	Total	Men	Women
Benin	55	66	45
Burkina Faso	39	47	33
Cape Verde	98	97	99
Côte d'Ivoire	67	72	62
Gambia	67	72	62
Ghana	81	82	80
Guinea	63	70	57
Guinea-Bissau	72	79	65
Liberia	77	71	82
Mali	(National Data) 44	56	34
Niger	(National Data) 37	52	23
Nigeria	72	78	66
Senegal	(National Data) 65	74	56
Sierra Leone	59	69	50
Togo	(National Data) 82	88	75

Table 8: Literacy rates among youth (15 -24) 2005 – 2010[17]
Source: EFA Global Monitoring Report, 2012.

17. Data are from the most recent year available during the period of 2005-2010.

Table 8 above shows the countries that have high levels of illiteracy among youth: less than 50% of youths in Niger, Mali and Burkina Faso are literate. The trends in literacy levels among youth over ten years (2000-2010) show that little progress has been recorded in many countries. For example, the situation in Côte d'Ivoire has improved only 6% in 10 years, rising from 61% in 2000 to 67% in 2010. Similarly, Nigeria rose from 69% in 2004 to 72% in 2010, or an improvement of only 3% on average over 5 years (see Appendix IV. 7. 8). Moreover, the data reveal gender disparities in favor of men in all countries except for Cape Verde.

Box 8: Primary school for children with no education in Niger, Mali and Burkina Faso

The number of school-age children who do not attend school or who have never received any education is estimated at 1.02 million in Burkina Faso, 850 000 in Mali and 1 060 million in Niger. Once they have missed the opportunity to attend school at a young age, it becomes difficult when they are older to put them in the school system, because children older than 8 years are required to pass a national examination to be admitted to public school. In order to resolve this problem and assist children to reintegrate the school system, the Speed School Initiative (accelerated schooling) was introduced in three countries and in a few other African countries.

The concept of "Speed School" was developed to provide children aged 8 to 12 with a basic education that would be sufficient to enable them to pass the national entrance examination for admission to public primary schools. The Speed School programme was conceived by regional experts in education in collaboration with local organizations and compresses the first three years of primary school into 9 months. Teachers receive training on this programme which focuses on the subjects that children have not learned. Each Speed School consists of a teacher and a maximum of 30 students who do not pay school fees. The parents of the students and the local communities as well as the organizations support the programme through monitoring of progress and the provision of a classroom and the lodgings of the teacher as well as the school supplies required. After 9 months, the children pass the entrance examination for primary school at a level that corresponds to their age and the Speed School goes to the next village.

Between 2006 and 2008, 644 Speed Schools were set up, 427 teachers were trained and 18 280 children were registered in these schools, of which 16 505 have to date been transferred to primary schools. The community animators worked with 29 383 parents and community members to raise their awareness and support the programme. The programme has received the approval of governments in three countries and the Stromme West Africa has signed agreements with the three Ministries of Education which accepted to support the expansion of this initiative with a view to attaining the objective of universal primary education.

Source: (OECD & the World Bank 2006/Oxfam GB, June 2009 & September 2011).

The challenges to be met in sub-Saharan Africa have been reiterated in UNESCO's Sub-Saharan Africa 2012 EFA Report. "Despite progress, the ECOWAS region has some of the lowest average rates (only 69% for youth and 52% for adults), being the single REC with rates lower than the average in sub-Saharan Africa for youths and adults (73% and 67% respectively) and the majority of illiterates are girls and young women." (UNESCO, 2012, p. 10).

To summarize, this section of the report explains that the region has shown improvement in the primary enrolment rates (see Appendix III) over the years, but some countries are lagging behind. Concerning secondary school enrolments, the GERs have fallen considerably, which is reflected in an even greater decrease in higher education. Literacy among youth is also low compared with the average rates in sub-Saharan Africa. Moreover, a gap between the sexes at all levels is to be noted, particularly at the levels of secondary and higher education.

4.4 Development efforts of the educational system at all levels

African ~~states~~ are committed to developing education and attaining the objectives set in various international and regional instruments that they have signed. This commitment has been expressed at different levels. The first level consists of a legal commitment, notably the inclusion of the right to education in their constitutions and other appropriate legal instruments. The second level is in the measures provided for in major development programmes such as the Poverty Reduction Strategy Papers (PRSPs) and other educational policies and strategies. The third level is in the efforts deployed to implement concrete measures aiming at developing education, ensuring efficiency, quality and equity.

In effect, all States have conferred on access to education the status of a fundamental human right in their respective constitutions. Some have also included measures relating to all levels and forms of education. The constitutionof Gambia provides for free access to compulsory basic education, gradual introduction of free general secondary education, TVET and higher education on the basis of capacity, while functional literacy and the improvement of infrastructures at all levels are also mentioned. Similar measures are provided for in the constitution of Ghana; the Constitution that was adopted in 1992 stipulates in Article 38, line 2 that the Government, after the promulgation, will develop a ten-year programme, the objective of which will be to offer universal free compulsory primary education. Although they provide few details, the constitutions of Côte d'Ivoire (art. 7), Guinea-Bissau (art. 41) and Liberia (art. 6) also proclaim the right of citizens to access all levels of education. Moreover, the Constitutions of Guinea-Bissau and Togo stipulate that States must make progressive efforts to provide free education. In Senegal, the education law ("Law n°91-22 on the *Orientation of National de Education* of February 16, 1991 modified and completed by Law n° 2004-37 of December 3, 2004"), in its first article ensures education for men and women in order to enable them to use their intellectual capacities and their common sense to contribute to building the country, with the aid of science and technology which are constantly evolving (Article 1). Article 25 also explains the democratic character of national education and states that equal opportunities must be granted on entry and on successful performance because everyone has the right to instruction and training without discrimination based on sex, race, ethnic group, religion or nationality.

These measures are broken down in more detail in documents on the educational vision, policies, plans and strategies of countries. In the documents relating to long-term visions drafted by certain countries, education is mentioned as one of the important pillars of human development. For example, one of the key elements of the document Vision 20: 2020 of Nigeria is the development of a modern, dynamic system that is capable of developing education to its maximum potential and ensuring the availability of sufficient competent manpower. "The objective of NV20: 2020 is to ensure that all girls and boys, whatever their ethnic origin, sex or handicap, can complete a basic education programmeof 12 years of formal education composed of 3 years of early childhood care and education (ECCE), 6 years of primary school and 3 years of secondary school." (Nigeria Vision 20: 2020, 2009, p. 64). The completion of secondary school will be followed by at least 3 years of vocational training (informal/formal) or by higher secondary school. Moreover, non-formal and adult education and as well as access to education for pastoral communities are dealt with. Similarly, Vision 2020 of Gambia proclaims education as one of the important elements of development and includes the objectives to be attained by 2020.

All of the countries of West Africa are committed to attaining the MDGs and as indicated previously, one of the strategies by which they attempt to reduce poverty is the formulation of the PRSPs. In all their efforts to attain the MDGs, all countries consider education as a key objective and a means of reducing poverty. This is reflected in the different PRSPs. In addition to dealing with the issue of pre-school education, the PRSPs of Guinea-Bissau indicate that the objective of the PRSP II is to raise the NER for primary school from 67.4% in 2010 to 100% in 2015, and the NER for secondary school from 23.5% in 2010 to 40% in 2015. Reducing the cost of education with the aim of implementing the policy of free schooling is another objective in the document. Regarding secondary school, emphasis will be placed on quality. Similarly, in the PRSP II of Liberia, special attention has been granted to education. It reiterates that during the implementation period, the existence of UPE and quality education at all levels, with a special emphasis on disadvantaged groups, notably girls, will constitute priorities. These must be respected through a series of several strategic objectives, notably the reform of programmes and the improvement of quality, security and hygiene within schools; better qualified teachers, the improvement of results and the school survival rate and improvements in the accessibility and quality of TVET. It also sets objectives that contribute to the attainment of UPE and the MDGs by 2015. The PRSP of Togo, while describing the problems the country faces with increased enrolments at all levels, also lists the measures to take which will make it possible to reach the target of MDG 2 in primary schooling, which are increased enrolment, relevance and quality as well as the reduction in the rate of grade repetition and dropouts at the secondary and higher levels.

On the other hand, countries which have considerably increased their enrolments and which are capable of attaining MDG 2 have placed an emphasis on improvements in quality, equity and management. For example, the Ghana Shared Growth and Development Agenda (GSGDA), 2010-2013 grants special attention to: (i) increased equitable access and participation in education at all levels; (ii) improvements in the quality of teaching and learning; (iii) reductions in the gap between the sexes in access to education, management and improvements in services for education and improvements in access to quality education for the handicapped. The measures that will make it possible to reach these objectives are stated in the document.

