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INFORMATION NOTE



**BURKINA
FASO**

Presentation of Sovereign issuers of West African Monetary Union

December 2019



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Attestation de l'émetteur

Je soussigné, Célestin Santéré SANON, Directeur Général du Trésor et de la Comptabilité Publique, agissant au nom et pour le compte de l'État du Burkina, atteste que les données et informations contenues dans la présente Note d'Information sont conformes à la réalité et n'ai connaissance d'aucune information de nature à en altérer la portée.

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État du Burkina, toutes les informations utiles à la prise de décisions d'investissement.

Toutefois, je rappelle que les informations et analyses prospectives présentées dans ce document, sont basées sur des projections établies à partir d'hypothèses qui sont entachées d'incertitudes pouvant entraîner des différences entre les réalisations effectives et les performances économiques attendues.

Cette note d'information publiée sera mise à jour chaque fois que nécessaire, afin de rendre compte :

- de l'évolution de la situation économique du Burkina ;
- de la disponibilité ou de la mise à jour des données économiques ;
- de quelques changements intervenus.

**Le Directeur Général du Trésor
et de la Comptabilité Publique**

Célestin Santéré SANON
Chevalier de l'Ordre National



ACRONYMS

AGOA	: African Growth Opportunity Act
FDA	: French Development Agency
PDSA	: Public Debt Sustainability Analysis
ABEDA	: Arab Bank for Economic Development in Africa
CBWAS	: Central Bank of West African States
EIB	: European Investment Bank
IBD	: Islamic Development Bank
ILO	: International Labour Office
BOABF	: Bank of Africa Burkina Faso
WADB	: West African Development Bank
RSE	: Regional Stock Exchange
CBI	: Coris Bank International
RHC	: Regional Hospital Centres
UHC	: University Hospital Centres
CIA	: Central Intelligence Agency
MC	: Medical Centers
MCSA	: Medical Center with Surgical Antenna
NPDC	: National Public Debt Committee
CNLS-IST	: National Council to Combat AIDS and Sexually Transmitted Infections
NENPI	: Note of the Evaluation of the National Policy and Institutions
CHSP	: Center for Health and Social Promotion
SDR	: Special Drawing Rights
TVET	: Technical and Vocational Education and Training
MSC	: Multisectoral Survey Continuous
NSEIS	: National Survey on Employment and the Informal Sector
VTASP	: Vocational Training and Apprenticeship Support Programme
YISF	: Youth Initiatives Support Fund
SFPE	: Support Fund for the Promotion of Employment
SFIS	: Support Fund for the Informal Sector
AFCF	: African Financial Community Franc
ABPB	: Awnings of burkina Popular Savings Banks
ECF	: Extended Credit Facility
IFAD	: International Fund for Agricultural Development
IMF	: International Monetary Fund
FDI	: Foreign Direct Investment
HDI	: Human Development Index
IDSRS	: Integrated Disease Surveillance and Response System
NISD	: National Institute of Statistics and Demography
STI	: Sexually Transmitted Infections
ALC	: Anti-Larval Control
OLFA	: Organic Law on Finance Acts
LLIIMN	: Long Lasting Insecticide Impregnated Mosquito Nets
MINEFID	: Ministry of Economy, Finance and Development
TAB	: Treasury Assimilable Bonds
OFID	: OPEC Fund for International Development
WTO	: World Trade Organization
WHO	: World Health Organization
NTOBF	: National Telecommunications Office of Burkina Faso
UNAIDS	: Joint United Nations Programme on HIV and AIDS
SPCD-SMEs-SMI	: Support Project for the Creation and Development of Small and Medium-Sized Enterprises and Small and Medium-Sized Industries

SPSP/TVET	: Sectoral Policy Support Program for the Technical and Vocational Education and Training
CAP	: Complementary Activity Package
AAP	: Additional Activity Package
CSGSP	: Convergence, Stability, Growth and Solidarity Pact
GDP	: Gross Domestic Product
IHS	: Intra Home Spraying
PINBH/AS	: Project for the creation and implementation of the Incubator, nursery and business hotel in the agri-food sector
MAP	: Minimum Activity Package
LDC	: Less Developed Countries
SME	: Small and Medium Enterprises
NP/TVET	: National Policy for Technical and Vocational Education and Training
NAPDHE	: National Action Plan for the Development of Higher Education
NESDP	: National Economic and Social Development Plan
NEP	: National Employment Policies
NYP	: National Youth Policies
NMCP	: The National Malaria Control Programme
MCP	: Multiannual Convergence Programme
PPP	: Public-Private Partnerships
SJCP/YW	: Special Job Creation Programme for Youth and Women
SPR	: Strategic Plan for the Reform of the National Armed Forces
VAO	: Village Administrative Officers
S&P	: Standard & Poor
MTDMS	: Medium Term Debt Management Strategy
DFS	: Decentralized Financial Systems
IGMW	: Interprofessional guaranteed minimum wage
NECB(SONABEL)	: National Electricity Company of Burkina Faso
BNHC(SONABHY)	: Burkina National Hydrocarbon Company
RDTDF	: Rapid Diagnostic Test for Dengue Fever
EAT	: Employers' Apprenticeship Tax
IPT	: Intermittent Preventive Treatment
VAT	: Value Added Tax
WAEMU	: West African Economic and Monetary Union
WAMU	: West African Monetary Union
USA	: United States of America
CV	: Current Value
HIV-AIDS	: Human Immunodeficiency Virus-Acquired Immunodeficiency Syndrome



EXECUTIVE SUMMARY

Burkina Faso experienced steady economic growth between 2015 and 2018. Indeed, after a deceleration in its growth rate in 2015 (3.9% after 4.3% in 2014), the growth rate of real GDP rose from 5.9% in 2016 to 6.3% in 2017 and 6.8% in 2018, thanks to the improvement of political environment, favorable rainfall and the return of investor confidence. The deceleration recorded in 2015 is mainly attributable to the effects of the popular uprising of 2014, the bird flu epizootic, the failed coup of September 16, 2015 and a difficult agricultural campaign.

Burkina Faso's GDP is expected to stand at CFAF 8,547.2 billion in 2019 after CFAF 7,849.1 billion in 2018, representing a growth rate of 6.0% of real GDP. The inflation rate is estimated at 1.9% in 2018 and is expected to turn negative in 2019.

The current account deficit is expected to widen in 2018 to 632 billion CFAF after 614 billion CFAF in 2017. This change in the current account reflects the increase in the deficit of the goods balance and services which fell from 734 billion CFAF in 2017 to 878 billion CFAF in 2018. However, the current account balance should improve in 2019 in connection with the reduction of the deficit in the balance of goods and services.

From 2019, the budget deficit should decrease and be around 2.9% of GDP, below the community standard, after 4.9% in 2018 and 7.8% in 2017. For 2019, the debt Burkina Faso's total is estimated at CFAF 3,787.51 billion, or 44.3% of GDP. This ratio remains below the WAEMU community ceiling of 70%.

Burkina Faso has adopted a national development framework, the National Economic and Social Development Plan (PNDES), in order to guide the actions of the Government and its partners over the period 2016-2020. Over the period of implementation of the PNDES, the economic growth rate would increase on average to 7.7% per year.

BRIEF OVERVIEW OF THE COUNTRY



BURKINA FASO

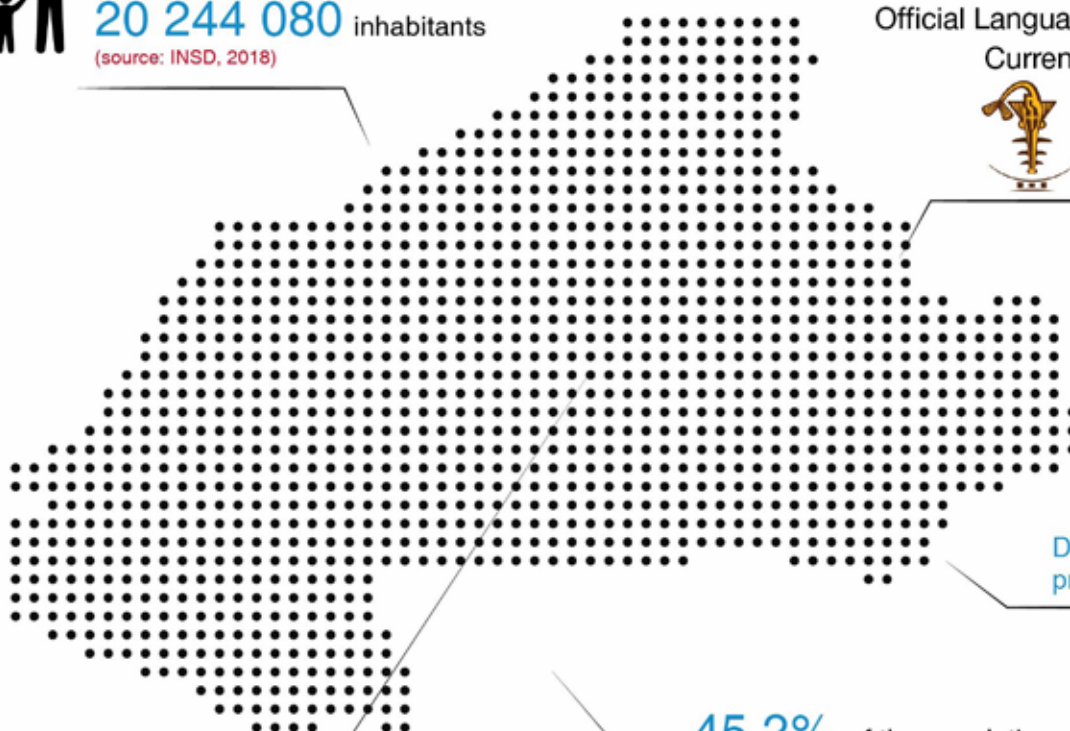


Population :
20 244 080 inhabitants
(source: INSD, 2018)

Area

274 200 km²

Official Language : **French**
Currency : **CFAF**



Democratic presidential type

Capital : **Ouagadougou**

45,2% of the population
is less than **15 years** old



(source : National Services, BCEAO)

- ▶ Economy based on **agriculture, extractive industry** and **trade**
- ▶ Debt ratio in : **42,4%** of GDP
- ▶ Budget deficit in 2018 : **4,9%** of GDP



1- GENERAL PRESENTATION OF THE COUNTRY

1.1 Political system

Burkina Faso, literally "country of honest men", is a democratic and secular republic in West Africa with French as its official language. The country gained independence on 5 August 1960 under the name of Haute Volta before being renamed Burkina Faso on 4 August 1984 under the Sankarist revolution. After 7 years of special rule, Burkina Faso adopted a constitution on 2 June 1991, consecrating the advent of the fourth republic. The country plans to become the fifth republic in 2019 by referendum. Burkina Faso's political regime is a multiparty presidential system.

1.1.1 The Executive Power

The President of Burkina Faso is elected by universal suffrage for a term of five years, renewable once. No one may serve more than two terms as President consecutively or intermittently. The President of Burkina Faso is both the Head of State and President of the Council of Ministers. The Prime Minister is the Head of Government and is appointed by the Head of State. He is chosen from among the members of the majority party in the National Assembly. The Government is the holder of executive power. As such, it proposes laws and ensures the implementation of laws passed.

In the event of a vacancy in the Presidency or an absolute or permanent impediment noted by the

Constitutional Council, referred to it by the Government, the functions of President will be exercised by the President of the National Assembly. A new President will be elected for a further period of five years. The election of the new President takes place at least sixty (60) days and no more than ninety (90) days after the vacancy has been officially established or the impediment has become definitive.

Since its independence, Burkina Faso has had the following presidents: Maurice Yaméogo from 1960 to 1966; Aboubacar Sangoulé Lamizana from 1966 to 1980; Saye Zerbo from 1980 to 1982; Jean Baptiste Ouedraogo from 1982 to 1983; Thomas Sankara from 1983 to 1987; Blaise Compaoré from 1987 to 2014; Yacouba Isaac Zida from 1 to 21 November 2014; Michel Kafando from 21 November 2014 to 29 December 2015; Roch Marc Christian Kaboré since 29 November 2015.

1.1.2 Legislative power

The parliament of Burkina Faso comprises a single chamber, the National Assembly. The members of the National Assembly bear the title of "deputy". There are 127 deputies for the current legislature from 15 political parties.

¹ If the country acceded to independence on 5 August, Independence Day is celebrated on 11 December, which corresponds to the proclamation of the republic (11 December 1958).

