

The West African Economic and Monetary Union WAEMU (UEMOA)

Overview

The West African Economic and Monetary Union (Union Economique et Monétaire Ouest Africaine, UEMOA) is a regional organisation of eight West African countries (Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo). They share the same money, West African francs (CFA francs), monetary policies, and French as an official language. The objective of the union is to promote regional economic integration and create a common market. Benin, Cote d'Ivoire, Guinea Bissau, Senegal and Togo are on the coast of West Africa whereas Burkina Faso, Mali and Niger are landlocked countries. The climate ranges from warm and humid on the southern coast and dry and hot in the semiarid countries. The economy is predominantly agricultural. Cocoa, coffee, timber, cotton, onions, sesame seeds, and Arabic gum are among the cash crops produced and exported by the union. Cote d'Ivoire, which represents the largest economy of the union, has some manufacturing activities.

On average, the populations of the coastal countries mostly live in the urban areas, compared to the landlocked countries where the population is primarily rural. UN-Habitat estimates that Senegal has the highest urbanisation rate of the union. Political stability has improved in some member countries. Niger after one year of military transitional regimes elected a new president in 2011. Cote d'Ivoire, after social conflict and a political crisis, organised a democratic election and a new president was elected in 2011. Senegal elected a new president in 2012 in accordance with the constitution after an attempt by the outgoing president to modify the constitution and remain in power. However, in 2012 there was political instability in Mali with a rebellion in the northern area and a coup d'état.

Access to finance

The formal financial system is underdeveloped and the banking system is concentrated in two or three commercial banks in the majority of the countries. Financing entrepreneurial activities and housing remain challenging. Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) is a unique central bank for the eight countries and governs the financial institutions across the union. The BCEAO headquarters are in Dakar, Senegal, and each country has a national agency. In the last decade, a number of the countries in the region, particularly Senegal, Benin and Niger, witnessed an increase in the number of commercial banks and microfinance institutions operating.

The housing finance market in UEMOA countries is underdeveloped. Few long-term mortgage vehicles exist and in most cases belong to government. Only a few of the member countries have mortgage banks, among which are Banque de l'habitat du Bénin, created in 2003 with operations starting in 2004; Banque de l'Habitat du Burkina Faso, created and with operations starting in 2005; Banque de l'Habitat de Côte d'Ivoire, created in 1994; Banque de l'Habitat du Mali created in 1996; Banque de l'Habitat du Niger created in 2010 and not yet operating; and Banque de l'Habitat du Senegal created and operating since 1979. There are no regional mortgage banks.

Mortgage development is urgently needed in the UEMOA countries. This need is an opportunity to both unleash construction activities and foster housing development. This will generate investments and employment and contribute to rising incomes, which will increase affordability for housing.

Affordability

Affordability depends on each of the country's economic environment but in most cases the majority of the population who lives with less than US\$2 a day has little or no capacity to finance their homes. To address these affordability realities, there is a need to support the private sector to develop affordable housing finance appropriate to the income of the majority in the UEMOA countries.

Housing supply

The housing supply is insufficient to meet the demand in all of the UEMOA countries. The population growth rates of the eight countries are among the highest in the world and the rate of urbanisation is growing in all of the members of the union. To face this challenge, some of the newly elected presidents have established ambitious housing programmes as part of their presidential campaigns. Alhassan Ouattara of Cote d'Ivoire has a programme of 50 000 houses for five years at a rate of 10 000 houses a year; Issoufou Mahamadou of Niger has promised more than 40 000 houses all over Niger. Cote d'Ivoire started implementing the programme on January 9, 2012 by laying the foundation of 2 000 social houses in Youpogon and Riveria, among the most popular streets in the capital. The governments of all the member states are promoting housing finance through different mechanisms, among which are establishing mortgage banks and housing development agencies, and fiscal incentives for private companies and developers. Housing supply is still dominated by incremental, self-construction and informal entrepreneurs. Some of the upper-middle class use the services of government housing development agencies and to some extent private developers. The very poor live in slums.