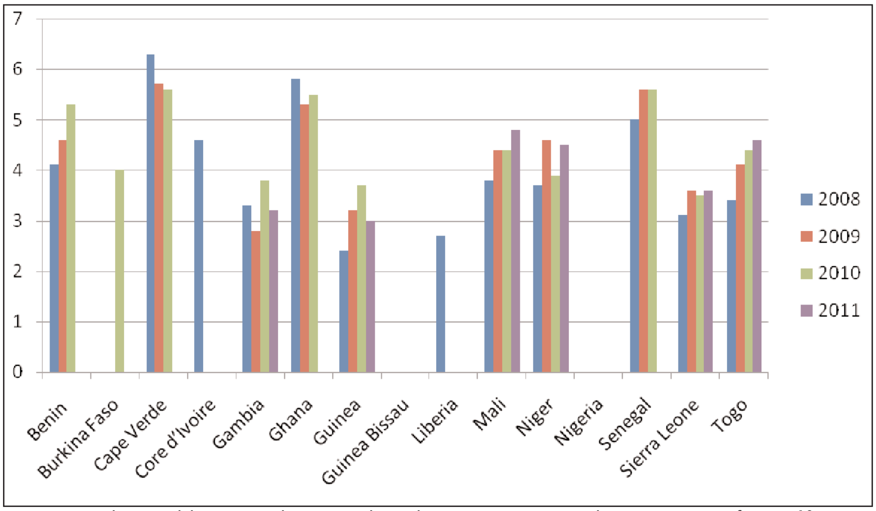
Similar commitments appear in all of the education policies formulated by different countries. Policies affirm that their implementation will make it possible to advance towards the goals set at the international level such as EFA and the MDGs, as well as those of the NEPAD. On this subject, the education policy of Gambia covering the period from 2004-2015 aims to ensure that the right to a quality education for all is respected and that the EFA and MDG objectives are attained. It recognizes that the ultimate objectives, which are to eliminate poverty, improve the quality of life and build a knowledge-based society, constitute the cornerstones of the education policy. In the same vein, the educational policy of Sierra Leone stipulates that the implementation of the policy will contribute to the achievement of EFA and to the poverty reduction strategy. The main issues to be addressed by this policy are: (i) achieve UPE, generalize and improve post-primary schooling, literacy and vocational training; (ii) improve the training of teachers to respond to the needs of the expanding school system; (iii) promote higher education, expand the opportunities for children of pre-school age; and (iv) assess quality and resolve financing issues.

The education policy of Mali includes four strategic pillars: (i) develop a quality basic education; (ii) support general education, technical and vocational secondary school education and vocational training through apprenticeships; (iii) implement a policy of sustainable development in higher education and scientific and technological research; and (iv) set up a decentralized form of management of the educational system. The Ministry of Education of Senegal which produced a Sectoral Policy Statement also dealt with the issue of education for all citizens. Covering the period from 2008-2015, the most recent version of this policy proclaimed one of its eight strategies which deal with "… education for all and the elimination of disparities at all levels of education: in the interior and among the regions, socio-economic groups, the sexes, the urban and the rural zones".

Apart from these legal and political measures, countries have adopted concrete measures, notably the introduction of free, compulsory education, which to a certain extent has stimulated the increase of enrolments. For example, Liberia and Mali have introduced free, compulsory education, which has eliminated school fees in public primary schools and has considerably reduced them for public secondary schools. Cape Verde, Gambia, Ghana and Guinea have guaranteed free compulsory universal education for all. Benin, Guinea-Bissau, Nigeria and Togo have legislated on free compulsory education which should be implemented gradually.

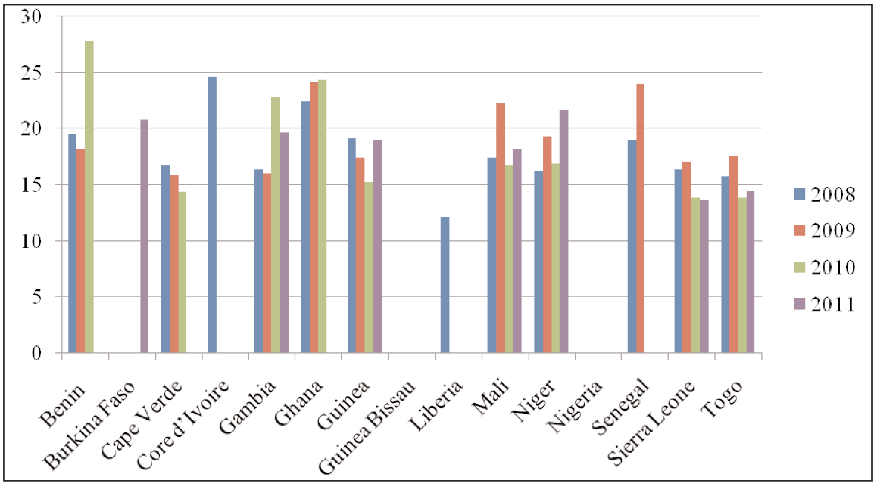
It is commonly admitted that the investment in the education sector helps countries to develop and to eradicate poverty. Consequently, one of the means by which States can reduce poverty, reduce inequalities and implement their commitments is to allocate sufficient financial resources to the education sector. Also, the proportion of the total financial resources devoted to education represents one of the main choices made by the governments of each country. Consequently, the expenditures for education in each country in West Africa over time were studied (see graph 5). Budgets allocated are assessed from two angles: the percentage of GDP and the percentage of total public expenditures.

According to the World Bank, in both cases, the mode of allocation during the period from 2008 to 2011 shows that the education budgets declined in most countries of West Africa. For example, the budget in percentage of GDP for Benin, Mali, Niger, Senegal, Sierra Leone and Togo was increased while it declined in Cape Verde, Gambia, Ghana, Guinea and Guinea-Bissau. Although the allocation of Cape Verde declined slightly over the years, in terms of the percentage of GDP, this country still occupies the highest rank next to Senegal with 5.6%. This state of affairs can be explained by the fact that in terms of GDP, it tops all of the countries of West Africa (see Appendix 4.7.2). Reduced budgets are noted in spite of the fact that Cape Verde, Guinea and Ghana, in decreasing order, are the three countries with the highest primary enrolment levels. With regards to the distribution in percentages of government expenditures, Sierra Leone and Togo have reduced their budgets by a few points.



Graph 5: Public expenditures in the education sector, total (percentage of GDP)[18]
Source: World Bank, 2012.

The Dakar Forum set an objective for African countries which consists of allocating at least 7% of their GDP to education by 2005 and 9% in 2010, which reflects the weight of the costs associated with expanding access, notably the construction of schools, the supplies of textbooks for training and apprenticeship as well as the salaries of teachers (UNESCO, 2012b, p. 4). In spite of this commitment, no country in West Africa has to date reached 7%.



Graph 6: Public expenditures in the education sector, total (percentage of government expenditures)
Source: World Bank database, 2012.

18. No data available for Guinea-Bissau and Nigeria.

Apart from these wide-ranging measures, governments also collaborate with funders with the aim of improving schooling and education. One of these interventions, the objective of which is the improvement of access and efficiency, is the school feeding programme. Malnutrition affects the physical, cognitive and social development of children. It also perpetuates poverty, with children suffering from malnutrition becoming adults with limited capacities and possibilities and eventually they have their own malnourished children. The malnutrition rates of children under the age of five years expressed as the percentage of children suffering from stunting is high in countries of West Africa. For example, according to UNESCO in 2012, the rates of 55% in Niger, 41% in Nigeria, 43% in Benin, 40% in Guinea and 39% in Liberia are the highest in descending order (p. 330).

Conscious of this problem, the Task Force on Hunger for the United Nations Millennium Project advocated the expansion of local programmes for school feeding in July 2003. All the countries in West Africa were associated with this programme. Nevertheless, Togo eliminated it 2006, while the other countries collaborated with the World Food Programme (WFP). The school feeding programmes of Ghana and Nigeria were executed by their respective governments, which increases their chances of viability. Moreover, Ghana, Nigeria and Mali became members of the African Network for School Feeding Programmes (ANSFP), which was created in July 2006 with the mission of multiplying the chances for all African school children of receiving adequate feeding (at least one hot meal per day) to improve their nutritional status (and well-being) and improve their aptitude for learning.

Providing meals has a positive impact on school attendance, as the experience of Ghana has attested. In Ghana, the four-year school feeding programme launched in 2007 aimed at providing a hot, nutritious meal based on local products every day to children in public primary schools and pre-schools in the poorest areas. Six months after the beginning of its implementation, the enrolment rates in pilot schools had risen by 20.3%.

The development of school infrastructures, notably the construction of schools, the provision of necessary equipment for schools and the supply of materials constitute the other efforts agreed to by Governments over the years. These activities were financed by Governments and by development partners.

In sum, this part of the chapter has covered the salient facts reflecting the commitments of West African countries to attain MDG 2 and increase access to education at all levels. UPE was included in most legal instruments, the constitutions, educational laws and policies. Measures were taken with the aim of developing and improving primary secondary and higher education and TVET. Countries likely to attain the objectives of expanding access to primary education are currently considering tackling the other levels as well as improving quality. Moreover, concrete actions such as collaboration with development partners in the framework of the implementation of school feeding programmes and the development of school infrastructures are under way. If it is true that no country to date has allocated 7% of GDP to education in conformity with commitments made, most of them are revising upwards their budget allocations to this sector. However, most of these efforts are far from covering the necessary expenditures, in view of the high demand as well as the realities of the current economic situation.

4.5 Challenges related to access and survival rates of students in the educational system

To attain the objectives set by the international community in the area of education, sub-Saharan Africa must meet several challenges. One of them is improving quality. As a consequence of raising the enrolment rate in countries, resources that are already limited, notably those devoted to infrastructures, are over-stretched to respond to the needs of an increasing number of students resulting from the rapid growth of the population as well as those of children who previously did not have access to school. This state of affairs has considerably affected quality. To explain the effects of this compromise of resources, with reference to the case of Malawi, a country in southern Africa, Kunje & Selamani-Meke (2009) have the view that after the adoption of UPE in the second half of the decade of the nineties, enrolments increased significantly and student-teacher ratios, student-classroom ratios, student-textbook ratios and other indicators reached unacceptable levels which led to a decline in quality.