Table 1 : Distribution of Deputies of the 2016-2020 Legislature by Political Party

Political parties	Number of deputies
Mouvement du Peuple pour le Progrès (MPP)	55
Union pour le Progrès et le Changement (UPC)	33
Mouvement pour la Démocratie en Afrique (MDA)	1
Nouveau Temps pour la Démocratie (NTD)	3
L'Organisation pour la Démocratie et le Travail (ODT)	1
Parti de la Renaissance Nationale (PAREN)	2
Le Faso Autrement	1
Parti pour la Démocratie et le Socialisme/Parti des Bâtisseurs (PDS/METBA)	1
Rassemblement pour la Démocratie et le Socialisme (RDS)	1
L'Union pour un Burkina Nouveau (UBN)	1
L'Union pour la Renaissance/Parti Sankariste (UNIR/PS)	5
Congrès pour la Démocratie et le Progrès (CDP)	18
L'Alliance pour la Démocratie et la Fédération / Rassemblement Démocratique Africain (ADF/RDA)	3
Nouvelle Alliance du Faso (NAFA)	2

Source : National Assembly

The National Assembly has six (06) parliamentary groups:

- The "MPP Parliamentary Group" composed of deputies elected under the banner of the People's Movement for Progress (MPP);
- The "UPC Parliamentary Group", composed of deputies from the Union for Progress and Change (UPC);
- The "Burkindim Parliamentary Group" composed of seven political parties, namely the Movement for Democracy in Africa (MDA), the New Time for Democracy (NTD), the Organization for Democracy and Labor (ODT) and the National Renaissance Party (PRN), the Party for Democracy and Socialism/ Builders' Party (PDS/METBA), the Rally for Democracy and Socialism (RDS), the Union for a New Burkina (UBN) and the Union for the Renaissance/ Sankarist Party (UNIR/PS);
- The "CDP Parliamentary Group" composed of the deputies of the Congress for Democracy and Federation
- The "Peace, freedom and national reconciliation Parliamentary Group" composed of the deputies

from the Alliance for the democracy and federation/ African Democratic Rally (ADF/RDA), the New Alliance of Faso (NAFA), the CDP and the UPC

- The "Renewal for Democracy Parliamentary Group" composed of UPC deputies.

The deputies are elected by direct, equal and secret universal suffrage. They exercise legislative power. The National Assembly passes the laws governing the political, economic, social and cultural organization of the country. It thus lays down the rules governing the society of Burkina. It also controls government action.

Proposals and draft laws are deliberated by the Council of Ministers before they are submitted to the office of the National Assembly. The bill is initiated by the government. Bills and/or legislative proposals are transmitted by the Presidency of the National Assembly to the General Secretariat (Directorate General of Legislative Services) for registration and the preparation of the preliminary draft agenda to be submitted to the Conference of Committee Chairmen. The report is then discussed in a plenary ses-

² The electorate directly appoints its representative. Voting is carried out according to the principle of one person = one vote and the secrecy of the vote materially implies anonymous ballots.

sion before being adopted by a vote of the deputies.

1.1.3 The Judicial Power

The judicial power is entrusted to judges; it is exercised throughout the territory of Burkina Faso by the judicial and administrative courts determined by law. The courts of the judicial order in Burkina Faso are as follows:

- The Court of Cassation;
- The Courts of Appeal;
- The Courts of First Instance;
- The Courts of Second Instance;
- The Departmental Courts;
- The district courts;
- Labor courts;
- Juvenile courts;
- Children's judges.

The administrative courts are:

- The Council of State;
- The Administrative Court of Appeals;
- The Administrative Tribunal.

The Administrative Court of Appeal was recently established by law but is not yet operational. In addition to these courts, there are special courts such as the Constitutional Council and the Court of Audit. The Court of Cassation is the highest court of the judicial order. The Council of State is the highest court of the administrative order. The Court of Audit is the highest court of public finance control. The Court of Conflicts is the jurisdiction for settling conflicts of jurisdiction between courts.

1.2 Administrative organisation

Burkina Faso is organized into the following administrative districts:

- The region;
- The province;
- The department.

There are a total of 13 regions each headed by a governor. Each region is made up of a set of provinces headed by high commissioners. The 45 provinces are subdivided into departments, each headed by a prefect. The department is formed by a set of villages headed by village chiefs assisted today by Village Administrative Officers (RAVs) who are the representatives of the administration in the villages. As part of decentralization, Burkina Faso has created

local authorities, namely the regions and communes. There are three communal statuses: the rural commune, the urban commune and the commune with special status. There are 302 rural communes, 47 urban communes and 2 communes with special status, including Ouagadougou, the political capital, and Bobo-Dioulasso, the economic capital.

1.3 Geographical location

Burkina Faso is located in the heart of West Africa and covers an area of 274,200 Km². It is a continental country with no maritime outlet. It is bordered to the north and west by Mali, to the east by Niger and to the south by Ghana, Togo, Benin and Côte d'Ivoire. The nearest coast is about 500 km away. Burkina Faso uses the ports of the neighboring countries of Côte d'Ivoire, Togo, Benin and Ghana for its import and export needs. There is a railroad that connects the city of Ouagadougou to that of Abidjan (Ivory Coast) via Bobo - Dioulasso.

The country has a fairly extensive hydrographic network. The majority of the rivers are located in the south of the country. Burkina Faso is located on three international basins: the Niger, Comoé and Volta basins.

Two main types of landscapes exist in Burkina Faso: Most of the country is covered by a peneplain. It forms a very slightly undulating relief with some isolated hills in places, the last vestiges of a Precambrian massif. The relief is flat and does not retain large quantities of water, hence the lack of water in some areas;

- The south-western part of the country forms a sandstone massif. The highest point of the country is there: the Tenakourou (749 m). The massif is limited by very steep cliffs reaching 150 m high.

The average altitude is 400 m and the difference between the two points does not exceed 600 m. Burkina Faso has a tropical climate of the Sudano-Sahelian type (characterized by considerable rainfall variations ranging from an average of 350 mm in the North to more than 1.000 mm in the South-West) with two very contrasting seasons: the rainy season with rainfall between 300 mm and 1.200 mm and the dry season during which the harmattan, a hot, dry wind originating in the Sahara, blows. We can therefore distinguish three main climatic zones:

- The Sahelian zone in the north of the country: less

than 600 mm of rainfall per year and high thermal amplitudes (15 to 45 °C);

- The Sudano-Sahelian zone between 11° 3' and 13° 5' North latitude. It is an intermediate zone for temperatures and rainfall;

- The Sudano-Guinean zone in the south of the country: more than 900 mm of rain per year and relatively low average temperatures.

There are two unequal seasons: a very short wintering season of 3 to 4 months (June to September) and a dry season of 8 to 9 months (October to June). Temperatures range from 16 to 45°C; average annual evaporation is estimated at 3,000 mm and annual groundwater recharge at 40 mm.

In the Sahelian climatic zone, the driest, the vegetation belongs to the shrubby to thorny steppe type with annual grasses. The Sudano-Sahelian zone is home to a flora known as tiger bush. The south of this region is characterized by savannah, composed of trees and shrubs. The Sudano-Guinean zone has a more varied vegetation thanks to the higher rain-

fall, consisting of savannah, forest galleries and dry tropical forests.

1.4 Population

The population of Burkina Faso was estimated at 19,632,147 in 2017 according to projections by the National Institute of Statistics and Demography (INSD) based on the 2006 general population census. Men represent 48.3 percent of the population and women 51.7 percent. The average annual population growth rate was 2.4 percent from 2007 to 2017. Burkina Faso has a very young population, with the 0-14 age group representing 45.2 percent of the total population. The United Nations estimates Burkina Faso's average population growth rate over the 2018-2023 period at about 3 percent. According to the World Bank (2018), Burkina Faso's urbanization rate increased by 16% over the 2007-2017 period, from 30.1% to 46%. According to CIA estimates, in 2010 Burkina Faso was 61.5% Muslim, 23.3% Catholic, 6.5% Protestant and about 8.7% animist.

Table 2 : Statistics on the population of Burkina Faso

Heading	Indicator
Population in 2017	19 632 147 inhabitants
Man	48.3%
Woman	51.7%
Average annual population growth rate 2007-2017	2.4%
Population growth rate in 2017	3.1%
Projected average annual population growth rate for 2018-2023	3%
Population by age group in 2017	
0-14	45.2%
15-64	52.4%
65 and more	2.4%
urban-rural population ratio 2007-2017	
2007	30.1%
2008	31.6%
2009	33.0%
2010	34.5%
2011	36.1%
2012	37.6%
2013	39.2%
2014	40.9%
2015	42.6%
2016	44.3%
2017	46.0%
Religion	
Muslim	61.5%
Catholic	23.3%
Protestant	6.5%
Animist	8.7%

Source : INSD

1.5 Education

1.5.1 Organization of academic cycles

The education system in Burkina Faso is organized into two sub-systems with few bridges between them. These are the formal system and the non-formal system. Formal education includes basic education, post-primary and secondary education and higher education. Basic education includes pre-school and primary education. Pre-school education covers children aged 3-6 at least. It consists of a single cycle of three (3) years. Primary education is for children aged 6 and above and the normal length of schooling is 6 years. Primary education has a single cycle consisting of three courses of two years

each: the preparatory course (CP1, CP2), the elementary course (CE1, CE2) and the middle course (CM1, CM2).

Post-primary and secondary education include general education and technical and vocational education. General education is organized in two (2) cycles: the first cycle, which lasts four (4) years and culminates in the First cycle certificate of studies (BEPC) and the second cycle, which lasts three (3) years and culminates in the baccalaureate (BAC).

Technical and vocational education comprises three (3) cycles: the short cycle which lasts three (3) to four (4) years after the primary school certificate depending on the training courses and culminates at the end by the Certificate of Professional Competence

(CPA); the middle cycle which lasts two (2) years after the BEPC and leads to the Certificate of Professional Studies (BEP) and the long cycle which lasts three (3) years after the BEPC and leads to the Baccalaureate.

Higher education is the final link in the formal education system. It is provided by colleges, prestigious universities and public and private institutes. Higher education comprises three (3) cycles depending on the education and training courses, each of which leads to a diploma, a degree or a certificate.

1.5.2 Education Development Plan

Burkina Faso's education system is generalist in nature, not very professionalizing and does not meet the needs of the labor market. Despite the various reforms undertaken, basic education is in decline, and technical and vocational education and training (TVET) remains qualitatively and quantitatively weak and disorganized, with accentuated regional and gender disparities. The major challenges facing the education system are as follows:

- Improving the quality of basic education;
- Increasing and improving the quality and supply of TVET and reducing disparities;
- Improving access to and quality of secondary and higher education;
- Reforming primary, post-primary, secondary and higher education to adapt them to the needs of the structural transformation of the economy;
- Strengthening human and material capacity;
- Improving access to and quality of vocational training and apprenticeships.

To meet these challenges, the 2016-2020 National Economic and Social Development Program (PNDES) aims, in the area of education, to increase the supply and improve the quality of education, higher education and training in line with the needs of the economy. The National Action Plan for the Development of Higher Education (PNADES) is also part of this dynamic.

1.5.3 Statistic by cycle

According to INSD (2018), the gross enrolment rate in primary school rose from 83 percent in 2013 (82.8 percent for boys and 83.2 percent for girls) to 90.7 percent in 2018 (90.6 percent for boys and 90.9 percent for girls). The number of students per teacher

was approximately 49 in 2018. This ratio was 51.3 in 2013. The number of students per class dropped from 51.4 in 2013 to 47.3 in 2018. The number of public and private primary schools in Burkina Faso is estimated at 15,756.

The gross enrolment ratio in post-primary and secondary education increased from 29.5 percent in 2013 (of which 31.9 percent for boys and 27 percent for girls) to 38.4 percent in 2018 (of which 38.3 percent for boys and 38.6 percent for girls). The number of pupils per teacher was 67.7 in 2013 in post-primary and general secondary education, compared to 59.2 in 2018. At the technical education level, this ratio went from 11.1 to 5.2 over the same period. These improvements are the result of the extensive teacher recruitment program launched by the State in recent years. The number of pupils per class in post-primary and general secondary education went from 71 in 2013 to 57 in 2018.

In technical education, this ratio went from 31 to 29 over the same period. The number of post-primary and general secondary schools in Burkina Faso is estimated at 3,660 with 21,992 classes. In technical education, the figure was 990 in 2018.

The transition rate from secondary to higher education was estimated at 77.2 percent in 2017, with 65.5 percent for girls and 84.6 percent for boys. The number of students was estimated at 105,404 (33.6 percent of whom are girls) in 2017, with 1,734 teachers, i.e., 1 teacher for every 60 students. In 2017, Burkina Faso had 146 higher education institutions, including 84 private institutions.