Property market and opportunities

Economic and political reforms, coupled with the demand for natural resources have positively affected the UEMOA countries and the GDP growth rate has been improving. The different government housing programmes, as well as the rate of urbanisation and the population growth rate (both high), are indicators of opportunities for the housing finance and housing development sectors, especially in the low-income bracket.

Policy and regulation

There have been reforms in land administration, but the registration of properties to obtain full ownership rights – Titre Foncier – remains a challenge in all of UEMOA countries. The World Bank Doing Business rankings for 2012 indicates that some difficulties persist. The difficulties encountered hopefully will be addressed by Sheida, the land and registration reform system adopted by the union in 2006 to simplify the process of obtaining full ownership title.

World Bank rankings 2012 – ranking by region: Sub-Saharan Africa, out of 46 countries

Countries	Ease of Doing Business ranking	Construction Permits ranking	Registering Property ranking
Mali	22	17	14
Burkina Faso	24	9	18
Senegal	26	27	42
Togo	32	34	40
Cote d'Ivoire	34	43	37
Niger	38	38	13
Benin	39	24	25
Guinea Bissau	40	20	45

Source: www.doingbusiness.org/rankings

Doing Business: Ranking of Economies 2012 – alphabetically order out of 183 economies.

Country	Ranking	Construction Permits (Number of days)	Registering Property (Number of days)
Mali	146	179	29
Burkina Faso	150	98	59
Togo	162	309	295
Cote d'Ivoire	167	583	62
Niger	173	326	35
Benin	175	372	120
Guinea Bissau	176	170	210

Source: www.doingbusiness.or/Custom/Query/Niger

Socioeconomic data

	Benin	Burkina Faso	Cote D'Ivoire	Guinea Bissau	Mali	Niger	Senegal	Togo
Exchange Rate: 1 US\$ =	471.9 CFA Francs	471.9 CFA francs	471.9 CFA francs	471.9 CFA francs	471.9 CFA francs	471.9 CFA francs	471.9 CFA francs	471.9 CFA francs
Main urban centres	Porto-Novo (capital), Cotonou	Ouagadougou (capital), Bobo	Abidjan (capital), Yamusokoro	Bissau (capital), Bafata,	Bamako (capital), Sikasso,	Niamey (capital), Zinder,	Dakar (capital), St Louis,	Lome (capital), Namakara,
Population ('000) ^	9 599*	16 968	21 952*	1 647	14 533*	16 069	12 970	6 961*
Population growth rate (2005-	2.88	3.07	2.04	1.97	2.61	3.63	2.53	2.75

2010)^								
Urban population (percent of total) 2011	42	26	51	30	36	17	42	43
GDP per capita PPP current US\$	1 627.8	1 309.5	1 803.1	1 251.3	1 098.6	732.1	1 980.6	1 042.2
GDP growth rate percent (real, 2011)^	3.1	5.7	-4.70	5.3	2.7	2.3	2.6	4.1
HDI value 2011	0.427	0.321	0.400)	.353	0.359	0.295	0.459	0.435
HDI rank 2011	167	181	170	176	173	186	155	162
Unemployment rate^	0,70 (2002)	2,40 (1998)	4.1(1998)	Not available	8.8 (2004)	1,46 (2001)	10 (2006)	Not available
Population less than US\$2 a day 2011	75.3	81.2	46.8	77.9	77.1	85.6	60.4	69.3
Population below national poverty line^ (2004-2007)	37.4	46.4	42	65.7 (2002)	36.1	63.0 (1993)	53.9 (2001)	72.2 (1995)
Central bank discount rate (percent)	4.2500	4.2500	4.2500	4.2500	4.2500	4.2500	4.2500	4.2500
Deposit interest rate° (2011)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Credit percent of	19.21.7	18.0	25.3	13.5	16.9	14.7	31.5	35.7

GDP° (2009)								
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Key:

^ African Economic Outlook

° World Bank

* www.coinmill.com

+ UNDP

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