One of the indicators that makes it possible to evaluate quality is the availability of a sufficient number of qualified teachers, which is expressed through the student-teacher ratio (STR). In concentrating on the countries of West Africa and comparing the data from 1999 to 2010, UNESCO (2012a) shows that the STR for Burkina Faso, Côte d'Ivoire, Gambia, Ghana and Guinea-Bissau have increased or stagnated even though enrolments in primary school had increased in all of these five countries. With the exception of Ghana, these countries rank in last place regarding the objective set for primary school. The problem of crowded classrooms was also reiterated in several reports. For example, the report presented during the Global EFA Meeting (GEM) emphasized that over-crowding remained a problem in many of the ECOWAS countries (Burkina Faso, Côte d'Ivoire, Guinea-Bissau and Mali) and countries of the SADC (Madagascar, Malawi, Mozambique and Tanzania) which continue to record class sizes of over 50 students (UNESCO, 2012b).

Apart from the high STR observed in certain countries, the percentage of qualified teachers is low in most countries. Among the countries which have data, table 15 shows that more than half of the teachers in Benin and in Sierra Leone have no training. The lack of training for teachers means that the needs of the students are not met appropriately and this negatively affects the results of their performance. This state of affairs has an influence on the level of grade repetition and dropouts. In certain countries, the number of qualified teachers has experienced a slight decline: Benin, Ghana, Guinea-Bissau andSenegal (for more detail on the trends in the numbers of trained teachers for primary school over a period of ten years, see Appendix 4.7.9). This trend can be explained by the number of qualified teachers who leave the profession and emigrate elsewhere or by the increase in the numbers of untrained teachers.

Country	Percentage of trained teachers											
	2008			2009			2010			2011		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Benin	-	86	-	40	39	45	43	42	45	50	47	47
Burkina Faso	88	81	91	86	84	91	-	-	-	-	-	-
Cape Verde	85	-	87	87	82	89	92	87	92	92	90	93
Cote d'Ivoire	100	-	-	100	-	-	100	-	-	100	-	-

Country	Percentage of trained teachers											
	2008			2009			2010			2011		
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women
Gambie	-		-	-	-	-	-	-	-	90	90	89
Ghana	49	40	68	48	38	66	51	-	-	51	42	66
Guinea	82	80	88	-	-	-	80	-	-	80	79	84
Guinea Bissau	-	-	-	-	-	-	-	33	59	-	-	-
Liberia	40	39	47	48	47	56	56	-	-	56	55	63
Mali	50	48	55	50	48	56	52	-	-	52	51	57
Niger	98	98	99	98	98	99	97	96	97	96	96	97
Nigeria	-	-	-	-	-	-	-	61	72	-	-	-
Senegal	46	50	38	43	46	34	48	51	40	-	-	-
Sierra Leone	-	-	-	-	-	-	-	-	-	48	43	64
Togo	-	-	-	-	-	-	71	77	74	71	71	67

Table 9: Proportions of trained primary school teachers: 2008-2011

Source: World Bank database, consulted in December 2012.

A similar situation can be observed in the area of school infrastructures. In assessing the situation of education in Nigeria, Odia and Omofonmwan (2007) assert that in certain States of Nigeria during the course of the last ten years, not one single new construction was added to existing ones or no major maintenance operation, repair or replacement of infrastructures and other educational equipment took place.

Box 9: Survival rates of students in the school system in Benin: meeting the challenge of training 9800 community teachers

450. In Benin, unqualified community teachers represent over 50% of the staffing of primary schools. During the hiring freeze of public servants in the decade of the nineties, all of the teacher training institutes were closed. This was when communities recruited for their primary schools literate adults without teacher training. In 2008, the Government of Benin began to hire on contract all community teachers who had post-secondary school diplomas and teaching experience.

In 2009, USAID collaborated with the initiative to train nearly 9 800 community teachers likely to be hired on contract as primary school teachers. The training was coordinated by UNICEF and implemented by the Ministry of Basic Education.

The other funders, including the World Bank, the Netherlands, Luxemburg and UNICEF provided support to this initiative.

The training follows a hybrid model which combines lectures in groups and distance education with on-site coaching. Training sessions for groups are held in 69 centers distributed throughout the country. These sessions complete the distance learning and provide teachers with the opportunity to extend their understanding of teaching. The impacts of this intervention are already visible. The mid-term evaluation demonstrated that before their training, the knowledge of teachers about the programme was around 20% and that only 40% were capable of preparing and teaching a class using their skills and modern methods of teaching. After a year and a half of training, almost 100% of community teachers showed a good knowledge of the programme and were capable of preparing a course and using an approach based on their skills, thus making theminto much better teachers.

Regarding the students, a survey carried out by the Ministry of Basic Education on the number of children who pass their examination at the end of primary school showed that for the first time, some schools where community teachers were in the majority had the best results. In these schools, between 68% and 100% of students of the last year of primary school successfully passed the exam at the end of primary school, which made it possible to increase the number of children who completed primary school. The programme will be completed in one year when the community teachers pass their qualifying examinations for the profession of primary school teachers.

Source: Rapid Joint Needs Assessment, Education cluster, November 2010.

The other factor that has an influence on quality is the proportion of students who complete primary school. As shown in Table 4, in 2010 four countries, Benin, Côte d'Ivoire, Senegal and Togo, had completion rates of less than 62%, which is the average in sub-Saharan Africa. Burkina Faso and Gambia also showed completion rates of less than 65%. "Beyond primary school completion, some of the key challenges faced in SSA include the quality of teaching, both in terms of inputs and learning outcomes, the transition to secondary school, under great strain as the number of primary school leavers increases and equity, especially in the light of high grade repetitions (13.4% in 2010/11) and drop-out rates (the average primary survival rate was just 62% in 2010/11) and the weak provision of services to children with special needs and in rural areas."(UNESCO, 2012c, p. 7).

Poverty constitutes another constraint on the attainment of objectives. As indicated in the Millennium Development Goals Report for 2012, the cost of schooling has an important impact on children's enrolments for poor households. Even when schooling is free, other costs such as uniforms and school supplies remain an obstacle for UPE. According to Oxfam (2011), there is a gap of 22 points in access to schooling between the 40% poorest and the 22% richest in the population. Regarding gender inequality, less than two girls out of 10 from poor households complete primary school, compared with nearly seven boys out of ten from wealthy urban households. (Oxfam, 2011, p. 12).

Apart from the poverty of households, national poverty also limits the possibilities for children to enter and to succeed in school. As funds are scarce, the construction of schools near villages becomes more complicated, which deprives young children, especially girls, of the possibility of attending school. The EFA GMR 2012 also indicates that the poorest countries have the highest dropout rates. For example, according to the data from UNESCO (2012d), Sierra Leone has the lowest GDP per capita at 180 USD, compared with other countries in West Africa and 30% of its children that are old enough to attend school are not in school. Those who do attend school end up as dropouts. While many countries benefit from assistance, the capacity to use the budget efficiently and to ensure timely monitoring remains weak owing to a number of factors.

Conflicts represent another factor which has negative repercussions on schooling and the completion of school programmes. Their impact on global growth in West Africa has been reiterated, notably by the International Monetary Fund (IMF). The attacks of Islamists in northern Nigeria and those of Al Qaida in Mali as well as the series of regular and mortal attacks against security forces in Côte d'Ivoire were cited as examples of security problems that could compromise gains in the economic development of West Africa.

Among the countries of West Africa, Guinea, Liberia, Sierra Leone, Côte d'Ivoire and Nigeria are the five countries affected by conflicts between 1999 and 2008. Children in countries involved in conflicts not only run the risk of not attending primary school, but are also more likely to drop out of school. The completion rate for primary schools in poor countries affected by conflict is 65%, while it is 86% in other poor countries. (UNESCO, 2011, p. 132).

In analyzing the impact of war on education in Liberia, the current PRSP showed that the educational system in Liberia was seriously damaged by the war. More than 30% of public schools and 24% of community schools were totally destroyed and another proportion of public and community schools assessed at 16% suffered major damage. The enrolment rates have fallen and a whole generation of children has missed the opportunity to go to school. (Republic of Liberia, 2008). This is reflected in the literacy levels of youth in countries affected by conflicts. Only 79% of youth and 69% of adults are literate in countries involved in conflict, compared with 93% and 85% in other countries (UNESCO, 2011, p. 132).

A similar situation was observed by Sany (2010) during the analysis of the conflict in Côte d'Ivoire. He indicated that the conflict had relegated education to the lowest of national priorities. Thousands of people, notably students and teachers, were forbidden access to the educational system, which was also seriously damaged. In a large town in the North, the university was pillaged and closed. Many schools were destroyed, thus leading to long-term repercussions for infrastructures in the educational sector. Infrastructures destroyed, students and teachers displaced and schools closed down are only a few of the consequences of these conflicts. To this can be added the cancellation of examinations in the North during the conflict. Certain students, who may have failed these examinations, have now left the school system and today are dropouts. Thus, the future of hundreds of thousands of children has perhaps been compromised forever (Sany, 2010). In these areas, the poor and the daughters of the poor generally emerge as worse off than the others.