Government expenditures on education increased from CFAF 175 billion to CFAF 256 billion from 2010 to 2015. These amounts represented 3.9% and 4.2% of GDP in 2010 and 2015 respectively.

1.6 Health

1.6.1 Health System Architecture

In Burkina Faso, the health system is in the form of a pyramid organized in three levels that provide primary, secondary and tertiary health care:

- The first level is made up of the health districts and comprises two levels. The first level of care is the Centre for Health and Social Promotion (CSPS) and the second level is the Medical Center with Surgical Antenna (CMA). The CSPSs are the basic structures of the health system within which

the Minimum Activity Package (PMA) defined by the Ministry of Health is provided. In 2017 Burkina Faso had 1839 CSPSs, 45 CMAs and 57 medical centers;

- The second level is represented by the Regional Hospital Centers (CHR). In 2017, there were 8 CHRs in Burkina Faso;

- The third level is made up of the University Hospital Centers (CHU). The CHU represent the highest level of reference for specialized care. There are 6 of them.

In addition to these public health facilities, the country had 519 private health facilities and 863 private pharmacies and dispensaries in 2017. Traditional medicine also plays an important role in Burkina Faso's health system. The distribution of health personnel in the public sector in 2017 indicated that the country had 714 general practitioners (i.e.,

1 general practitioner for every 27,496 inhabitants), 649 medical specialists (i.e., 1 specialist for every 30,250 inhabitants) and 9,967 nurses (health officer, state-qualified nurse and registered nurse), i.e., 1 nurse for every 1,967 inhabitants.

1.6.2 General statistics on the health status of populations

Life expectancy at birth improved by 10 years in Burkina Faso between 2000 and 2016, from 50 to 60 years. According to the WHO, between 2010 and 2015, the infant mortality rate at birth fell from 66 to 54.3 per 1.000 live births and the under-five mortality rate fell from 116.1 to 88.4 per 1.000 live births. Maternal mortality is estimated at 371 per 100.000 births in 2015. .

Table 3 : General statistics on the health status of the populations in Burkina Faso

Heading	Indicator		
	2000	2010	2015
Life expectancy at birth (Male/Female)	50 (49/52)	57 (56/58)	60 (60/61)
Infant mortality in 2015 (per 1000 births)			
At birth	-	66	54.3
Before 5 years		116.1	88.4
Maternal mortality in 2015 (per 100,000 births)	-	-	371

Source : World Bank, 2018 ; WHO, 2018.

1.6.3 Prevalence of diseases

The epidemiological profile of the country is marked by the persistence of a high burden of morbidity due to endemics and epidemics and the progressive increase in non-communicable diseases. The main diseases of public health importance are malaria, acute respiratory infections, HIV-AIDS, STIs, tuberculosis and leprosy. In addition, Burkina Faso regularly faces meningitis epidemics. According to the WHO, the incidence of malaria went from 526.9 to 423.3 per 1.000 inhabitants between 2005 and 2016. The National Malaria Control Program (PNLP)

estimated that there would be 4.000 malaria-related deaths in 2016 in Burkina Faso.

According to UNAIDS estimates (2015), the HIV-AIDS prevalence rate fell from 7.17% in 1997 to 0.90% at the end of 2014. According to the results of the Demographic Survey IV (EDS IV) conducted in 2010, prevalence differs according to gender. Indeed, women have a prevalence of 1.2% compared to 0.8% among men, resulting in a male/female ratio of 1.5. UNAIDS estimated the number of deaths due to HIV/AIDS in Burkina Faso to be 3,800 in 2015.

The decline in the incidence of malaria in Burkina Faso is due to the control strategies advocated by

the PNLP:

- The correct and early management of malaria cases in health facilities and at the community level;
- Prevention of malaria in pregnant women through intermittent preventive treatment (IPT);
- Vector control: promoting the use of long-lasting insecticidal nets (LLINs), indoor residual spraying (IRS), larval control (LRC) and environmental sanitation;
- Combating malaria epidemics as part of integrated disease surveillance and response;
- Support strategies: behavior change communication, operational research, monitoring and evaluation and institutional strengthening/partnership.

Concerning the reduction of HIV/AIDS, the National Council for the Fight against AIDS and Sexually Transmitted Infections (CNLS/IST) has spearheaded the strategy. The CNLS/IST meets once a year and whenever necessary at the call of its President.

1.7 Employment

1.7.1 Active population

The World Bank estimated Burkina Faso's potential labor force³ at 6,995,457 in 2017. Men make up more than half of the workforce (55.4%). The participation rate of women in economic activity is 44.6 percent. Between 2006 and 2014, the proportion of women increased slightly, from 43.2 percent to 44.7 percent, before starting to decline slightly from 2015 to 2017. Between 2013 and 2017, the labor force in Burkina Faso increased by 748,730. The size of the labor force is greater in rural areas. According to the EMC, 73.9 percent of the labor force was to live in rural areas and 26.1 percent in urban areas in 2014.

1.7.2 Unemployment rate

According to the ILO, the unemployment rate⁴ in Burkina Faso fell from 8.6 percent to 5 percent between 2012 and 2017. The unemployment rate for women was estimated at 9.1 percent in 2017 compared to 5.5 percent for men over the same period. In 2014, the INSD estimated the unemployment rate in urban

areas at 7.1 percent compared to 6.4 percent in rural areas. The average duration of unemployment is 5 years and is higher among the uneducated

1.7.3 Underemployment rate

Underemployment includes active persons employed within the meaning of the ILO who meet one of the following conditions: (i) they work part-time, wish to work more and are available to do so, whether or not they are actively seeking employment; (ii) they work part-time (and are in a situation other than that described above) or full-time but have worked less than usual during a reference week due to part-time unemployment (temporary lay-off) or bad weather. According to the 2015 National Survey on Employment and the Informal Sector (ENESI), the visible underemployment rate⁵ was 23.7 percent at the national level. This means that almost a quarter of the employed work less than 40 hours and want to work more. The invisible underemployment rate characterizing the number of employed workers with income below the minimum wage is 7.6% at the national level.

The underemployment rate in urban areas is 19.4 percent, compared with 24.9 percent in rural areas. The invisible underemployment rate is 18.3 percent in urban areas, compared with 4.6 percent in rural areas. The rate of visible underemployment is higher among women than among men. Among working women, 30.3 percent are visibly underemployed compared to 16.6 percent for men.

1.7.4 Formal and informal employment

According to the ENESI in 2015, the employment rate⁶ was estimated at 80% at the national level. There are gender disparities in the employment rate. It is higher among men (84.1%) than among women (76.7%). The employment rate among heads of households operating in the informal sector is estimated at 97.8 percent compared to 89 percent for the formal sector.

The distribution of workers by branch of activity shows that the agricultural sector is the largest em-

³ It includes all individuals considered to be of working age.

⁴ The ILO unemployment rate is the ratio (in percentage) of the population in a situation of unemployment (ILO meaning of unemployment) divided by labor force (Active + Unemployed).

⁵ Underemployment related to working hours, characterizes a person in employment who meets the following three criteria: (i) Involuntarily works less than the legal number of working hours per week (40 hours); (ii) Available to work more and/or (iii) Looking for additional work.

⁶ Employment rate 1 is the percentage of the working-age population (15 years or older) that is in employment.

employment provider in Burkina Faso, with an employment rate of 85 percent, 81 percent and 73 percent of the working population in 2005, 2010 and 2014 respectively. However, there has been a decline in the employment rate of the active population in the agricultural sector over the period.

The tertiary sector is the second-largest employment

provider in Burkina Faso. The labor force participation rate in the sector is increasing sharply, from 12 percent in 2005 to 20 percent in 2014. The secondary sector accounts for a small share of the labor force, but the labor force participation rate in this sector more than doubled from 3 percent in 2005 to about 7 percent in 2014.

Table 4: Distribution of workers by branch of activity from 2005 to 2014 (in %)

Branch of activity	2005	2010	2014*
Primary Sector	84.8	81	73.06
Agriculture, animal breeding, hunting, fishing, forestry	84.8	81	73.06
Secondary Sector	3.1	4.9	6.86
Industry	2.5	4.0	4.66
Construction/public works	0.6	0.9	2.20
Tertiary sector	12.3	14.12	20.07
Trade	6.7	7.5	7.54
Catering/Hospitality industry	0.3	0.9	0.88
Transport	0.6	0.7	1.76
Education/ Health	1.4	1.5	2.83
Other services	3.3	3.52	7.06
Total	100	100	100

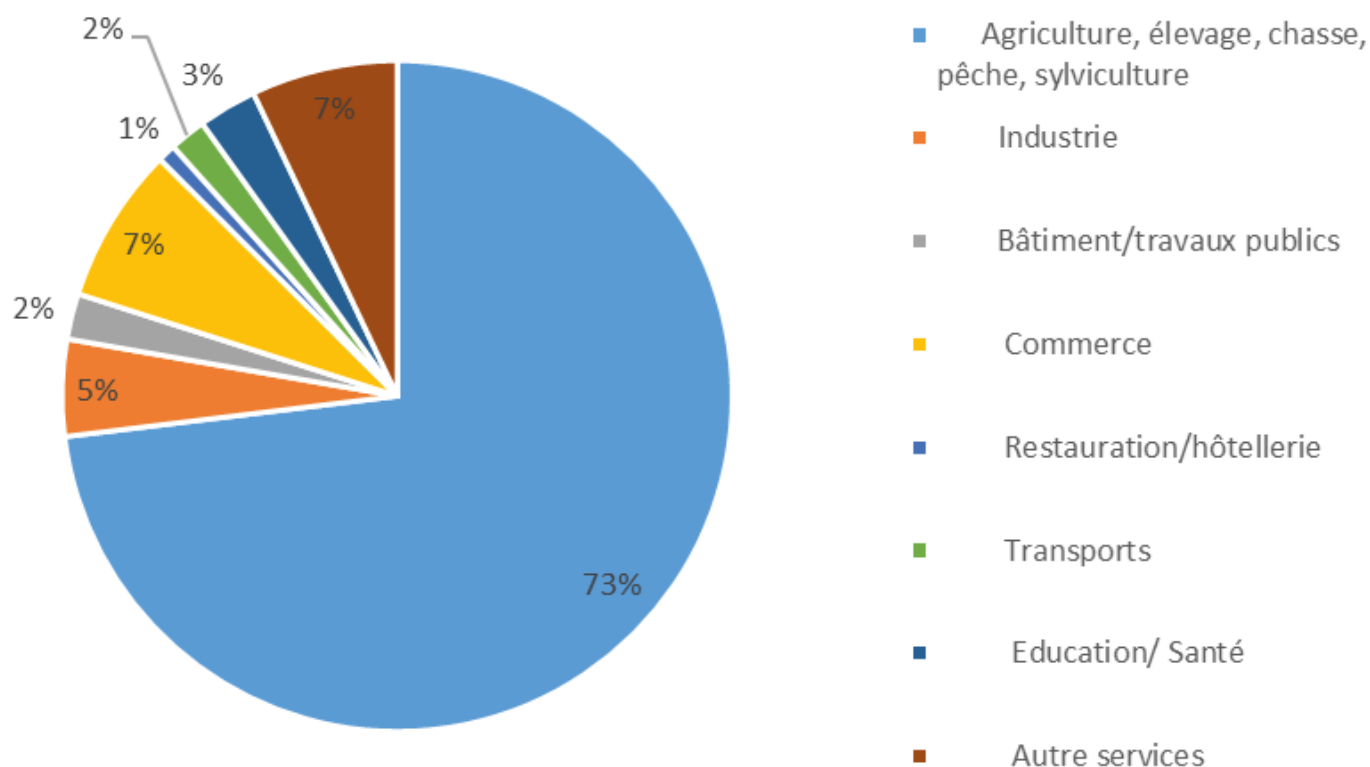
Source : INSD, 2003 Burkina Faso Survey on Household Living Conditions and 2005 and 2010 Annual Surveys on Household Living Conditions (EA - QUIBB).

*Calculation based on INSD EMC 2014 survey data available on the World Bank website.

The figure below shows that in 2014 the agricultural sector employed 73% of workers, followed by trade

and other services which employed about 7% of workers each.

Figure 1 : Distribution of workers by branch of activity in 2014 in Burkina Faso



Source : MCS 2014.

