



Tax Coordination in WAEMU—Looking Back and Forward

April 30 to May 2
Radisson Blu Hotel
Dakar, Senegal

THE BELGIAN
DEVELOPMENT COOPERATION .be

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BACKGROUND AND PRESENTATION

The West African Economic and Monetary Union (WAEMU) is one of the regions of the world in which tax coordination amongst sovereign states is the most advanced. This is in part due to a shared history, but is also the direct outcome of the WAEMU Commission's efforts. As an example, while the EU is still struggling to establish a true corporate income tax coordination, WAEMU has defined a common tax base and a rate between 25 and 30 percent. Such tax integration complements the customs and monetary union.¹

Tax coordination seems necessary today in customs and monetary unions, as the recent Euro zone crisis has shown. It even seems vital to developing economies, such as WAEMU states, where there is considerable needs for public resources. To achieve such coordination, WAEMU has issued a number of directives and regulations on direct and indirect taxation. While the stated goal is to allow for a greater macroeconomic convergence amongst the eight member states, an implicit goal is to mitigate the harmful effect of tax competition on national Treasuries. The type of coordination used is a partial harmonization of national tax systems: definition of a common tax base and minimum and maximum rates for main taxes.

This seminar, which gathers WAEMU states and tax experts, has a dual aim: (1) to discuss the current state of tax coordination in the region, through a careful examination of its successes and challenges over the past two decades; (2) to determine possible ways of reinforcing this coordination in order to better serve the objectives of the WAEMU treaty. The seminar is also an occasion to reflect on the role and limitations of WAEMU's institutional framework, particularly the Commission, 20 years after its foundation in 1994.

¹ For a survey, see **M. Mansour and G. Rota-Graziosi**, "Tax Coordination and Competition in the West African Economic and Monetary Union," *Tax Notes International*, April 14, 2014. For a general evaluation of economic integration in the region, see *Intégration régionale pour le développement en Zone franc*, Eds. **A.M. Geourjon, S. Gérineau, P. Guillaumont et S. Guillaumont Jeanneney**, Paris 2013, *Economica*.

Day 1 (9.00 – 17.00)	
9.00 – 9.30	Registration and general information
9.30 – 10.00	Opening session
9.30 – 9.40	Mr. Amadou Ba, Minister of Economy and Finance, Senegal
9.40 – 9.50	Mr. Abdallah Boureima, Commissioner, Economic and Tax Affairs, WAEMU Commission
9:50-10.00	Mr. Boileau Yeyinou Loko, IMF Resident Representative in Senegal
Session 1	The context of tax coordination in WAEMU Chair: Abdallah Boureima, Commissioner, Economic and Tax Affairs, WAEMU Commission
	<i>The purpose of this session is to discuss how tax coordination should support macro challenges and trade integration in the region.</i>
10.00 –10.25	<i>Macroeconomic Implications of WAEMU Integration</i> Aleksandra Zdzienicka, IMF
10.25 – 10.50	<i>Customs Union: Recent Evolution and Challenges of Enlargement to ECOWAS</i> François Xavier Bambara, WAEMU Commission
10.50 – 11.00	Session conclusion
11.00 – 11.20	Coffee Break
Session 2	The framework for tax coordination in WAEMU Chair: Gérard Chambas, CERDI, France
	<i>This session provides an assessment of the tax coordination framework, and identifies its successes and challenges, including how the WAEMU institutions support (or not) the framework's objectives.</i>
11.20 – 12.00	<i>Successes and Challenges of Tax Coordination in WAEMU</i> Mario Mansour, IMF
12.00 – 12.40	<i>The Institutional Framework of Tax Coordination in WAEMU: Strengths, Weaknesses and Potential Reforms</i> Habass Taroré, WAEMU Commission
12.40 – 12.50	Session Conclusion
12.50 – 14.00	Lunch