The issue of equity constitutes another challenge which is shown by the disparity between the sexes in education. As indicated above, and as shown by the data, the gender disparity is most often in favor of boys. This is particularly visible at the levels of secondary school and higher education. According to a report on girls' education published by the African Network Campaign on Education For All (ANCEFA), in Ghana, Nigeria and Togo the origin of the very low survival rates for girls at school compared with boys is based in general on gender inequality and discrimination against women owing to patriarchal systems that govern social organization and other socio-cultural practices such as early marriage, child slavery, placement in host families or trafficking of children, poverty and multiple domestic tasks as well as the lack of economic and social opportunities. This can be verified by the fact that when boys and girls live in the same conditions of poverty, girls are disadvantaged compared with boys. From the EFA Global Monitoring Report (UNESCO, 2012e), a report based on data from a survey conducted among households in nine countries, girls come up against more obstacles to entering primary school than boys. For example, in Guinea, only 40 girls out of 100 from the poorest households complete primary school, compared with 52 boys. This is due largely to the lower enrolments of girls in primary schools from the first year: 44 out of 100 girls from poor families are enrolled in school, compared with 57 boys (UNESCOa, 2012).

The gap between the sexes persists in spite of measures taken by countries. All of the countries of West Africa have adopted the Beijing Platform for Action and are taking various measures. Many, following the example of Burkina Faso, Nigeria and Ghana have formulated national policies relating to the promotion of women and gender equality. Others have action plans dealing with the different dimensions of the problem of sexual equality, such as gender-based violence and human trafficking. All of the countries included plans or measures to combat sexual inequality in their PRSPs and educational policies.

Box 10: Gender equality in rural schools: best practices and lessons learned in Senegal and in Kenya

The Women's Global Education Project (WGEP) was founded to provide help at key points in the lives of girls living in conditions of extreme poverty in the rural areas in Africa. In analyzing the obstacles to their education and educational success, WGEP has successfully designed programmes that aim precisely to overcome these obstacles and modify the lives and prospects for the future for girls in the rural areas. The programme responds to the educational needs of girls in the rural areas from marginalized families through a multi-level approach associating entire communities.

Founded in 2003, WGEP began its operations in the region of Fatik in Senegal, a remote region which forms part of the lowest third in the ranking of the rural regions of Senegal in terms of school survival rates. In the first year of the programme, 10 scholarships for primary school were offered to cover school fees, books, uniforms, supplies and lodgings if necessary, thus providing the opportunity to dispense an education for girls who otherwise would never have had the opportunity to go to school. A local partner carried out the selection of students and conducted the monitoring. Among the girls registered in the first year, sixty % remained in school the following year. On the basis of their successes in Senegal, WGEP launched a second programme in the district of Tharaka in Kenya in 2007.

According to the girls' needs, WGEP offers different programmes: complete scholarship, partial scholarship, adult literacy courses for mothers; health education for girls and their families, teacher training and awareness programmes for parents and other programmes to encourage the autonomy of girls and women. The intervention model places the emphasis on establishing solid and efficient partnerships in defining clear objectives, establishing confidence and maintaining a well-established presence. The results of the programmes in Senegal and Kenya show that this combination of interventions associated with a close collaboration with the community provides results.

The impact of the programme was observed at different levels. In 2009, the school survival rate for girls was 93% in Senegal and 96.9% in Kenya. Regarding the results, 30% of the girls participating in this programme were ranked among the five best students and 75% had good results. In Senegal, among the recipients of partial scholarships, 76% succeeded in national examinations. Moreover, the impact observed on the girls is that communities changed their attitudes towards girls' education and now they support the maintenance of girls at school.

Source: (UNGEI, 2010).

4.6 Conclusions and recommendations

4.6.1 Conclusions

All of the countries of West Africa are stakeholders in the international and regional commitments aimed at eradicating poverty and attaining goals set for 2015, such as ensuring primary education for all and parity between the sexes at all levels. Moreover, these commitments have been transposed into the legal texts of countries. Over 50% of the countries of West Africa have included free, compulsory education in their respective constitutions. With the aim of implementing the MDGs, countries have developed the PRSPs to deal with the expansion of access at all levels of education and have taken measures to improve quality as well as governance. Consequently, it can be clearly demonstrated that all of the countries of West Africa have shown political will as well as the availability to work towards the objectives set for 2015, which is MDG 2.

To implement these commitments, a certain number of activities have been carried out by countries. Some have proceeded to restructure the educational sector as well as to increase budgets over the years. Infrastructures and school feeding programmes have also been implemented, in certain cases in collaboration with development partners. Governments have collaborated with partners at the regional and international levels to expand access to schooling.

Much progress has been recorded. Enrolments have increased significantly compared with those of 1999. However, challenges remain to be met to improve access to education in general and to attain MDG 2 in particular. In spite of the impressive increase recorded in NER for primary schools, some countries still are running the risk of not reaching the objective of universal primary education before the deadline of 2015. In certain cases, even those who are close to the objective for enrolment could fail to achieve the target for the completion rate in primary schools.

Owing to the high dropout rate in primary schools, coupled with a particularly limited access to schooling and inadequate supply of non-formal education, the proportion of youth who have an education is very low. Considering the low average rates, West Africa must redouble its efforts in this area.

Regarding the enrolment levels in secondary school, except for Cape Verde, all of the countries for which data is available have recorded enrolment rates lower than 60%. In line with the trend observed in secondary schools, to which can be added the constraints related to access to higher education, it is not surprising that the NERs for higher education in eight countries in West Africa for which data is available, indicate that no country was able to attain an enrolment rate of 20% in 2010, including Cape Verde.

Regarding TVET, it is only recently that it has been taken into consideration appropriately. Considering the demographic structure of the African population, which includes a very high proportion of young people and the fact that many of them do not reach higher education, TVET represents an ideal way to develop skills and to create jobs. Conscious of this, a large number of countries have dealt with the improvement and expansion of TVET in their PRSPs and in their national educational policies. In spite of this, it is difficult to obtain sufficient data for the analysis of trends in order to make comparisons. Nevertheless, the available data indicates that this is an area that requires special attention.

Disparities between the sexes at all levels of education can be observed; if they appear to a lesser degree at the primary level, they are in contrast very marked at the levels of secondary school and higher education. Consequently, efforts should be intensified to meet the challenges mentioned above and to improve access to education and as a result, to favor the attainment of the MDGs and other international commitments.

4.6.2 Recommendations

As mentioned previously, although results are encouraging, the data show that certain countries are still lagging behind in terms of overall performance in the area of education and in the attainment of MDG 2. Consequently, the countries of West Africa, the RECs, the private sector, development partners and university academics are invited to examine some of the recommendations listed below. As indicated in the report, the expansion of education is the fruit of a concerted effort on the part of these actors. Also, recommendations aimed at ensuring access to education and its expansion are addressed to the following actors and are presented with an emphasis placed on the areas needing specific intervention.

To Member ~~states~~

To improve access to education, countries must: (i) implement the provision of free, compulsory education that they have included into their constitutions; (ii) allocatebudgets that are sufficient for the education sector, placing the emphasis on the attainment of MDG 2; (iii) associate communities in the implementation of initiatives with the objective of sending children to school; (iv) develop efficient strategies for the use of resources, establish and/or strengthen the Education Management Information System (EMIS) and respond to surveys carried out by the UIS; and (v) strengthen and extend interventions such as school feeding programmes.

To improve the quality and availability of qualified teachers: (i) reflect on new alternatives in the training of teachers (distance training and short-term training); (ii) improve and revise teacher-training programmes with the assistance of national experts and the collaboration of UNESCO.

To remedy gender inequality in education: (i) strengthen the work begun with regional organizations in the area of education based in Senegal and Burkina Faso; and (ii) planbudgets that take into account the specific needs of each sex in the allocation of resources for the education sector as is the case in Nigeria.

To strengthen and extend TVET: (i) implement the measures in the national PRSPs; (ii) collaborate with development partners such as the Association for the Development of Education in Africa (ADEA) and the German Development Agency (GIZ) as well as other institutions of the sub-region.

To roll back falling school enrolment levels: (i) support partners working with communities in schools and out of schools [student associations and girls' clubs, associations of students' parents (APE), etc.] to strengthen their awareness and their participation; (ii) strengthen the accountability of schools; (iii) develop and strengthen non-formal education to recover dropouts; and (iv) ensure the coordination and harmonization of the different programmes of non-formal education managed by government, development partners and communities.

To improve management and coordination: (i) strengthen the capacities of the education sector in the area of management and accountability for an efficient implementation of projects financed by development partners; and (ii) set up a coordination system making it possible to ensure that all the parties, NGOs, community organizations and the private sector work together to attain the objectives set at the international level by eliminating duplication, ensuring the sharing of experiences and the transposition of best practices.

To the ECOWAS/WAEMU and other IGOs: play a pro-active role in monitoring, coordination, promotion and advocacy for the implementation of commitments in the context of priority areas of regional planning and strengthen the production of independent indicators for the monitoring of the MDGs with the aim of assisting countries to focus on issues of regional interest; strengthen good practice and resolve difficulties.

To development partners: consider the creation of a consortium in charge of assembling all of the resources needed to improve the efficient use of funds and monitoring by countries.

To the private sector: (i) contribute to initiatives to improve access to education and the attainment of MDG 2 through scholarships to students who otherwise could not go to school; (ii) collaborate with communities in the framework of initiatives such as the construction of classrooms, lodgings for teachers and other necessary infrastructures; and (iii) ensure the durability of actions through the setting up of mechanisms such as foundations.