1.7.5 Employment policy

To tackle the problem of youth unemployment, the government of Burkina Faso has adopted a main development reference point, the National Economic and Social Development Plan (PNDES). The overall objective of the PNDES is to structurally transform Burkina Faso's economy for strong, sustainable, resilient, inclusive growth that creates decent jobs for all and leads to improved social welfare. The plan aims to create at least 50.000 decent jobs per year over the 2016-2020 period. Before the PNDES, sectoral policies had been adopted in 2008. These are the National Youth Policy (PNJ), the Technical and Vocational Education and Training Policy (NP/TVET) and the Employment Policy (PNE).

The PNE is the reference framework and its main objective is "to increase opportunities for decent employment to contribute to the fight against poverty

in Burkina Faso". The PNE aims to strengthen the coherence and coordination of actions to promote employment in Burkina Faso. It has four strategic objectives:

- Strengthening the link between the PNE and other national policies;
- Strengthening job creation;
- Improving employability;
- Improving the organization and functioning of the labor market.

An action plan was adopted, national funds and, later, a Special Job Creation Program for Youth and Women (PSCE/JF) and a Support Program for the Technical and Vocational Education and Training Sectoral Policy (PAPS/EFTP) were put in place to promote youth employment. In addition to these programs, four national funds (FASI, FAPE, FAIJ and FAFPA) have been set up to support youth micro-projects.

1.7.6 Employment dynamics

The PSCE/JF was designed in 2011 and implemented over three years covering the 2012-2014 period. According to the Ministry in charge of employment promotion, the program has led to the creation of 100,401 jobs for the 2012-2013 period and 49,465 jobs in 2014, i.e., almost 150,000 direct and indirect jobs for the three years of the program.

1.8 Reminder of the main aggregates

1.8.1 Level of development

The 2018 ranking of countries' human development levels places Burkina Faso 183rd in the world out of 189 countries with a low HDI estimated at 0.4023. At the African level, Burkina Faso is ranked 47th out of 53 countries. Burkina Faso's low HDI is due to the low level of the education supply and the low incomes of the population.

With a Gini index of 35.3% in 2014, Burkina Faso has seen a decline in inequality compared to 2009, when the rate was 39.8%. Burkina Faso's per capita GDP fell from \$ 1,549 in 2012 to \$ 1,870 in 2017 (Table 5).

Table 5 : evolution of GDP per capita in PPP

Year	GDP per capita (PPP) in USD	GDP per capita (CFAF constant)
2012	1 549.5	344 004.8
2013	1 616.8	345 720.1
2014	1 666.9	347 979.9
2015	1 699.9	340 269.4
2016	1 771. 2	346 216.1
2017	1 869.7	373 726.1

Source : World Bank

1.8.2 Summary table

The table below summarizes Burkina Faso's main macroeconomic indicators for the 2013-2019 period. Burkina Faso's GDP is expected to reach CFAF 8,547.2 billion in 2019 against CFAF 7,849.1 billion in 2018, representing a real GDP growth rate of 6.0%. The inflation rate is estimated at 1.9% in 2018 and is expected to be negative in 2019.

The country's current account remains structurally in

deficit and the deficit is expected to be around CFAF 632 billion in 2018. The budget deficit narrowed in 2018 from CFAF 430.2 billion to CFAF 423 billion in 2017. The budget balance/GDP ratio in 2018 is 5.3%. This ratio is above the community standard of 3%. Public debt increased from CFAF 2,796.7 billion to CFAF 3,237.4 billion between 2017 and 2018. The domestic debt/GDP ratio increased from 14.1% to 16.4% between 2017 and 2018.

⁷ Employment linked to related activities as a result of the existence of the project

Table 6 : Evolution of the main macroeconomic indicators between 2013 and 2017.

Billions of CFA francs	2013	2014	2015	2016	2017	2018 (Est)	2019
National economy							
Nominal GDP	5 902.4	6 200	6 526.1	6 965.7	7 593.5	7 849.1	8547.2
Real GDP growth (%)	5.8	4.3	3.9	5.9	6.3	6.8	6.0
Investment rate (% of GDP)	32.5	32.3	31.8	30.6	31.9	n.a	-
Inflation rate (%)	0.5	-0.3	1.0	0.8	0.4	1.9	-
Balance of payments							
CIF Exports	1 315	1 362	1 400	1 571	1 758	1 752	-
CIF Imports	1 644	1 491	1 540	1 662	1 985	2 009	-
Balance	-329	-129	-141	-91	-227	-257	-
Current balance	-664.6	-493	-525	-486	-614	-632	-
Public Finances							
Revenues and donations	1 441.7	1 321.2	1 286.2	1 409.9	1 583.6	2.012	-
Expenses	1 652.7	1 456.5	1 371.7	1 629.8	2 146.5	2 435	-
Balance	-211	-135.3	-85.5	-220.0	-562.9	-423	-
Public debt	1687.40	1860.5	2206.4	2567.6	2796.7	3237.4	-
Domestic Debt	437.78	422.3	573.2	730.7	1029.6	1294.9	-
External/External debt	1249.61	1438.2	1633.2	1836.9	1767.1	1942.4	-
Domestic debt as % of nominal GDP	7.3	6.9	9.3	10.9	14.1	16.4	-
Budget deficit (basic primary balance)							
In value terms	163.8	131.1	127.7	161.2	430.3	423	-
As a percentage of nominal GDP (%)	2.8	2.1	2.1	2.4	5.8	5.3	-

Source : CBWAS, NISD, IMF

2- RECENT ECONOMIC SITUATION AND FUTURE PROSPECTS

2.1 Gross Domestic Product assessment

2.1.1 Level of GDP

Between 2015 and 2019, Burkina Faso's gross domestic product rose from CFAF 6,162.5 billion to CFAF 8,547.2 billion, or about CFAF 36,179.9 billion

of wealth created over the period. This economic dynamic is expected to continue until 2020 when the GDP is expected to reach CFAF 9,213.1 billion.

Table 7 : Evolution of GDP level between 2013 and 2020

Year	2013	2014	2015	2016	2017	2018(p)	2019(p)	2020(p)
nominal GDP (Billions of CFAF)	5 700.6	5 902.4	6 119.6	6 443.8	7 177.3	7 841.1	8 547.2	9 213.1

Source : INSD, IMF DGEP (for 2019 and 2020 data)

2.1.2 Real GDP Growth

Burkina Faso experienced steady economic growth between 2015 and 2019. Indeed, after a deceleration in its growth rate in 2015 (3.9% after 4.3% in 2014), the real GDP growth rate showed a sustained level, rising from 5.9% in 2016 to 6.3% in 2017 and 6.8% in 2018, then settling at 6.0% in 2019, thanks to a return to normal constitutional life, favorable rainfall and the return of investor confidence. The deceleration recorded in 2015 is mainly due to the effects of the popular uprising of 2014, the bird flu epizootic, the failed coup d'état of 16 September 2015 and a difficult agricultural season.

According to the latest estimates (August 2019), the primary sector grew by 3.8% in 2019, after 9.9% in 2018 (a year of exceptional rainfall). This development is mainly due to the dynamism of the agriculture sub-sector (+4.4%), particularly the cash crop sub-sector (+8.4%), thanks to the 14.0% rebound in cotton production, corresponding to an expected 554 651 tons. The livestock and forestry, fishing and hunting branches also recorded an increase in their added value by 3.5% and 3%, respectively. The contribution of the primary sector to economic growth was 0.8 point in 2019 against 1.9 points in 2018.

The value-added in the secondary sector increased by 5.6% in 2019 after a 3.6% rise in 2018. This

growth rate is mainly driven by the dynamism of the construction sector (5.6% in 2019 after 4.0% in 2018) in connection with the intensification of major transport infrastructure works. The activity of the extractive industries strengthened with the entry into production in 2019 of the WAHGNION GOLD OPERATIONS SA gold mine. As a result, total gold production is expected to reach 52,988.0 kg in 2019, up 0.7% compared to 2018. Concerning the manufacturing industry, the value-added of the cotton ginning sub-sector declined by 7.6% in 2019 against 12.0% in 2018, due to the poor 2017-2018 and 2018-2019 cotton seasons. However, the added value of other manufacturing industries increased by 6.7% after 3.3% in 2018. Overall, the secondary sector contribution to growth increased from 0.8 points in 2018 to 1.2 points in 2019.

As for the tertiary sector, its added value increased by 6.9% after rising by 6.7% in 2018. This performance resulted from an increase in activity in non-market services (+7.4%) and a rise in market services (+6.4%). The increase in the added value of market services was mainly due to strong activity in trade (+6.8%), telecommunications services (+6.8%) and transport (+6.3%). The increase in the added value of non-market services is attributable to the good dynamics of activities in public administration. The tertiary sector maintains its role as the main driver of growth in 2019 with a contribution of 3.3 points.

Table 8 : GDP growth rate and its components between 2013 and 2017 (constant prices in 1999)

Burkina Faso	2013	2014	2015	2016	2017	2018	2019
Total GDP	5.8	4.3	3.9	5.9	6.3	6.8	6.0
Primary sector	1.9	2.5	-3.5	3.4	-4.0	9.9	3.8
Secondary sector	0.9	15.3	9.6	2.9	9.9	3.6	5.6
Tertiary sector	9.1	3.0	4.4	7.3	7.2	6.7	6.9
Including non-market GDP	5.0	9.2	11.0	9.5	11.9	9.4	7.4
Duties and Taxes	9.6	-4.1	6.9	11.5	15.3	8.1	7.6

Source : NISD, 2018 DGEP (for 2019 data)

2.1.3 Breakdown of GDP in structure

The breakdown of Burkina Faso's GDP by structure shows that the tertiary sector is the country's primary source of wealth creation. This sector accounts for nearly 40 percent of GDP. Between 2015 and 2019, the share of the tertiary sector in the formation of Burkina Faso's GDP increased slightly from 40.4% to 45.1%. The primary sector is the second source of

wealth creation with a contribution to GDP formation of 27.4% in 2019 against 30.3% in 2015. The share of the primary sector has been in continuous decline since 2015. The secondary sector is the third source of wealth creation in the country with a contribution of 18.9% to GDP formation in 2019. The contribution of the secondary sector to GDP formation has been relatively stable since 2013 and is about 18%.

Table 9. Structural decomposition of GDP between 2013 and 2019 (nominal GDP at current prices)

Burkina Faso	2013	2014	2015	2016	2017	2018	2019
Total GDP	100	100	100	100	100	100	100
Primary sector	31.7	31.4	30.3	28.7	28.2	28.6	27.4
Secondary sector	18.8	19.8	19.0	18.7	18.2	17.4	18.9
Tertiary sector	38.6	38.8	40.4	41.5	41.9	42.4	45.1
Including non-market GDP	18.3	19.8	20.6	21.9	23.0	23.9	25.6
Duties and Taxes	11.0	10.0	10.3	11.1	11.6	11.5	10.3

Source : NISD, 2018 (for 2019 data)

2.2 Gross domestic product details

2.2.1 GDP by value, sector details

A detailed analysis of the various sectors of Burkina Faso's economy shows that the added value of the primary sector was CFAF 2,341.6 billion in 2019 against CFAF 1,866 billion in 2015. Agriculture is the first source of wealth creation in the primary sector with more than half of the wealth created (CFAF 1,235.9 billion in 2019). Livestock breeding occupies the second place in terms of wealth creation with CFAF 844.16 billion in 2019. The forestry, fishing and hunting branch comes next, with wealth creation in the primary sector estimated at CFAF 261.5 billion in 2019.

Wealth creation in the secondary sector is estimated

at CFAF 1,618.0 billion in 2019 against CFAF 1,170.6 billion in 2015. This sector is dominated by mining with CFAF 1,042.3 billion of wealth created in 2019 against CFAF 455.8 billion CFAF in 2015. The manufacturing and construction industries occupy the second and third positions respectively with CFAF 298.0 and 201.5 billion in 2019.

The added value of the tertiary sector increased from CFAF 2,491.9 billion in 2015 to CFAF 3,851.3 billion CFAF in 2019. This sector is driven by non-market services whose added value was estimated at CFAF 2,184.8 billion CFAF in 2019 against CFAF 1,271.1 billion in 2015. Trade ranks second in this sector with a value-added of CFAF 875.7 billion in 2019 against CFAF 690.6 billion in 2015. The added value in telecommunications is estimated at CFAF 208.0 billion in 2019 against CFAF 189.8 billion in 2015.