Session 3	Corporate income tax coordination and investment tax incentives Chair: Alex Bonny, General Tax Directorate, Côte d'Ivoire
	<i>Capital income taxation remains the weakest part of the WAEMU tax coordination framework. This session discusses the reasons why, and provides some fresh thinking on how the region should tackle this issue.</i>
14.00 – 14.40	<i>Inefficiency of the Current Framework and Possible Reforms</i> Grégoire Rota-Graziosi and Mario Mansour, IMF
14.40 – 15.20	<i>Tax Incentives for Investment in Senegal</i> Yama Kouyaté Diaby, General Tax Directorate, Senegal
15.20 – 15.30	Session conclusion
15.30 – 15.50	Coffee Break
Session 4	VAT and excise coordination Chair: Mariama Soumanou Baba Moussa, General Tax Directorate, Benin
	<i>This area of tax coordination has succeeded best in helping countries mobilize revenues. However, today it faces many challenges that require the urgent attention of policymakers. This session discusses such challenges and possible solutions.</i>
15.50 – 16.20	<i>Options to Reinforce VAT's Contribution to Revenue Mobilization</i> Pierre-Pascal Gendron, Humber College, Toronto, Canada
16.20 – 16.50	<i>Excises: An Untapped Revenue Potential</i> Anne-Marie Geourjon, FERDI, Clermont-Ferrand, France
16.50 – 17.00	Session Conclusion
Day 2 (9.00 – 17.00)	
Session 5	Tax expenditures Chair: Anne-Marie Geourjon, FERDI, Clermont-Ferrand, France
	<i>TEs have recently become one of the most debated topics in tax policy design and budget management. This session discusses the experience of three WAEMU states, and a possible WAEMU decision on the subject.</i>
9.00 – 9.40	<i>Case Study: Burkina Faso</i> Barthélémy Dabré, General Tax Directorate, Burkina Faso
9.40 – 10.20	<i>Case Study: Benin</i> Epihane Midjo, General Tax Directorate, Benin
10.20 – 11.00	<i>Case Study: Senegal</i> Ismaila Diallo, General Tax Directorate, Senegal
11.00 – 11.20	Coffee Break
11.20 – 12.20	<i>Proposal for a WAEMU Decision on Tax Expenditures</i>

	Habasso Traoré: WAEMU Commission
12.20 – 12.30	Session conclusion
12.30-14.00	Lunch
Session 6	Experience in tax coordination in the EU, and ECOWAS perspectives Chair: Mario Mansour, IMF
	<i>The WAEMU Treaty has borrowed heavily from the EU Treaty. It is therefore useful to discuss how the EU tax coordination experience has evolved, and what lessons can be drawn from it to inform the current debate on future changes to the WAEMU framework – and possible enlargement to the ECOWAS region.</i>
14.00 – 14.40	<i>Experience in the European Union</i> Christian Valenduc, Ministry of Finance, Belgium
14.40 – 15.20	<i>ECOWAS Perspectives</i> Salifou Tiemtoré, ECOWAS Commission
15.20 – 15.30	Session conclusion
15.30 – 15.50	Coffee Break
Session 7	Tax administration: what role for the Commission? Chair: Christian Valenduc
	<i>The WAEMU Commission can play a useful role in tax administration, such as the promotion of information exchange among member States and the development of “best practice” in certain areas, such as systems for VAT refunds.</i>
15.50 – 16.20	<i>The Exchange of Information in WAEMU: the Role of the Commission, Prerequisites and Future Orientations</i> Vincent de Paul Koukpaizan, IMF
16.20 – 16.50	<i>VAT Refunds in WAEMU states—Current Situation and Possible Evolutions</i> Gérard Chambas, CERDI, Clermont-Ferrand, France
16.50 – 17.00	Session Conclusion
Day 3 (9.00 – 12.10)	
Round Table	Lessons learned and next steps Chair: Abdallah Boureima, Commissioner, Economic and Fiscal Affairs, WAEMU Commission
	<i>What lessons should the region take from this seminar, and what are the next steps for improving the tax coordination framework so that it better serves the main objectives of the WAEMU Treaty – revenue mobilization and reducing distortions to the common market.</i>
9.30 – 10.00	<i>Summing-up and seminar conclusion</i> Habasso Traoré, WAEMU Commission, Mario Mansour, IMF, and Vincent Koukpaizan, IMF



10.00 – 10.45	<i>Open discussion on each topic addressed during the conference</i> One representative per country
10.45 – 11.15	Coffee break
11.15 – 12.00	<i>Continued</i>
12.00 – 12.10	Seminar closing