To university academics: (i) contribute, after taking stock of the challenges, to conducting research, to producing reports on the results and documents on strategies and favor their broad distribution; (ii) support the training of teachers and provide technical training.

4.7 Appendixes

Goal	Benin	Burkina Faso	Côte d'Ivoire	Cape Verde	Gambie	Ghana	Guinea	Guinea Bissau	Liberia	Mali	Niger	Nigeria	Senegal	Sierra Leone	Togo
Eradicate extreme poverty/ hunger	Unlikely	Unlikely	No data	Medium -income	Unlikely	Likely	No data	No data	Unlikely	Unlikely	Unlikely	No data	Unlikely	No data	No data
Achieve universal primary education	Likely	Unlikely	No data		Poten-tially	Likely	No data	Likely	Poten-tially	Unlikely	Poten-tially		Likely	Likely	Poten-tially
Promote gender equality	Unlikely	Unlikely	No data		Unlikely	Likely	No data	Likely	Poten-tially	Unlikely	Unlikely		Poten-tially	Likely	Unlikely
Reduce child mortality	Unlikely	Unlikely	No data		Poten-tially	Unlikely	No data	Poten-tially	Poten-tially	Unlikely	Poten-tially		Unlikely	No data	Unlikely
Improve maternal health	Unlikely	Unlikely	No data		Unlikely	Unlikely	No data	Poten-tially	Poten-tially	Unlikely	Unlikely		Unlikely	No data	Unlikely
Combat HIV/AIDS, malaria and other diseases	Likely	Likely	No data		Unlikely	Unlikely	No data	Poten-tially	Poten-tially	Likely	Unlikely		Likely	Likely	Poten-tially
Ensure a sustainable environ-ment	Likely	Likely	No data		Unlikely	Likely (except for sani-tation)	No data	Poten-tially	Poten-tially	Likely (except for sani-tation)	Unlikely		Likely	No data	No data
Develop a global part-nership for develop-ment	Unlikely	Unlikely	No data		Unlikely	Unlikely	No data	No data	No data	No data	Unlikely		Unlikely	No data	No data

Appendix 4.7.1: Probability that West African countries will attain the MDGs in 2015: Projections

Source: World Bank 2012. http://data.worldbank.org/mdgs monitor.

Country	Population (000) (2012)	GNP (2010)	Pop. Living under the poverty level (per cent)	Net Dev. Assistance received (per cent of GDP) 2000- 2009	Infant mortality (‰) 2010-2015	Child Mortality under five years (‰) 2010-2015
Benin	20 163	780	39	10	77	121
Burkina Faso	17 482	550	46	14	71	147
Cape Verde	505	3 270	27	13	85	136
Côte d'Ivoire	20 595	1 160	43	11	69	107
Gambie	1 825	450	58	19	66	93
Ghana	25 546	1 230	29	6	44	63
Guinea	10 481	400	53	6	84	134
Guinea Bissau	1 580	590	65	18	110	181
Liberia	4 245	200	64	78	77	107
Mali	16 319	250	47	11	92	173
Niger	16 644	200	60	9	86	144
Nigeria	166 629	270	55	1	88	141
Senegal	13 108	550	59	8	50	85
Sierra Leone	6 126	180	51	23	103	157
Togo	6 283	490	62	18	67	104

Appendix 4.7.2: Some development indicators for West African countries
Source: Global Monitoring Report, 2012.

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin	-	-	-	-	-	-	-	-	-	84	-	-	86	-	-	86	-	-	87	-	-	-	-	-	89	-	-	-	-	-	-	-	-
Burkina Faso	34	40	28	35	41	29	35	40	29	37	42	31	39	44	34	43	48	38	46	51	42	52	56	47	58	62	53	60	64	57	58	60	56
Cape Verde	99	-	-	99	100	98	98	99	97	98	99	97	98	98	97	97	97	96	95	96	95	94	95	93	93	94	92	93	94	91	93	94	92
Côte d'Ivoire	56	64	48	60	69	52	61	70	52	58	64	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61	67	56	-	-	-
Gambie	67	70	63	68	70	66	66	68	64	70	70	69	70	69	71	68	66	69	72	71	74	71	69	73	67	65	69	72	70	74	65	64	67
Ghana	64	65	63	59	59	59	61	62	61	64	64	64	59	59	60	66	67	66	66	66	67	72	72	73	78	77	78	77	76	77	84	84	84
Guinea	47	53	40	50	57	44	58	65	51	62	69	55	66	72	59	68	74	62	71	76	65	73	78	68	73	78	68	75	80	69	79	83	70
Guinea Bissau	51	59	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73	75	72
Liberia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	36	36	44	44	43	44	45	42	41	42	39	-	-	-
Mali	-	-	-	-	-	-	50	56	43	50	56	43	50	53	46	54	60	49	56	61	50	58	62	52	-	-	-	61	66	56	62	66	57
Niger	27	32	22	31	36	25	34	40	28	38	44	31	42	49	34	42	49	35	43	49	36	45	51	38	49	55	43	54	60	47	57	63	51
Nigeria	65	70	59	-	-	-	-	-	-	66	70	61	67	71	62	67	72	63	68	72	64	65	69	61	59	62	55	57	60	54	58	60	55
Senegal	60	63	56	61	64	58	-	-	-	66	69	63	70	72	69	72	73	71	73	74	73	74	74	75	76	75	77	76	74	77	75	73	78
Sierra Leone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	87	-	-	88	-	-	88	-	-	89	-	-	89	-	-	90	-	-	90	-	-	92	-	-	92	-	-	-	-	-	-	-	-

Appendix 4.7.3: Profile of NER for primary education over a period of ten years (2000-2010)
Source: Databases of the UIS/UNESCO and the World Bank, 2012.

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin	76	82	66	68	72	63	59	62	55	64	65	63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56	58	53
Burkina Faso	61	60	63	58	56	61	67	65	69	69	68	79	69	68	70	64	63	66	72	71	74	69	68	71	71	71	72	64	61	67	-	-	-
Cape Verde	85	84	87	89	87	91	84	85	83	87	86	89	-	-	-	87	85	89	-	-	-	86	85	87	-	-	-	-	-	-	89	90	89
Côte d'Ivoire	87	90	84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76	83	67	-	-	-	61	62	59	-	-	-	-	-	-
Gambie	73	71	75	60	64	56				75	74	76	63	61	65	62	62	62	-	-	-	70	68	72	-	-	-	-	-	-	63	60	66
Ghana	59	61	58	89	93	85	59	55	65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72	76	69	-	-	-	-	-	-
Guinea	-	-	-	-	-	-	-	-	-	76	81	69	71	73	67	74	77	70	76	81	71	55	60	49	63	68	57	66	74	56	-	-	-
Guinea Bissau	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liberia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78	85	71	46	49	43	68	73	62	-	-	-	-	-	-
Mali				76	80	70	66	71	60	78	82	74	80	85	75	74	76	71				76	79	73	79	81	77	77	79	76	75	77	74
Niger	69	70	67	65	67	63	66	67	65	69	70	68							70	72	67	74	73	76	67	69	64	62	63	60	69	71	67
Nigeria	-	-	-	-	-	-	73	71	75	73	73	73	73	73	73	78	76	80	50	49	50	47	48	45	65	66	64	80	77	83			
Senegal	63	67	59	59	62	56	71	74	68	72	73	71	64	66	62	53	54	53	-	-	-	58	57	60	58	56	59	60	58	61	59	59	60
Sierra Leone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	70	76	63	-	-	-	63	68	56	72	76	66	69	75	63	81	88	73	-	-	-	69	76	62	-	-	-	59	55	67	52	55	48

Appendix 4.7.4: Proportion of students who complete primary school over a period of ten years (2000 - 2010)

Source: Databases of the UIS/UNESCO and the World Bank, 2012.

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin	18	26	12	20	27	13																											
Burkina Faso	-	-	-	7	9	6	8	9	6	9	10	7	10	12	8	11	12	9	11	13	9	12	14	10	14	16	12	15	17	13	16	18	14
Cape Verde	-	-	-	-	-	-	57	55	58	58	55	61	58	55	61	62	58	66	63	59	68	65	60	69	-	-	-	66	-	-	-	-	-
Côte d'Ivoire	19	-	-	20	-	-																											
Gambie	-	-	-																														
Ghana	34	37	32	33	34	31	34	36	33	35	37	34	38	41	36	40	42	38	41	44	39	47	49	45	47	49	45	46	48	44	-	-	-
Guinea	-	-	-	16	23	10	18	25	11	20	27	13	21	28	14	25	32	17	27	35	20	30	37	22	-	-	-	29	36	22	-	-	-
Guinea Bissau	9	11	6																														
Liberia	20	25	14																														
Mali	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27	32	21	28	33	22	29	35	24
Niger	-	-	-	6	7	4	6	7	4	6	8	5	8	10	6	9	11	7	9	12	7	-	-	-	-	-	-	-	-	-	-	-	-
Nigeria	-	-	-	-	-	-	-	-	-	26	-	-	28	-	-	28	-	-	-	-	-	26	29	22	-	-	-	-	-	-	-	-	-
Senegal	-	-	-	-	-	-	-	-	-	-	-	-	17	20	14	18	21	16	22	24	19												
Sierra Leone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	25	33	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Appendix 4.7.5: Net enrolment rates in secondary schools over a period of ten years (2000-2010)

Source: Databases of the UIS/UNESCO and the World Bank, 2012.