Table 10 : Evolution of GDP in value and by sector detail from 2013 to 2019

Billions of CFA francs	2013	2014	2015	2016	2017	2018	2019
Components							
Primary sector	1 869	1 919	1 866	1 847	2 027	2248.8	2341.6
Agriculture	989.4	1 002.1	946.7	970.9	1 102.7	1271.4	1235.9
Livestock breeding	665.3	673.5	690.9	662.7	724.6	791.0	844.1
Forestry, fisheries and hunting	214.3	243.8	227.9	213.1	199.2	186.3	261.5
Secondary sector	1 107.4	211.9	1 170.6	1 204.3	1 308.2	1368.9	1618.0
Mining	463.3	492.4	455.8	513.1	608.9	659.8	1042.3
Agro-food	n.d	n.d	n.d	n.d	n.d	n.d	n.d
Petroleum Products	n.d	n.d	n.d	n.d	n.d	n.d	n.d
Energy	42.9	57.8	78.9	71.4	83.8	87.9	76.2
Construction	285.6	278.0	228.0	198.6	193.1	199.5	201.5
Manufacturing Industry	315.6	383.8	408.1	421.1	422.4	421.7	298.0
Tertiary sector	2 277.9	376.8	2 491.9	2 676.1	3 010.1	3325.2	3851.3
Transport	96.2	98.5	78.4	78.4	82.3	87.7	79.2
Teélecommunications	160.4	172.5	189.8	198.3	199.6	192.9	208.0
Trade	687.8	639.8	690.6	696.5	740.7	799.9	875.7
Other services	339	345.3	357.9	400.8	459.7	306.2	503.7
Duties and Taxes	648	611.5	634.5	716.7	832.5	906.2	880.1
Market/ Non-market							
non-market GDP	1081.1	1211.8	1271.1	1 410	1 649.6	1877.1	2184.8
market GDP	4619.15	4690.6	4848.5	5033.8	5527.7	5972.0	6362.4
Public Administration	986.4	1 115.0	1 172.2	1 308.9	1 546.3	1771.5	n.d
Total GDP	5902.3	6119.2	6163	6444.1	7177.8	7849.1	8547.2

Source : NISD, DGEP (for 2019 data)

2.2.2 GDP in composition

The analysis of the share of the components of the economy's different sectors in the market GDP shows that agriculture comes first with a contribution of 15.4% to the GDP formation in 2017. Trade occu-

pies the second place with a contribution of 10.3% to the GDP in 2017. Livestock comes in third place with a contribution of 10.1% to the GDP formation in 2017. Non-market GDP accounted for 23% of GDP in 2017 against 18.3% in 2013.

Table 11 : Evolution of the components of the different sectors from 2013 to 2017

Value as a % of GDP	2013	2014	2015	2016	2017
Primary sector	31.7	31.4	30.3	28.7	28.2
Agriculture	16.8	16.4	15.4	15.1	15.4
Livestock breeding	11.3	11.0	11.2	10.3	10.1
Forestry, fisheries, hunting	3.6	4.0	3.7	3.3	2.8
Secondary sector	18.8	19.8	19.0	18.7	18.2
Mining	7.8	8.0	7.4	8.0	8.5
Agro-food	n.d	n.d	n.d	n.d	n.d
Petroleum Products	n.d	n.d	n.d	n.d	n.d
Energy	0.7	0,9	1.3	1.1	1.2
Construction	4.8	4.5	3.7	3.1	2.7
Manufacturing industry	5.3	6.3	6.6	6.5	5.9
Tertiary sector	38.6	38.8	40.4	41.5	41.9
Including Transport	1.6	1.6	1.3	1.2	1.1
Including Telecommunications	2.7	2.8	3.1	3.1	2.8
Including Trade	11.7	10.5	11.2	10.8	10.3
Including other services	5.7	5.6	5.8	6.2	6.4
Duties and Taxes	11.0	10.0	10.3	11.1	11.6
non-market GDP	18.3	19.8	20.6	21.9	23.0
market GDP	78.3	76.7	78.7	78.1	77.0
Public Administration	16.7	18.2	19.0	20.3	21.5
Total GDP	100	100	100	100	100

Source : NISD

2.2.3 GDP by component

In terms of demand, economic growth is sustained mainly by domestic demand which was estimated at CFAF 7,870.6 billion in 2017 against CFAF 6,742.5 billion in 2013. Net external demand was estimated at CFAF -445.4 billion in 2017 against CFAF -881.6 billion in 2013.

An analysis of the components of domestic demand shows that it is essentially driven by final consumption, which was estimated at CFAF 6,028.3 billion in 2017 against CFAF 1,842.3 billion for investment. Between 2016 and 2017, domestic demand increased by 8.8% through the consolidation of investment (+9.6%) and the maintenance of dynamic consumption (+8.5%).

Table 12 : Breakdown of GDP by component from 2013 to 2017

Billions of CFA francs	2013	2014	2015	2016(est)	2017(est)
1. Internal demand	6 742.5	6 614.3	6 815.8	7 233.2	7 870.6
Final consumption	4 865.7	5 088.6	5 294.3	5 552.4	6 028.3
Private	3 607.3	3 708.4	3 865.1	3 954.2	4 233.2
Public	1 258.4	1 380.2	1 429.2	1 598.2	1 795.2
Total investments	1 876.8	1 525.7	1 521.5	1 680.8	1 842.3
Private	903.5	850.2	804.3	910.0	958.9
Public	973.2	675.5	717.2	770.7	883.4
2. Total external demand	-881.6	-551.1	-631.1	-334.6	-445.4
3. Stock variations	35.3	56.3	-22.2	-108.3	72.3

Source : BCEAO
*Estimate



3- ANALYSIS OF THE NATIONAL DEVELOPMENT PLAN

The national development framework in force in Burkina Faso is the National Economic and Social Development Plan (PNDES). It is the single framework for interventions by the State and its partners over the 2016-2020 period.

3.1 Recent Achievements and realizations

3.1.1 Presentation of the PNDES

The PNDES is part of a development framework, centered on a new dynamic of the transformation of economic, demographic and social structures, generating cumulative and sustainable multiplier effects on the improvement of the average per capita income growth and thus allowing to meet basic needs, poverty reduction, human capacity building, environmental sustainability and social equity.

The overall objective of the PNDES is to structurally transform Burkina Faso's economy for strong, sustainable, resilient, inclusive growth that creates decent jobs for all and leads to improved social welfare. The PNDES is divided into three strategic axes which are: (i) Axis 1: reforming institutions and modernizing the administration, (ii) Axis 2: developing human capital and (iii) Axis 3: revitalizing sectors that are promising for the economy and jobs.

The expected impacts of the PNDES are:

- (i) Improving the effectiveness of political, administrative, economic, local and environmental governance;
- (ii) The emergence of a modern economy based on an evolving and more competitive primary sector, and increasingly dynamic processing and service industries, making it possible to achieve an average annual economic growth rate of 7.7% and create at least 50,000 decent jobs per year;
- (iii) A reduction in the incidence of poverty to below 35% by 2020;
- (iv) The control of annual population growth so that it is reduced to 2.7% in 2020;
- (v) Accelerating the level of human capital development, and
- (vi) Changing production and consumption patterns from a sustainable development perspective.

The overall cost of implementing the PNDES amounts to CFAF 15,395.4 billion, i.e., an average annual cost of CFAF 3,079.1 billion. The share devoted to investment expenditures (including capital transfers) is 54.6%, corresponding to an overall envelope of CFAF 8,408.2 billion over the period, i.e., CFAF 1,681.6 billion per year. Up to 63.8% of the total cost will be financed by own resources (CFAF 9,825.2 billion).

The monitoring and evaluation mechanism of the PNDES includes a technical monitoring component aimed at collecting and analyzing data to provide elements for assessment on: (i) the use of resources, (ii) the progress made in the implementation of actions and (iii) the objectives achieved, through the control of expenditures, the monitoring of the financial execution of programs, the monitoring of the technical execution of programs and the monitoring of the impacts of the PNDES. The technical component of the evaluation shall include in particular: (i) a strategic environmental assessment, (ii) a mid-term evaluation (2018) and (iii) a final evaluation.

3.1.2 Recent structural reforms linked to the development plan

The assessment of the implementation in 2017 of the strategic reforms and structural investments of the PNDES highlights important achievements. In total, some 183,635 formal jobs were created during the two years of PNDES implementation, including 87,515 decent jobs per year.

In the area of institutional reform and modernization of the administration (Axis 1), the main results relate to increasing the country's resilience to the terrorist threat by increasing the operational capacities of the defense and security forces through the adoption of the Military Programming Law to optimize the implementation of the Strategic Plan for the Reform of the National Armed Forces (2018-2022 PSR); continuing public finance reforms with the transition to the program budget and improving performance in the collection of own revenues.

In the area of human capital development (axis 2),

the continuation of the policy of free health care for pregnant women and children under 5 years of age has made it possible to carry out 16,920,917 free interventions for the target group. In addition to the measure of free health care, efforts to improve the supply and quality of care have led to the equipping of Regional Hospital Centers (CHR) and University Hospital Centers (CHU) with autonomous oxygen production systems, the conversion of 14 Health and Social Promotion Centers (CSPS) into Medical Centers (CM), the standardization of health centers, and the construction of new health centers, whether CSPS or CM.

At the level of education, efforts to improve the supply of education were continued with the construction of infrastructures, the recruitment of staff in all levels of education, particularly at the post-primary level, and the opening of two science high schools in Ouagadougou and Bobo-Dioulasso. The post-primary completion rate was increased from 24.2% in 2016 to 32.95% in 2017 for a target of 30.2% in 2017. About 55 high schools and 409 middle-schools were built in 2017.

Regarding boosting sectors that are promising for the economy and jobs (Axis 3), the major achievements recorded in 2017 include the opening up of the country internally and externally with a significant increase in the proportion of rural feeder roads, urban road improvements, asphaltting of new roads and the continuation and start of construction of other new roads. The proportion of developed rural roads was increased from 27.5% in 2015 to 30.43% in 2017.

The installed electric power capacity has increased, several localities in the country have been interconnected to the national grid and several villages and socio-economic infrastructures are supplied with photovoltaic solar energy. With regard to the improvement of Internet access, bandwidth capacity has been significantly increased with an estimated 16 Gbps in 2017 (PNDES Implementation Monitoring Report), thanks to the completion of the deployment of 347 km of optical fiber from Ouagadougou to Pô to the Ghana border and the deployment of 341 km of optical fiber as part of the G-CLOUD project effectiveness.

3.2 Future Achievements

For the medium-term outlook (2018-2020), the continuation of the actions started at the implementation of the PNDES should make it possible to establish a real evolution of the agro-sylvo-pastoral production sector at the service of the structural transformation of the economy. These efforts should increase, among other things:

- (i) the share of irrigated production in the total production to 20% in 2018 then to 25% in 2020;
- (ii) the coverage rate of cereal needs from 120% in 2018 to 140% in 2020;
- (iii) employment productivity in the primary sector from CFAF 415,000 in 2018 to CFAF 535,000 in 2020;
- (iv) the marketing rate of agricultural products to 30% in 2018 and 37.5% in 2020;
- (v) the rate of increase in the supply of agro-industry from 20% in 2018 to 50% by 2020;
- (vi) the quantity of fish produced from 26,000 tons in 2018 to 30,000 tons in 2020;
- (vii) the coverage rate of livestock food needs to 75% in 2018 and 80% two years later;
- (viii) the vaccination coverage rate against the Newcastle disease from 60% in 2018 to 70% in 2020;
- (ix) the number of jobs created in the primary sector to 65,000 in 2018 and 110,000 in 2020.

Over the 2018-2020 period, the aim is to bring: (i) the national electricity coverage rate from 52.3% in 2018 to 80% in 2020; (ii) the national electrification rate from 30% in 2018 to 45% in 2020; (iii) the urban electrification rate from 69% in 2018 to 75% in 2020; (iv) the rural electrification rate from 12.6% in 2018 to 19% in 2020 and (v) the share of renewable energies in the total production from 19% in 2018 to 30% in 2020.

At the industrial level, actions will be directed towards improving the competitiveness of industrial companies, the implementation of the orientation law for the promotion of SMEs, the implementation of the Project for the creation and establishment of the Incubator, Nursery and Business Hotel in the agro-food sector (PIPHE/SA), the implementation of the Support Project for the creation and development of Small and Medium Enterprises and Industries (PACD/PME/PMI).

4.1. Structural elements

4.1.1. Description of the Franc zone

The Franc zone is characterized by four (4) founding principles. These principles were set out in the monetary cooperation agreement between the Member States of the Bank of Central African States' area of issuance and France of 23 November 1972, as well as in the cooperation agreement between the member countries of the West African Monetary Union and France of 4 December 1973.