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin	4	6	2	5	8	2	6	-	-	6	-	-	6	-	-	6	-	-	6	-	-	-	-	-	-	-	-	11	15	6	-	-	-
Burkina Faso	1	2	0	1	2	1	1	2	1	1	2	1	-	-	-	2	3	1	2	3	1	2	3	2	3	4	2	3	4	2	4	5	3
Cape Verde	2	2	2	2	2	2	4	4	4	4	4	5	6	5	6	8	7	8	9	8	9	10	9	11	12	10	14	15	13	17	18	16	20
Côte d'Ivoire	7	10	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	12	6	9	12	6	-	-	-	8	11	6	-	-	-
Gambie	1	2	0	-	1	0	-	-	-	-	-	-	1	2	0	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-	-	-	-
Ghana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	7	4	5	7	4	6	8	4	8	12	15	9	11	7	12	15	9
Guinea	-	-	-	-	-	-	-	-	-	2	4	1	2	4	1	3	5	1	5	8	2	8	12	4	9	14	5	10	14	5	11	16	6
Guinea Bissau	-	1	0	-	1	0	-	-	-	-	-	-	-	-	-	2	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liberia	19	24	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mali	2	2	1	2	3	1	2	3	1	-	-	-	-	-	-	-	-	-	-	-	-	5	6	3	5	7	3	6	8	3	6	8	3
Niger	-	-	-	-	-	-	-	-	-	1	2	0	1	2	0	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	2	2	1
Nigeria	-	-	-	-	-	-	-	-	-	10	11	8	10	11	8	10	12	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senegal	-	-	-	-	-	-	-	-	-	5	-	-	5	-	-	6	-	-	6	8	4	7	9	5	8	11	6	8	11	6	8	10	6
Sierra Leone	2	2	1	2	3	1	2	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	6	-	-	-	-	-	-	-	-	-	-	-	9	-	-

Appendix 4.7.6: Gross enrolment rates in higher education over a period of ten years (2000-2010)

Source: Databases of the UIS/UNESCO and the World Bank, 2012.

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin	9	11	8	9	11	9	8	9	8	9	7	10	9	12	8	13	16	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Burkina Faso	8	11	6	9	11	7	9	11	7	8	10	6	8	9	6	8	9	7	7	9	6	7	8	6	6	7	5	6	6	5	5	5	4
Cape Verde	2	-	-	2	2	3	3	2	4	4	3	5	5	3	6	5	4	6	3	3	4	3	2	3	3	2	3	3	2	3	3	2	3
Côte d'Ivoire	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gambie	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	9	10	-	-	-
Ghana	1	0	2	1	0	2	1	0	2	2	1	3	1	0	2	2	0	2	2	2	2	4	4	4	4	4	4	4	4	4	-	-	-
Guinea	-	-	-	-	-	-	-	-	-	1	1	2	1	1	2	1	0	1	1	0	1	1	0	1	2	2	2	2	2	2	-	-	-
Guinea Bissau	3	3	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liberia	33	32	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mali	13	13	13	-	-	-	-	-	-	11	13	10	10	11	10	10	11	9	10	10	9	10	13	8	12	13	12	13	14	13	14	14	14
Niger	6	6	6	5	6	5	2	2	3	2	2	2	2	2	2	3	3	3	3	4	2	-	-	-	-	-	-	2	2	3	2	3	1
Nigeria	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senegal	2	2	2	2	2	2	1	2	1	-	-	-	1	1	1	1	1	1	-	-	-	-	-	-	4	4	4	-	-	-	5	6	5
Sierra Leone	-	-	-	14	15	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	6	6	6	6	7	6	6	6	6	6	5	6	5	5	5	7	7	7	6	7	6	8	9	7	-	-	-	-	-	-	-	-	-

Appendix 4.7.7: Registration in technical and vocational education and training as a percentage of secondary school students (2000-2010)

Source : Databases of the World Bank, 2012.

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin							45	59	33																						55	66	45
Burkina Faso										31	38	25				33	40	27				39	47	33									
Cape Verde													97	96	98																98	98	99
Côte d'Ivoire	61	71	52																												67	72	62
Gambie	53	64	41																												67	72	62
Ghana	71	76	66																												81	82	80
Guinee										47	60	34																			63	70	57
Guinea Bissau	60	75	46																												72	79	65
Liberia													71	69	73																77	71	82
Mali																			39	47	31										44	56	34
Niger				14	14	14										37	52	23															
Nigeria										69	78	61																			72	78	66
Senegal							49	59	41										51	58	45							65	74	56			
Sierra Leone													48	60	37																59	69	50
Togo	74	84	64																77	85	68							82	88	75			

Appendix 4.7.8: Literacy rates of 15-24 years age group over a period of ten years (2000-2010)

Source: Database on the monitoring of the MDGs of the World Bank, 2012 (http://data.worldbank.org/mdgs monitor).

Country	2000			2001			2002			2003			2004			2005			2006			2007			2008			2009			2010		
	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T	M	F
Benin	65	64	70	-	-	-	-	-	-	78	76	85	72	70	82	-	-	-	-	-	-	-	-	-	-	86	-	40	39	45	43	42	45
Burkina Faso	-	-	-	80	80	81	-	-	-	87	86	90	89	89	92	88	87	91	87	85	91	88	86	91	88	81	91	86	84	91	-	-	-
Cape Verde	-	-	-	-	-	-	67	68	67	69	61	74	73	65	77	78	71	81	81	77	84	83	79	85	85	-	87	87	82	89	92	87	92
Côte d'Ivoire	99	100	99	99	99	99	-	-	-	100	100	100	-	-	-	-	-	-	-	-	-	100	100	100	100	-	-	100	-	-	100	-	-
Gambie	75	78	69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
Ghana	69	61	86	69	60	86	65	57	83	63	53	83	61	52	80	58	49	78	56	-	-	53	45	70	49	40	68	48	38	66	51	-	-
Guinea	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68	68	68	68	66	74	-	-	-	82	80	88	-	-	-	80	-	-
Guinea Bissau	35	33	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33	59
Liberia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40	39	45	-	-	-	40	39	47	48	47	56	56	-	-
Mali	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50	48	55	50	48	56	52	-	-
Niger	97	97	97	80	81	78	70	71	66	72	73	71	76	78	73	85	-	-	92	92	92	98	98	99	98	98	99	98	98	99	97	96	97
Nigeria	-	-	-	-	-	-	-	-	-	-	-	-	49	38	60	50	39	61	51	41	62	-	-	-	-	-	-	-	-	-	-	61	72
Senegal	-	-	-	-	-	-	-	-	-	55	55	56	51	51	50	46	47	42	50	-	-	46	49	38	46	50	38	43	46	34	48	51	40
Sierra Leone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Togo	21	19	38	20	18	35	19	17	35	18	16	32	18	16	31	17	16	29	16	15	27	-	-	-	-	-	-	-	-	-	71	77	74

Appendix 4.7.9: Primary school teachers trained, over a period of ten years (2000-2010).

Source: Database of the World Bank, 2012.

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V. General Conclusion

The economies of West Africa, in spite of the difficult international situation, have continued their high performance. This performance is the outcome of improved macroeconomic management and of global demand that is still favorable in terms of natural resources. This growth remains fragile as the foundations for high sustainable growth remain to be consolidated. The structural transformation of the economy is still slow and the long-term foundations, notably infrastructures and an education adapted to the needs of economies need to be promoted and developed. The Community market, owing to structural constraints and illicit practices, does not yet play a stabilizing role in case of external shocks and the level of compliance with convergence criteria remains low. In effect, in the area of compliance with convergence criteria, there is hardly any progress, thus compromising the adoption of a single currency for the sub-region. At the end of June 2012, the situation was as follows: First-level criteria: eight countries complied with the standard relating to budget deficits, or one less than during the first half of 2011; nine countries complied with the standard relating to foreign exchange reserves; for inflation and the financing of the budget deficit by the Central Bank, seven and fifteen countries, respectively, complied with these standards as in 2011;

Second-level criteria: compliance with criteria relating to the mobilization of fiscal revenues and to the structure of public expenditures continues to pose problems with only two countries having complied with the standard relating to the rate of fiscal pressure, or exactly the same number as in the first half of 2011, and five countries having complied with the standard relating to investments made on their own resources as was the case during the same period of the preceding year, even if an improvement was noted compared with the compliance for criteria relating to the salaries and wages bill and to the real interest rate with two more countries; two other countries missed the target concerning the criteria relating to the stability of the exchange rate.

In terms of harmonizing policies, important advances were noted in the areas of monetary policy, legislation and supervision of banks and other financial institutions, accounting and reporting frameworks for banks and financial institutions, statistics on the balance of payments and the development of payment systems. Efforts remain to be made in the framework of the preparation of conditions for the inter-connection of payment systems, the liberalization of the capital account and the harmonization of statistics.

From the point of view of the labor market, the major constraint is especially linked to the low structural transformation of economies. Development strategies set up to date grant little importance to the processing of natural resources and the technologies used are most often capital-intensive. Labor to provide support is generally highly qualified and not available in countries. Also, a large part of export revenues are found in transfers to the services account. The primary sector still does not play an essential role in restructuring our economies and has not succeeded in stimulating a dynamic that is capable of continually improving living conditions in the rural areas. Another major recognized constraint is the low employability of available labor owing to the high prevalence of illiteracy. Moreover, training is disconnected from the needs of the private sector, whether local or foreign. There is also poor knowledge of the current status of unemployment because the employment services and those responsible for collecting statistics are still having problems getting information on the employment situation in several countries.

In the employment creation effort, countries are all developing proactive strategies to combat poverty and for decent jobs, but the sustainability of the mechanisms set up is still a challenge. Except for Ghana, the countries of West Africa still have difficulties advancing rapidly in the promotion of human capital. A nagging issue persists which is that of development strategies oriented towards the sector where the majority of the populations work, such as agriculture and the informal sector.

Overall, in spite of the uncertainties at the global level, the economies of the countries of West Africa taken individually are doing well. Efforts must continue to be made especially in the area of good economic governance by the strengthening of inclusive growth capable of profoundly transforming the structures of production. It has become important to question the quality of growth in view of the low response to a very high social demand. Responding to this challenge is an important means for combating multiple social movements some of which have even been transformed into rebellion, thus setting up a climate of insecurity. In spite of the events in Mali and Guinea-Bissau, a positive trend is emerging towards social peace.

This favorable economic evolution has certainly made it possible to improve public finances in all countries, but efforts must continue for the internal mobilization of resources while avoiding costly debts. The priority granted by almost all countries to investment expenditures notably for infrastructures, energy and basic social services is to be encouraged.

One of the weaknesses of African economies remains the low interdependency of trade. The weakness of trade can be attributed to several reasons, including the timid harmonization of macroeconomic policies in the sub-region. Even within the WAEMU, where the financial system is well integrated and the customs union is applied with a single currency, the volume of trade is lower than expected. Compliance with the convergence criteria does not really constitute a priority for Governments. There is not, with the ECOWAS, a steering system which will make it possible at any time to re-orient public political choices in this direction. Even if the physical connections among countries are pursued, barriers to free movement remain of concern.

Recommendations aiming at progressing in the diversification and transformation of production structures concern: (i) the mobilization of **internal** budget revenueswhich constitutes the best approach to consolidate the macroeconomic framework and avoid falling again into the adverse consequences of poorly managed debt; (ii) the **promotion of regional integration** by granting priority to infrastructures that facilitate links among countries while eliminating non-tariff barriers and accelerating the setting up of an ECOWAS customs union; (iii) the promotion of **human development** for a structural transformation of economies; (iv) the **structural transformation of economies**, which require a strong commitment to process natural resources locally while limiting their export in natural form.

The improvement in the economic situation of the countries of the Community is the consequence of a political commitment of the authorities to meet the challenges that mark the path of growth followed by their countries. Important reforms are underway to improve the business climate. However, it must be observed that only countries that have strategic natural resources are the main beneficiaries of foreign investment. It is important for the pursuit of the growth dynamic in the sub-region to remind Governments of the need to carefully follow the specific action programmes submitted to the RECs. In effect, each country is involved in a medium-term programme aiming at accelerating its economic growth while consolidating the fundamentals of its economy and promoting a better distribution of the fruits of growth.

Dealing with the negative effects of climate change requires the involvement of all of the actors in order to being about transitions in modes of production, distribution and consumption and to follow the pathway to sustainable development. Thus, in conformity with the guidelines of RIO+20, the green economy constitutes a means of achieving sustainable development and to better combat the mechanisms that create poverty. As a result of the fact that the economies of the region are profoundly dependent on natural capital, green economic growth should make possible a more judicious and inclusive exploitationof natural resources through more productive and more efficient investments that are more resilient to climate change. The current negotiations on the climate, in their goal of obtaining a post-2012 agreement, are the moment for West African countries to get involved in this transition dynamic to a green economy by bringing together objectives that are more global in scope and by following the path to a low-carbon development that is resilient to the effects of climate change.

As with any phase of structural transformation, the transition to a green economy requires managers and services to accompany actors both politically and institutionally (instruments, institutional leadership/restructuring), startup investments or financing, research and development, training/re-training on emerging professions, information and awareness on “low-carbon” or “win-win” strategies. It would involve setting up political processes in each country to close the gaps which constitute constraints on “**sustainable development**”. Consequently, the following actions are proposed: (i) the definition of a clear long-term political vision founded on the green economy; (ii) the development of policies on the basis of good practices associating adaptation and mitigation in labor-intensive sectors; (iii) setting up processes for the management of challenges, concepts and tools at the local, national and regional levels; (iv) the need to develop capacities and regional and national leadership to meet the challenges of governance for the green economy; (v) the strengthening of holistic approaches forregions to benefit from endogenous dynamics and potential synergies; (vi) the integration of the green economy in strategies for local, national and regional development; and (vii) the search for innovative financing through flexible and appropriate instruments.

In committing to international and regional agreements aimed at eradicating poverty and attaining goals set for 2015 such as universal primary education as well as gender parity at all levels, countries have transposed them into their legal texts. Over half of the countries of West Africa have included free, compulsory education in their respective constitutions. Consequently, it can clearly be concluded that all West African countries have shown political will and their availability to work towards the attainment of the goals set for 2015.

Much progress has been made in education. Enrolments have increased significantly compared with those of 1999. However, challenges remain to be met with the goal of improving access to education in general and attaining MDG 2 in particular. In spite of the impressive increase recorded in the net enrolment rate in primary school, some countries still run the risk of not reaching the goal of universal primary education before the target date of 2015. In certain cases, even those who are close to the goal could fail to reach that of primary school completion. This situation, coupled with a high rate of primary school dropouts and an inadequate supply of non-formal education results in very low proportions of educated youth in West Africa. Considering the low average rate, West Africa must redouble its efforts in this area.

Regarding enrolment levels in secondary school, with the exception of Cape Verde, all of the countries for which data are available have recorded enrolment rates lower than 60%. Consistent with the trend observed at the secondary level to which must be added constraints related to access to higher education, it is not surprising that the net enrolment rate in higher education for eight countries of West Africa for which data are available were not higher than 20% in 2010, including for Cape Verde.

Concerning Technical and Vocational Education and Training (TVET), it was only recently that this area received the attention it deserved. Considering the demographic structure of the African population, which includes a large proportion of youth and the fact that many among them never enter institutions of higher education, TVET represents an ideal way to develop skills and create jobs. Conscious of this fact, a large number of countries have included the improvement and expansion of TVET in their PRSPs and in their national educational policies.

Lastly, gender disparities at all levels of education constitute a real challenge; if these are less obvious at the primary level, they are in contrast, very marked at the secondary and higher levels. Consequently, it is necessary to intensify efforts to meet the challenges mentioned above and to improve access to education and as a result, favor the attainment of the MDGs and other international commitments.

APPENDIX: STATISTICAL TABLES FOR ECONOMIC AND SOCIAL DATA IN WEST AFRICA

Comments

Data on the international environment originate generally from the International Monetary Fund, while the World Bank provided macroeconomic data and FAO provided data on markets for agricultural products. The WAEMU convergence reports sometimes complete this information.

The provisional data collected below on countries are generally drawn from reports of sub-regional institutions, especially those concerning the WAEMU countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Senegal, and Togo). The main sources for these countries are the BCEAO and the WAEMU. For the BCEAO, in addition to its database, reports on the WAEMU monetary situation were also used as well as the different Ministers' meeting reports. The use of these references is due to the relatively short period of the analysis which is reflected by an almost constant adjustment of the data concerning the economic and social situation of countries.

Concerning the WAMZ countries and Cape Verde, the main source here is the WAMA. The Office exploited the convergence report for the first half of 2012. As the data from this source was still incomplete and provisional, the data from the International Monetary Fund report on regional African outlooks was used.

Regarding social data, the UNDP was the main source.

	2008	2009	2010	2011	2012
Benin	5.6	2.7	2.6	3.5	3.5
Burkina Faso	7.9	3.0	7.9	4.2	8.0
Côte d'Ivoire	2.3	3.8	2.4	− 4.7	8.6
Guinea Bissau	3.2	3.0	3.5	5.3	2.5
Mali	5.0	4.5	5.8	2.7	− 1.5
Niger	9.6	− 0.7	8.0	2.1	11.6
Senegal	3.7	2.1	4.1	2.6	3.7
Togo	2.4	3.4	4.0	4.9	5.0
WAEMU	4.6	2.8	4.4	0.8	6.0
Cape Verde	6.1	4.0	5.6	5.1	4.3
Gambie	6.1	4.6	5.5	3.3	4.9
Guinea	4.9	− 0.3	1.9	4.0	4.8
Ghana	8.4	4.0	8.0	14.4	7.1
Liberia	3.5	3.6	3.7	6.9	8.7
Nigeria	6.0	6.7	8.0	7.4	6.0
Sierra Leone	4.0	3.2	5.3	6.0	18.2
ECOWAS	5.6	5.5	7.0	6.1	6.0

Table 1 (%): Evolution of the real GDP of countries of the sub-region
Sources: BCEAO countries: WAEMU, for other countries, WAMA, 2012.