The 4 main principles of the Franc zone are:

- **A guarantee from the French Treasury for the unlimited convertibility of the Central Bank currency:** the currencies issued by the issuing institutes of the franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-zones, an operations account is opened with the French Treasury by each Central Bank in the zone and on which the Central Banks have an unlimited drawing right in the event of exhaustion of their foreign exchange reserves;
- **A fixed parity with the Euro of 1 Euro for 655.957 CFA Francs:** the parity of the currency of the zone with the euro is fixed and defined for each sub-zone. The currencies of the zone are interconvertible at fixed parities, with no limitation of amount. The changeover to the euro resulted in a simple substitution of the anchoring to the French franc by the anchoring to the euro, at an equivalent parity, i.e., CFAF 655.957 = 1 euro (the parity being identical for the West and Central African sub-areas).
- **Free and unlimited transfer of reserves:** transfers are, in principle, free within the Zone.
- **Centralization of reserves:** States centralize their foreign exchange reserves in their Central Banks, while in return for the unlimited convertibility guaranteed by France, the Central Banks of the franc zone are required to deposit a share of their net foreign assets (foreign exchange reserves) with the French Treasury in the operations account opened in the name of each of them. Since the September 2005 reform, BCEAO has been required to deposit

50% of its foreign assets in its operations account.

4.1.2. Description of BCEAO

Article 41 of the WAEMU Treaty designates the Central Bank of West African States (BCEAO) as an autonomous specialized institution of the Union. In complete independence, BCEAO contributes to the achievement of the objectives of the Treaty.

Members

The eight (8) Member States of WAEMU are members of BCEAO. They are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

The Bodies

The bodies of the Central Bank are the Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, and the National Credit Councils, with one Council in each of the WAMU Member States

How it works

The Central Bank, its bodies, any member of its bodies or its staff may not request or receive instructions or directives from Community institutions or organs, from the governments of WAEMU Member States, from any other body or any other person. Community institutions and bodies and the governments of WAEMU member states shall undertake to respect this principle.

The main objective of the Central Bank's monetary policy shall be to ensure price stability. Without prejudice to this objective, the Central Bank shall support the economic policies of the West African Economic and Monetary Union (WAEMU) for sound and sustainable growth.

Roles

The Central Bank has the following basic tasks:

- define and implement the monetary policy within the WAEMU,

- ensure the stability of the WAEMU banking and financial system,
- promote the smooth operation and ensure the oversight and security of payment systems in the WAMU region,
- implement WAEMU's exchange rate policy under the conditions set by the Council of Ministers,
- manage the official foreign exchange reserves of WAEMU member states.

The Central Bank, with due respect for the monetary balance, may carry out specific missions or projects that contribute to improving the monetary policy environment, diversifying and strengthening the WAEMU financial system and technical and professional capacities in the banking and financial sector.

The main objective of the Central Bank's monetary policy is to ensure price stability. To this end, it defines the monetary policy that maintains the external coverage rate of the currency at a satisfactory level and to support the economic activity of member countries without inflationary pressure.

BCEAO oversees the monetary policy of each member country by setting the annual money supply and credit targets. Statutory advances to the National Treasuries of member states were suspended in 2001 and abolished as of 2010.

For the conduct of the common monetary policy, BCEAO relies on market mechanisms and indirect instruments to regulate liquidity, including interest rate management and the minimum reserve system.

4.1.3. Monetary policy

BCEAO enjoys the exclusive privilege of issuing money in all member states of the West African Monetary Union. It issues monetary signs, notes and coins, which have legal tender status and power of discharge in all member states of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The Central Bank's management of the monetary policy of the Member States of the Union consists in adjusting the overall liquidity of the economy in line with developments in the economic situation to ensure price stability on the one hand and to promote economic growth on the other.

The current money and credit management framework relies on market mechanisms and indirect liquidity regulation instruments, notably interest rates and the minimum reserve system.

The functioning of BCEAO is based on:

- Open market operations: the 7-day and 28-day refinancing (respectively weekly and monthly for banks subject to minimum reserve) at variable rates; the minimum bid rate is considered by BCEAO as its prime policy rate (currently 2.5%). Planned auctions are generally calibrated according to BCEAO's forecast of liquidity needs over the maturity of the operations;

- Permanent loan windows: the refinancing of 1 to 7 days or 90 to 360 days against government securities and credit applications with maturities ranging from 5 to 20 years at the request of banks (marginal loan window). The rates at these windows are above the policy rate by 200 basis points. As of June 2017, recourse to the loan window has been capped at twice the counterpart's own funds.

The minimum bid rate for open market operations (tenders) and the interest rate applicable on the marginal loan windows (pension rate), the levels of which are set by the Monetary Policy Committee, are 2.50% and 4.50% respectively, and constitute BCEAO's two main prime rates.

Money supply

The money supply consolidated between 2013 and 2017 in Burkina Faso from CFAF 1,885.5 billion to CFAF 3,366.7 billion in 2017. In 2017, Burkina Faso's money supply consisted of CFAF 454.9 billion in net foreign assets and CFAF 2,436.6 billion in domestic assets.

⁸The Monetary Policy Committee of BCEAO, at its first meeting held on 14 September 2010 in Dakar, defined the operational objective of price stability as an annual inflation rate in the Union within a margin of \pm one percentage point (1%) around 2%, at a horizon of twenty-four (24) months

Table 13 : Evolution of Burkina Faso's money supply

In billions of CFAF	2013	2014	2015	2016	2017
Foreign assets	509.3	97.3	163.2	402.1	454.9
Central Bank	39.1	-425.5	-653.4	-724.6	-876.2
In banks	470.2	522.8	816.6	1 126.8	1 331.1
Domestic assets	1 485.3	1 821.3	1 975.1	1 989.7	2 436.3
To the credit of the State	-34.8	44.3	17.8	-88.4	66.1
Central Bank	-7.3	-17.2	-14.2	-146,1	-55.7
In banks	-27.5	61.6	32.0	61.3	121.8
To the credit of the economy	1 520.1	1 776.9	1 957.4	2 074.5	2 370.2
Money supply (M2)	1 885.5	2 093.1	2 497.2	2 788.4	3 366.7
Currency in circulation	204.7	227.9	299.1	284.3	447.9
Deposit	866.4	940.2	1 132.0	1 331.2	1 577.7
% increase observed as of 31					
Net foreign assets		-80.9	67.7	146.4	13.1
Net domestic assets		22.6	8.4	38.0	22.4
Credit to the State		227.3	-59.8	-576.4	177.9
Central Bank		-135.6	17.4	-928.9	61.9
Banks		324	-48	91.6	98.7
Credit to the economy		16.4	10.2	6	14.25
Money supply (M2)		11.0	19.3	11.7	20.7

Source : BCEAO

4.2 Banking system and financial market

4.2.1 The banking environment

The banking environment in Burkina Faso is made up of traditional banks and credit institutions, and microfinance institutions.

According to the WAEMU Banking Commission, there were 18 licensed credit institutions in Burkina Faso in 2017 (14 banks and 4 licensed financial institutions of a banking nature) compared to 17 in 2016. The table below shows the balance sheet of banks and licensed financial institutions of a banking na-

ture for the 2013-2017 period.

In 2013 and 2017, the assets of banks increased from CFAF 2,749.48 billion to CFAF 5,198.407 billion. We note an increase in the assets of banks and financial institutions of a banking nature by 16.6% in 2016-2017. According to the banking commission, in 2017, the banking landscape of Burkina Faso was composed of 7 large banks (balance sheet > CFAF 200 billion), 4 medium-sized banks (balance sheet between CFAF 100 and 200 billion) and 6 small banks (balance sheet < CFAF 100 billion).

Table 14 : Evolution in the balance sheets of authorised credit institutions

BALANCE SHEET (Amount in millions of CFAF for 17 establishments)	2013	2014	2015	2016	2017
Treasury and interbank transactions	350 484	321 276	464 915	592 438	754 156
Customer operation	1 600 760	1 940 472	2 071 315	2 235 682	2 641 434
Securities transactions and various	622 515	781 915	987 976	1 360 117	1 537 031
Property value	175 692	168 358	242 490	271 494	265 786
Shareholder or Partners	31	1 500	0	0	0
TOTAL ASSETS	2 749 482	32 16 521	3 766 696	4 459 731	5 198 407
Treasury and interbank transactions	530 370	791 145	947 519	1 202 761	1 293 335
Customer Operation	1 894 328	2 054 593	2 416 133	2 758 622	3 324 979
Securities transactions and others	79 834	80 508	83 465	106 246	111 591
Payments to be made on financial fixed assets	3	3	3	3	3
Provisions for similar shareholders' equity	244 947	290 272	319 576	392 099	468 499
TOTAL LIABILITIES	2 749 482	3 216 521	3 766 696	4 459 731	5 198 407

Source : BCEAO

The WAEMU Banking Commission indicates that employment in Burkina Faso's banking system increased by 14.9% in 2017, to reach 4,444,924 billion at the end of December 2017. Their structure remains dominated by customer loans at 59.2% and investment securities at 30.8%. Financial fixed assets and other assets accounted for 2.7% and 7.3% respectively. Customer loans increased by 14.9% in 2017 to CFAF 2,630.777 billion. They are mainly made up of short-term loans (45.6%), medium-term loans (48.3%), medium-long-term loans (2.5%), overdue receivables (3.2%) and leasing commitments (2.9%). Short-term credits amount to CFAF 1,200.945 billion. They recorded an increase of 17.7% in 2016 and 2017. As for medium-term credits, amounting to CFAF 1,272.568 billion, they showed an increase of 18.4% over the same period. Long-term loans totaled 65.769 billion in 2017, an increase of 7.3% over the previous year. 83.781 billion, a net change of 29.5 percent between 2016 and

2017. Leasing commitments increased by 2.9% over the same period, reaching 7.714 billion. Investment securities stood at 1,371.113 billion at the end of 2017, an annual increase of 10.9%.

Financial fixed assets and other assets amounted to 123.48 billion and 319.554 billion respectively, an increase of 7.7% and 25.1% between 2016 and 2017. As of December 31, 2017, the gross deterioration rate of the customer portfolio was 1.8%. Taking into account provisions, the net deterioration rate was 1.5% in 2017. This ratio is down 1.3% compared to 2016. In 2017, the interest rate on loans varied between 8 and 15% from one bank to another, compared with a variation of 2 and 3.75% for the return on savings.

The average lending rate was 7.25% in 2017 against 7.54% in 2016. The cost of bank credit has increased in Burkina. The average borrowing rate rose to 5.67% in 2017 against 5.4% in 2016.

Table 15 : Lending and borrowing rates (short, medium and long term)

	2012	2013	2014	2015	2016	2017
Lending interest rate according to the loan period						
less than or equal to 1 month	10.07	8.58	8.28	8.36	7.87	7.24
more than 1 month and less than or equal to 3 months	8.29	8.56	7.2	6.94	6.87	6.55
more than 3 months and less than or equal to 6 months	8.81	8.93	8.67	8.4	7.49	7.48
more than 6 months and less than or equal to 1 year	9.34	8.76	9.37	8.83	8.04	7.81
more than 1 year and less than or equal to 2 years	9.24	7.62	8.29	7.49	7.94	6.51
more than 2 years and less than or equal to 5 years	9.75	8.37	7.87	8.1	7.84	7.99
more than 5 years and less than or equal to 10 years	10.53	7.81	7.55	7.44	7.24	7.12
more than 10 years	6.71	4.93	6.95	5.22	4.35	5.08
Total	9.42	8.44	8.18	7.97	7.54	7.25
Borrowing interest rate by type of deposit						
less than or equal to 1 month	3.61	3.49	3.51	2.92	4.02	5.25
more than 1 month and less than or equal to 3 months	4.38	5.59	5.6	5.68	5.81	5.64
more than 3 months and less than or equal to 6 months	4.01	5.48	6.08	6.04	5.88	5.77
more than 6 months and less than or equal to 1 year	4.78	4.6	5.55	5.36	5.66	5.58
more than 1 year and less than or equal to 2 years	6.04	6.64	5.82	5.72	5.76	5.55
more than 2 years and less than or equal to 5 years	6.06	6.41	7.49	5.77	5.94	5.98
less than or equal to 10 years	5.77	5.02	4.63	5.26	5.32	5.97
Not determined	3.79	6.05	5.73	5.75	3.93	2.85
Total	4.57	4.82	5.17	4.7	5.4	5.67

Source : BCEAO

The microfinance sector plays an important role in Burkina Faso's economy. According to the ministry in charge of the economy, as of December 31, 2016, there were 133 decentralized financial systems (DFS) in Burkina Faso compared to 153 in 2014. This decrease is mainly due to the withdrawal of approval from DFSs in difficulty and suspension of payments. The number of people benefiting from DFS services in 2016 was 1,858,806 compared to 1,746,160 in 2015, an increase of 6.45%.