	2008	2009	2010	2011	2012
Benin	18.4	20.9	17.6	18.7	19.1
Burkina Faso	20.1	18.0	18.3	15.6	18.0
Côte d'Ivoire	10.1	8.9	9.0	8.2	12.1
Guinea Bissau	8.7	10.1	9.8	10.1	5.7
Mali	19.0	20.3	18.4	20.4	13.7
Niger	32.3	33.0	38.6	36.8	41.4
Senegal	33.8	29.3	29.7	28.7	31.0
Togo	17.3	18.0	18.9	18.8	21.1
WAEMU	20.2	19.2	19.3	18.9	20.5
Cape Verde	46.2	38.1	37.8	36.5	33.9
Gambie	22.4	22.7	24.7	25.5	26.2
Guinea	17.5	11.4	10.6	17.6	37.3
Ghana	23.0	23.8	23.0	18.6	19.8
Liberia					
Nigeria	22.0	28.6	23.1	22.1	22.2
Sierra Leone	9.8	9.3	24.3	40.5	15.4
ECOWAS	21.0	25.2	21.5	20.5	21.0

Table2: Rate of total investment (in % of GDP)
Source: IMF, October 2012, except for ECOWAS, SRO calculations.

	2008	2009	2010	2011	2012
Benin	7.9	2.2	2.1	2.7	6.6
Burkina Faso	6.7	2.6	− 0.6	2.8	4.1
Côte d'Ivoire	6.3	1.0	1.8	4.9	2.0
Guinea Bissau	10.4	− 1.6	2.2	5.3	1.8
Mali	9.2	2.2	1.2	3.0	5.7
Niger	11.3	4.3	0.9	2.9	0.6
Senegal	5.8	− 1.0	1.2	3.4	1.2
Togo	8.7	8.7	1.4	3.6	2.5
WAEMU	7.9	1.0	1.4	3.9	2.3
Cape Verde	6.8	5.8	3.0	4.9	2.7
Gambie	6.8	4.6	4.2	5.3	4.4
Guinea	13.5	4.7	12.1	20.6	14.2
Ghana	18.1	20.7	14.9	8.9	9.2
Liberia	9.4	7.4	8.0	7.3	7.1
Nigeria	15.1	11.2	12.8	12.1	11.2
Sierra Leone	13.2	12.5	11.0	16.4	13.3
ECOWAS	13.6	9.2	10.1	10.1	9.2

Table 3: Rate of inflation in ECOWAS countries in %
Sources: Convergence Reports for WAEMU countries and WAMA for other countries, 2012.

	Budget balance excluding grants as a % of GDP					Budget balance including grants as a % of GDP				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Benin			− 3.1	− 4.3	− 3.6	− 3.5	− 5.6	− 1.6	− 1.8	− 0.7
Burkina Faso			− 9.1	− 7.7	− 10.7	− 8.3	− 4.8	− 4.5	− 2.2	− 2.2
Côte d'Ivoire			n.d.	− 4.6	− 4.8	− 2.2	0.9	− 1.9	− 4.3	− 4.3
Guinea Bissau			− 1.5	− 9.3	− 9.0	− 12.2	3.7	− 0.2	− 0.4	− 2.2
Mali			− 5.5	− 7.5	− 0.6	− 5.6	− 4.2	− 2.7	− 3.6	− 0.6
Niger			− 7.2	− 7.7	− 15.9	− 4.2	− 5.6	− 2.8	− 0.5	− 6.3
Senegal			n.d.	− 8.8	− 7.8	− 7.2	− 4.9	− 5.2	− 6.5	− 5.9
Togo			− 3.6	− 6.0	− 13.4	− 2.3	− 0.6	0.3	− 1.1	− 9.6
WAEMU			− 5.3	− 7.9	− 5.8	− 1.9	− 3.5	− 3.2	− 3.6	− 3.8
Cape Verde	− 6.8	− 11.6	− 16.9	− 12.2	− 13.2	− 6.5	− 6.8	− 12.3	− 10.1	− 7.0
Gambie	− 2.5	− 6.9	− 9.4	− 9.1	− 10.7	− 2.7	− 8.5	− 8.1	− 4.3	− 4.0
Guinea	− 1.8	− 7.5	− 14.4	− 4.7	− 9.0	− 1.7	− 6.6	− 14.3	− 0.3	− 5
Ghana	− 11.2	− 8.8	− 9.6	− 6.2	− 7.7	− 19.5	− 4.3	− 6.1	− 0.9	− 1.3
Liberia	− 10.4	− 12.4	− 8.0	− 7.3	− 6.6	− 2.0	1.1	8.7	1.5	− 0.2
Nigeria	6.3	− 9.4	− 6.7	0.2	− 0.4	− 0.2	− 3.3	− 5.0	− 3.1	− 2.0
Sierra Leone	− 7.3	− 8.6	− 10.5	− 10.2	− 6.3	− 7.1	− 2.5	− 5.2	− 5.1	− 3.2
ECOWAS						− 2.4	− 3.3	− 4.7	− 3.2	− 2.5

Table 4: Budget balances
Source: WAEMU and WAMA, 2012.

	2008	2009	2010	2011	2012
Benin	24.0	26.8	25.5	26.0	25.1
Burkina Faso	23.4	26.3	29.1	29.3	29.4
Côte d'Ivoire	71.9	63.3	65.8	64.0	35.8
Guinea Bissau	146.1	157.4	145.0	38.2	36.5
Mali	35.5	25.0	26	29.1	27.8
Niger	22.1	24.3	20.4	19.5	20.3
Senegal	24.8	32.6	34.4	37.1	39.7
Togo	80.4	86.2	47.1	46.4	44.7
WAEMU	33.8	35.6	42.9	40.2	33.1
Cape Verde	76.7	74.2	73.4	74.6	74.7
Gambie	50.6	41.6	35.9	25.8	25.8
Guinea	67.2	66.8	68.0	64.1	64.1
Ghana	16.1	19.8	20.5	24.2	17.7
Liberia	84	208.7	22.6	22.0	22.0
Nigeria	1.9	2.4	2.0	2.4	2.4
Sierra Leone	25.3	28.7	30.1	31.3	31.3
ECOWAS	10.7	12.6	11.4	12.2	9.3

Table 5: Outstanding external debt as a % of GDP

Source: WAEMU and WAMA data, 2012.

	2008	2009	2010	2011	2012
Benin	– 9.8	– 11.4	– 9.4	– 10.0	– 10.1
Burkina Faso	– 14.1	– 8.3	– 6.6	– 5.0	– 7.5
Côte d'Ivoire	0.6	4.6	1.4	10.3	– 1.9
Guinea Bissau	– 7.8	– 13.0	– 10.1	– 4.2	– 10.6
Mali	– 12.8	– 8.5	– 13.8	– 11.5	– 4.3
Niger	– 14.4	– 24.7	– 21.7	– 24.6	– 25.5
Senegal	– 14.7	– 7.5	– 5.5	– 8.2	– 8.7
Togo	– 8.3	– 8.3	– 7.1	– 10.6	– 10.7
WAEMU	– 8.7	– 5.7	– 6.8	– 4.1	– 7.6
Cape Verde	– 15.7	– 15.6	– 12.5	– 12.5	– 11.5
Gambie	– 12.1	– 12.3	– 15.7	– 14.2	– 15.9
Guinea	– 10.3	– 9.9	– 12.4	– 16.3	– 38.8
Ghana	– 11.9	– 5.4	– 8.4	– 9.2	– 9.1
Liberia	– 43.7	– 29.2	– 33.2	– 34.6	– 55.8
Nigeria	14.1	8.3	5.9	3.6	3.5
Sierra Leone	– 9.1	– 6.5	– 19.3	– 52.3	– 13.1
ECOWAS					

Table 6: Current external balances, excluding grants, to GDP

Source: WAEMU, 2012.

Country	HDI 2009	HDI 2010	2011					
			HDI	Life Expectancy at birth (in years)	Mean years of schooling	Expected years of schooling	Gross National Income per capita (in PPP 2005)	Gini Index[19] *100
Benin	0.422	0.425	0.427	56.1	3.3	9.2	1 364	38 .6
Burkina Faso	0.326	0.329	0.331	55.4	1.3	6.3	1 141	39.6
Cape Verde	0.564	0.566	0.568	74.2	3.5	11.6	3 402	50.4
Côte d'Ivoire	0.397	0.401	0.400	55.4	3.3	6.3	1 387	46.1
Gambie	0.413	0.418	0.420	58.8	2.8	9.0	1 282	47.3
Ghana	0.527	0.533	0.541	64.2	7.1	10.5	1 584	42.8
Guinea	0.341	0.342	0.344	54.1	1.6	8.6	863	39.4
Guinea Bissau	0.348	0.351	0.353	48.1	2.3	9.1	994	35.5
Liberia	0.320	0.325	0.329	56.8	3.9	11.0	265	52.6
Mali	0.352	0.356	0.359	51.4	2.0	8.3	1 123	39.0
Niger	0.285	0.293	0.295	54.7	1.4	4.9	641	34.0
Nigeria	0.449	0.454	0.459	51.9	5.0	8.9	2 069	42.9
Senegal	0 .453	0.457	0.459	59.3	4.5	7.5	1 708	39.2
Sierra Leone	0.329	0.334	0.336	47.8	2.9	7.2	737	42.5
Togo	0429	0433	0.435	57.1	5.3	9.6	1 254	34.4

Table 7: Human Development Index (HDI)

Source: Human Development Report, 2009, 2010, 2011, UNDP.

19. The Gini index (or coefficient) is a composite indicator of inequalities in salaries (income, standards of living...). It varies between 0 and 1. It is equal to 0 in a situation of perfect equality where all the salaries, incomes, standards of living... are equal. At the other extreme, it is equal to 1 in a situation of greatest inequality possible, where all of the salaries (incomes, standards of living...) except one are nil. Between 0 and 1, the higher the Gini index, the greater is the level of inequality (INSEE web site).

Printed in France,
February, 2014