Male and female clients accounted for 56.9% and 30.65% of beneficiaries respectively. Legal entities accounted for 12.45 percent. As of 31 December 2016, outstanding loans amounted to CFAF 142.9 billion against CFAF 195.1 billion for deposits. Burkina Faso's Credit Union Umbrella (FCBP) alone accounted for 68% of total deposits and 64% of loans granted in 2016 by the microfinance sector in Burkina Faso.

4.2.2 Financial Markets

4.2.2.1 BRVM

The Regional Stock Exchange (BRVM) is a specialized financial institution created on December 18, 1996, according to a decision of the Council of Ministers of the West African Economic and Monetary Union (WAEMU) taken in December 1993.

BRVM is a public limited company with a community public service mission. It is common to the 8 countries of West Africa. BRVM/CC/SB started its activities on 16 September 1998 in Abidjan. Its main missions are the following:

- o the organization of the stock market;
- o the publication of stock exchange transactions;
- o the dissemination of information on the stock exchange;
- o the promotion and development of the market.

From 2016 to 2018, the WAEMU stock market (BRVM) experienced successive declines of -3.87% in 2016, -16.81% in 2017 and -29.14% in 2018. This underperformance shows that the WAEMU market has not fully resisted the general downward trend that has gripped the world's financial markets. BRVM decline in 2018 is particularly marked. The preferred values in 2015, oriented towards the Food and Beverage, Agribusiness, Consumer, Automotive and Equipment and Banking sectors, have experienced a decline.

The drop in BRVM prices in 2018 could be explained, on the one hand, by the profit-taking of several large investors who had made significant capital gains on their investment, the drop also comes from the readjustment (rectification) after four (4) years of intensive rise that the market has experienced (2012 to 2015) and, on the other hand, by the poor understanding of the different segments made on the market. New investors are speculating and most listed companies have not reacted to the fall in their capitalization.

During the 2018 financial year, BRVM Composite Index went from 243.06 on 29/12/2017 to 172.24 on 31/12/2018. The market capitalization of the stock market fell from CFAF 6 836.23 billion at the end of 2017 to CFAF 4 844.51 billion at the end of 2018. BRVM also reached the CFAF 236 billion (CFAF 236.22 billion) transaction mark in 2018. 117 303 543 securities were traded for a value of CFAF 174 449 217 023. The market capitalization of shares amounted to CFAF 4 844.51 billion in December 2018 against CFAF 6 836.23 billion in December 2017, i.e., a decrease of 29.14%.

As regards the bond segment, 6 359 442 bonds were traded for a value of CFAF 61 767 647 783 in 2018. The market capitalization of bonds amounted to CFAF 3 444.22 billion as of 31 December 2018 against CFAF 2 969.53 billion the previous year, i.e., an increase of 15.5%. This improvement was driven by the desire of WAEMU Member States to use the regional financial market to support their respective economies.

Table 16 : Evolution of the BRVM financial market

	2012	2013	2014	2015	2016	2017	2018
BRVM 10 Index	184.0	246.3	267.5	290.4	262.0	219.7	154.4
BRVM Composite Index	166.6	232.0	258.1	303.9	292.2	243.06	172.2
Composite market capitalization (shares and bonds) in billions of CFA francs	4 863.2	6 706.2	7 458.7	9 078.9	10 215.5	9 805.76	8 288.73
Stock Market	4 031.4	5 633.5	6 319.7	7 499.7	7 706.3	6 836.2	4 844.5
Bond Market	831.8	1 072.8	1 139.0	1 579.2	2 509.3	2 969.5	3 444.2

Source: BRVM

4.2.2.2 The stock market

In 2018, there were three (03) companies listed on the stock exchange in Burkina Faso. They are Coris Bank International (CBI), Bank of Africa Burkina Faso (BOABF) and the National Office of Telecommunications of Burkina Faso (ONATEL). On 2 January 2019, CBI had an overall capitalization of CFAF 281.28 billion with a volume of 32 million shares. BOBF had an overall capitalization of CFAF 113.52 billion with a volume of 22 million shares and ONATEL had an overall capitalization of CFAF 289 billion with a volume of 68 million shares. ONATEL was the

only company in Burkina Faso in the composition of BRVM index 10.

4.2.2.3. Bond Market

According to the 2017 report on public finance management, the government of Burkina Faso, through the Public Treasury, has organized twelve (12) issues of treasury bills and eleven (11) issues of treasury bonds. In total, an amount of CFAF 630.35 billion was mobilized in 2017 on the sub-regional financial market compared to CFAF 468.5 billion in 2016, giving a growth rate of 34.5%.

During the year 2017, a total amount of CFAF 278.57 billion was mobilized through the issuance of treasury bills against CFAF 303.5 billion in 2016, i.e., a decrease of 8.2%. This decline is explained by Burkina Faso's preference for bonds given debt maturities. These issues were characterized in 2017 by a subscription rate that varied between 40.4% and 341.5%, a weighted average rate that varied between 5.1% and 6.4%, and a marginal rate between 5.5% and 6.6%.

This situation reflects the financial market's renewed confidence in the Government of Burkina Faso's creditworthiness, albeit with contrasting situations, the explanation for which lies essentially in the tightening of conditions on the regional financial market.

As regards treasury bonds, an amount of CFAF 351.77 billion was mobilized on the WAEMU regional financial market in 2017, through nine (09) bond issues by auction and two (02) issues by syndication against CFAF 165 billion in 2016, i.e., an increase rate of 113.2%.

For the year 2018, Burkina Faso carried out 29 issues of government securities, including 13 OATs and 16 BATs, some of which were issued simultaneously. BAT (Treasury bills) are short-term debt securities issued by the government through auctions. OATs (assimilable treasury bonds) are medium- and long-term debt securities issued by the government through auction.

Table 17 : Burkina Faso's emissions in 2018

Instrument	Transaction date	Value date	Deadline	Amount (millions of CFAF)
BAT ES	21/12/2018	24/12/2018	24/03/2019	35 000
OAT ES	21/12/2018	24/12/2018	14/12/2021	35 000
BAT ES	13/12/2018	14/12/2018	12/12/2019	35 000
OAT ES	13/12/2018	14/12/2018	14/12/2021	35 000
BAT	28/11/2018	29/11/2018	29/05/2019	30 000
OAT	14/11/2018	15/11/2018	15/11/2021	30 000
BAT	05/11/2018	06/11/2018	04/11/2019	25 000
OAT	17/10/2018	18/10/2018	18/10/2021	20 000
BAT	03/10/2018	04/10/2018	03/10/2019	25 000
BAT	19/09/2018	20/09/2018	18/09/2019	25 000
OAT	05/09/2018	06/09/2018	06/09/2021	25 000
BAT	20/08/2018	21/08/2018	19/08/2019	25 000
OAT ES	08/08/2018	09/08/2018	09/08/2021	50 000
OAT ES	08/08/2018	09/08/2018	09/08/2023	50 000
BAT	25/07/2018	26/07/2018	24/07/2019	25 000
OAT	11/07/2018	12/07/2018	12/07/2021	25 000
OAT	27/06/2018	28/06/2018	28/06/2021	20 000
BAT	13/06/2018	18/07/2018	09/12/2018	25 000
OAT ES	30/05/2018	31/05/2018	31/05/2021	20 000
OAT ES	30/05/2018	31/05/2018	31/05/2023	20 000
BAT	16/05/2018	17/05/2018	18/12/2018	20 000
BAT	02/05/2018	03/05/2018	20/02/2019	20 000
BAT	18/04/2018	19/04/2018	17/04/2019	20 000
OAT	21/03/2018	22/03/2018	23/11/2020	25 000
BAT	07/03/2018	08/03/2018	06/03/2019	30 000
BAT	21/02/2018	22/02/2018	20/02/2019	25 000
BAT	07/02/2018	08/02/2018	08/08/2018	25 000
OAT	24/01/2018	25/01/2018	25/01/2021	20 000
BAT	09/01/2018	10/01/2018	08/01/2019	25 000

Source: Agence UMOA Titres

4.2.3. Debt subscription mechanisms

Organization of the auction markets and amount of subscriptions

The auction market is a segment of the government securities market, on which WAEMU member states issue Treasury bills and bonds following an auction procedure to finance their budgets.

Unlike the syndication market, the auction market is driven by the following actors:

- the Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it enacts the applicable provisions, intervenes in the organization of government securities auctions, acts as Central Custodian / Settlement Bank, ensures clearing, settlement and delivery of transactions between participants holding an account in its books, through its electronic platform SAGE-TIL-UMOA⁹;
- the States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- The Agence UMOA Titres, a regional structure in charge of issuing and managing public debt securities, organizes issues and, in this capacity, assists the Member States in mobilizing resources on the capital markets and managing their debt;
- investors which are credit institutions, SGI and regional financial bodies with a settlement account in the books of the Central Bank ;
- Treasury Securities Specialists (TSSs), which are credit institutions and SGI that have obtained the approval of the Ministers of Finance of WAEMU Member States to act in this capacity and thus benefit from the status of privileged partners of

one or more member state's Treasuries in transactions on public debt securities issued on the regional market.

Securities issued by auction are traded on the secondary market, following the over-the-counter (OTC) procedure.

Organization of the syndication markets and amount of subscriptions

When organizing issues by syndication, the States entrust the process of placing the securities to an underwriting syndicate, whose members are SGI approved by the CREMPF. In addition, the issuer chooses a lead manager from among the syndicate members, who is in charge of specific tasks in the issuance process.

Since its creation, the main products present on the regional financial market have been shares and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk Receivables Securitization Funds) have been introduced.

Securities issued by syndication are traded on the secondary market on BRVM electronic trading platform.

4.3 Inflation rate

Although the inflation rate remained low at 0.4% in 2017 in Burkina Faso, it is higher than in 2016 (-0.2%). This increase is explained by the poor performance of the 2017-18 agricultural season, which resulted in a cereal deficit of 12%. Over the 2013-2017 period, the level of inflation remained below the 2% community target.

Table 18 : Evolution of the inflation rate.

Year	2013	2014	2015	2016	2017	2018
Inflation rate (in %)	0.5	-0.3	0.9	-0.2	0.4	2

Source : BCEAO

⁹ Automated Securities and Liquidity Management System of the West African Monetary Union

¹⁰ All other investors wishing to participate will have to go through the approved participants.

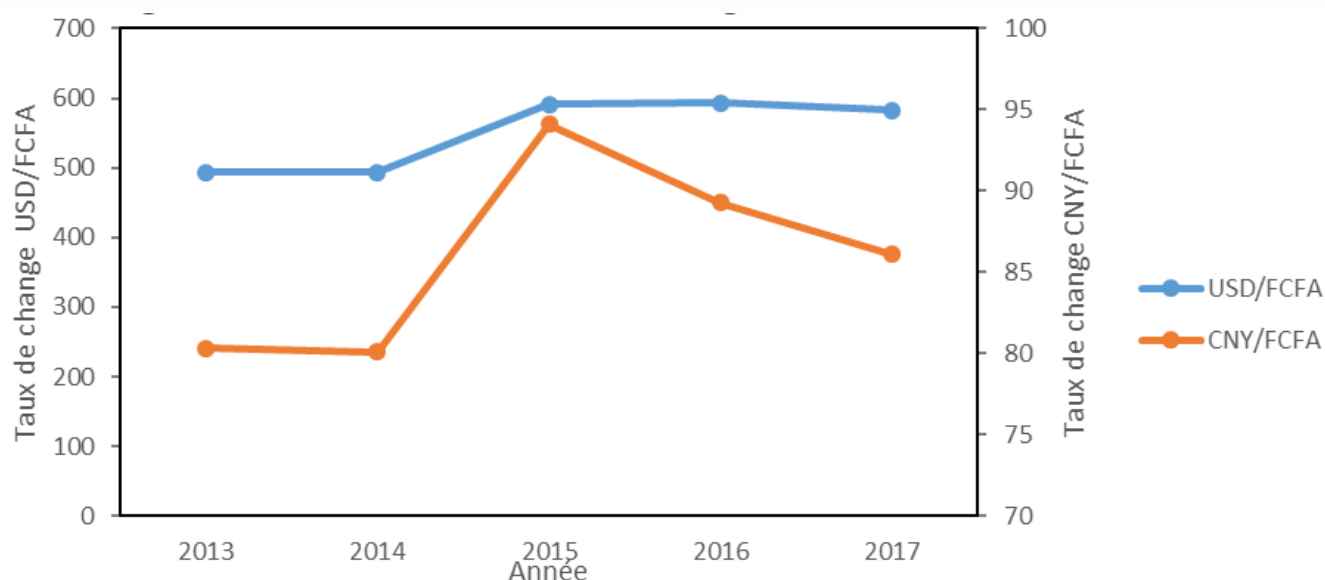
¹¹ The operationalization of Treasury Securities Specialists in the WAEMU region started on 1 March 2016

4.4 Exchange rate

The exchange rate between the US Dollar and the CFA Franc increased slightly between 2013 - 2017, from 1 USD for 494 CFA Francs to 1 USD for 582 CFA Francs (Figure 2). As for the exchange rate

between the Chinese Yuan and the CFA Franc, it increased from 1 CNY for 80.33 CFA Francs in 2013 to 1 CNY for 86.07 CFA Francs in 2017. The CFA Franc has depreciated slightly against those two currencies that are particularly important for financing the country's economy.

Figure 2 : Evolution of the USD/FCFA and CNY/FCFA exchange rate



Source : BCEAO

4.5 Foreign Reserves

The main assets recorded at the central bank level are reserve assets, i.e., external assets placed at the disposal or under the control of the monetary au-

thorities. Burkina Faso's reserves are centralized at the level of BCEAO under the principles of the Franc Zone. Table 18 shows that BCEAO's reserves decreased by CFAF 269.1 billion from 2013 to 2017.

Table19 : Evolution of foreign reserves

External assets in billions of CFAF	2013	2014	2015	2016	2017
Official reserve assets	40.4	47.0	40.6	33.3	22.0
Monetary gold	0.0	0.0	0.0	0.0	0.0
Foreign currency	0.8	0.8	2.6	2.0	1.0
Deposits and Securities Included in Official Reserves	0.0	0.0	0.0	0.0	0.0
Reserve position at the IMF	4.3	8.5	7.1	21.2	13.5
Share in Special Drawing Rights (SDRs)	35.3	37.7	31.0	10.1	7.5
Other external assets	251.3	0.5	0.5	0.5	0.5
Total	291.6	47.5	41.2	33.8	22.5

Source : BCEAO



5- FOREIGN TRADE AND BALANCE OF PAYMENTS

5.1 Balance of payments

In 2017, the current account balance showed a deficit of CFAF 614 billion against a deficit of CFAF 486 billion in 2016, i.e., a worsening of the deficit by 128 billion CFAF (+26.3%). The current account deficit is expected to widen in 2018 to CFAF 632 billion. This evolution of the current balance reflects the increase in the deficit of the balance of goods and services which went from CFAF -91 billion in 2016 to CFAF -227 billion in 2017. However, it was mitigated by the decrease in the deficit of the primary income account which went from CFAF 137 billion in 2016 to CFAF 135 billion in 2017 and the increase in the surplus of the secondary income account which went from CFAF 218 billion in 2016 to CFAF 256 billion in 2017. The worsening of the trade balance deficit between

2016 and 2017 is due above all to an increase in imports from CFAF 1,662 to CFAF 1,985 billion (+19.4%), more marked than the increase in exports which rose from CFAF 1,571 to 1,758 billion (+11.9%). In addition, the degree of openness of Burkina Faso's economy, measured by the ratio of the sum of imports and exports of goods and services to double GDP, was 25.9% in 2017 against 25.1% in 2016.

At the end of 2017, the capital account showed a surplus balance of CFAF 169 billion, up by CFAF 4 billion compared to 2016, i.e., +2.4%. This increase is linked to the flow of capital transfers in the form of grants for projects in favor of the public administration.

Table 20 : Evolution of Burkina Faso's balance of payments between 2013 and 2019

Billions of CFA francs	2013	2014	2015	2016	2017	2018 (est)	2019 (proj)
Current account balance	-	-493	-525	-486	-614	-632	-595
Balance of trade in goods and services	-	-552	-600	-567	-734	-788	-744
CIF Exports	-	1 362	1 400	1 571	1 758	1 752	1 825
<i>Including cotton</i>	-	237	213	198	260	295	326
<i>Including Gold</i>	-	800	878	1.011	1.179	1.116	1.113
CIF Imports	-	-1 491	-1 540	-1 662	-1 985	-2 009	-2 012
<i>Including oil</i>	-	-451	-299	-258	-319	-326	-343
<i>Including food products</i>	-	-135	-150	-159	-170	-181	-193
Services (net)	-	-423	-459	-476	-507	-531	-557
Primary income balance	-	-178	-197	-137	-135	-135	-134
Secondary income balance (transfer)	-	236	272	218	256	291	284
Capital account	238	200	154	165	169	220	289
Acquisition and sale of non-financial assets	-0.216	0.035	0.147	0.172	n.d	n.d	n.d
<i>Including direct investments</i>							
<i>Including Others</i>							
Capital transfer	239	200	154	150	n.d	n.d	n.d
Statistical errors and omissions	-	0	2	1	0	0	0

Source : IMF, BCEAO

5.2 Regional trade

5.2.1. Regional trade policy

The regional trade policy under construction is governed by the provisions laid down by ECOWAS, which for the most part adopts those of the WAEMU and extends them to all ECOWAS Member States by making adjustments.

This policy aims to promote the harmonious integration of the region into the world economy, taking into account the political choices and priorities of States in their efforts to ensure sustainable development and reduce poverty.

The process of elaborating this common trade policy consists first of all in defining its constituting elements: free trade area, CET, accompanying measures (rules of origin, investment and competition legislation, safeguard measures, harmonization of

customs procedures), as well as the various actions aimed at developing ECOWAS trade relations with the rest of the world.

While there is currently no common commercial policy as such in ECOWAS, in the sense of a Community text adopted by the Heads of State and Government, several measures have already been implemented which will serve as a basis for the common commercial policy:

- the trade liberalization scheme (TLS);
- the introduction of a Community levy (CL) of 0.5%;
- the TRIE convention;
- the harmonization of rules of origin with those of the WAEMU;
- harmonization of standards with WAEMU;
- the adoption of competition law on;
- the harmonization of domestic indirect tax legislation;
- the adoption of the ECOWAS CET.

The ECOWAS Trade Liberalization Scheme (ETLS) is the main operational tool to promote the West African region as a Free Trade Area. The TLS pursues the Community objective of creating a common market with "the liberalization of trade through the abolition of customs duties on imports and exports and the removal of non-tariff barriers among Member States (Article 3 of the ECOWAS Treaty).

The ECOWAS Trade Liberalization Scheme covers three (3) product groups: unprocessed products, handicraft products and industrial products.

With the inclusion of industrial products, it has proved indispensable to define the products "originating" in the TLS region:

- (i) fully processed goods; products where all the raw materials come from the region;
- (ii) goods that are not fully processed but whose production requires the use of materials that will be classified under a different tariff subheading than the product;
- (iii) goods that are not fully processed but whose production requires the use of materials that have undergone an added value of at least 30% of the ex-factory price of the finished products.

It should be noted, however, that goods processed in free zones or under special economic arrangements involving the suspension or partial or total exemption from import duties, cannot benefit from originating status.

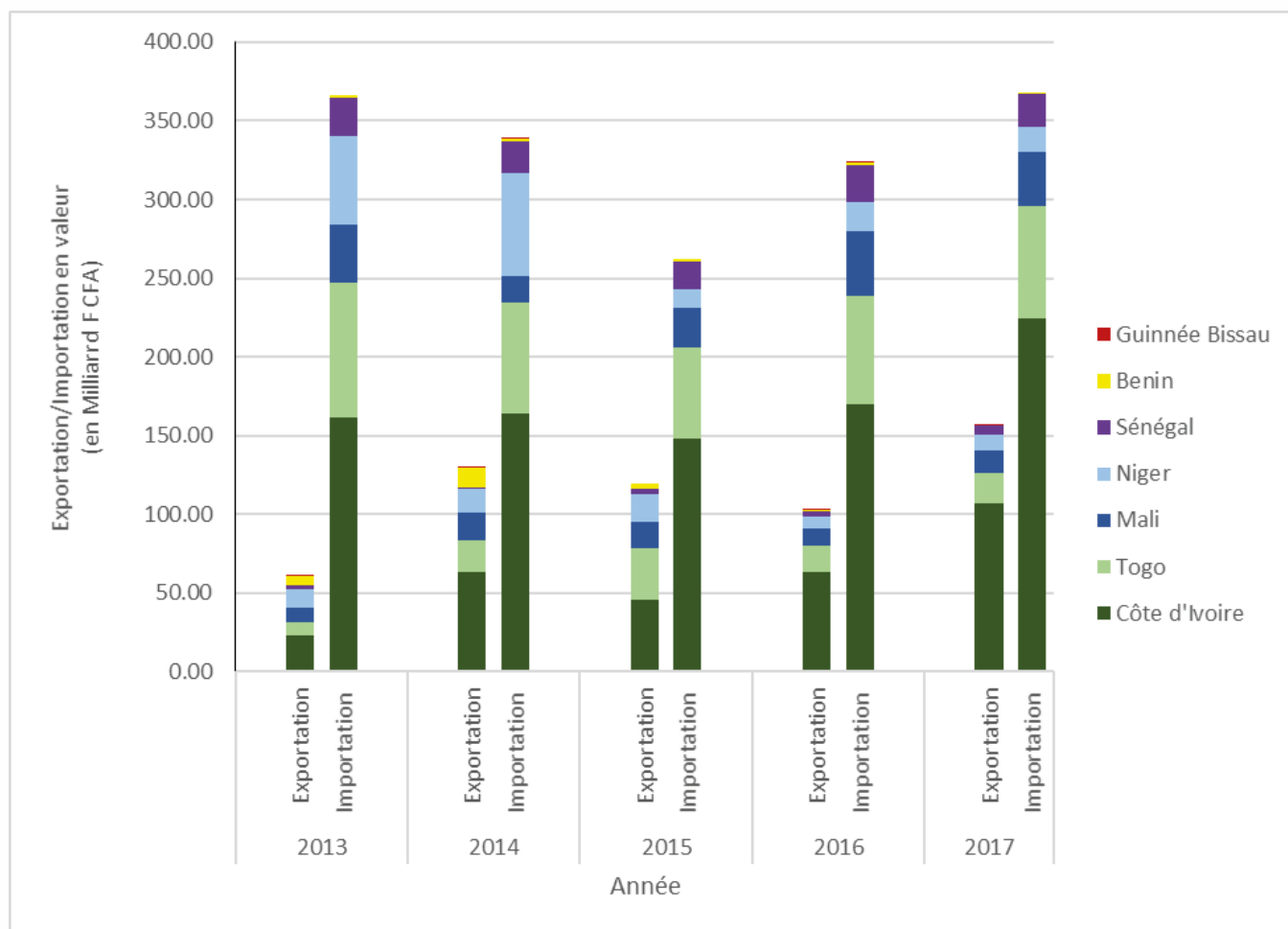
To facilitate trade and promote the private sector, ECOWAS is implementing actions to strengthen information systems and promote regional trade (ECOBIZ World Market Information System; West African Investment Promotion Agencies (APIAO); e-commerce through the ECOBIZ platform, Community Information Center (CIC), ALISA system (computerization of transit and interconnection of ECOWAS customs computer systems).

These results mark significant developments towards the implementation of a Community trade policy.

5.2.2. Regional exchanges in value

The evolution of Burkina Faso's regional trade with the rest of the seven (7) WAEMU countries between 2013 and 2017 shows that the country had an intra-zone trade balance deficit over the entire period. Burkina Faso's exports to other WAEMU countries in 2017 reached CFAF 156.8 billion in 2017, distributed in order of increasing importance as follows: Côte d'Ivoire with CFAF 107.2 billion (68.4%), Togo with CFAF 19 billion (12.1%), Mali with CFAF 13.9 billion (8.8%), Niger with CFAF 10.5 billion (6.7%), Senegal with CFAF 5.8 billion (3.7%), Benin with CFAF 0.45 billion (0.3%) and Guinea Bissau with only CFAF 1.9 million, i.e. less than 0.1%.

Figure 3 : Evolution of exports and imports between Burkina Faso and other WAEMU countries from 2013 to 2019



Source : Trade Ministry, NISD

With regard to imports, Burkina Faso's suppliers from the WAEMU region in 2017 in order of importance were Côte d'Ivoire with CFAF 224.5 billion (61.0%), Togo CFAF 71.3 billion (19.4%), Mali with CFAF 34.3 billion (9.3%), Senegal with CFAF 20.8 billion (5.6%), Niger with CFAF 16 billion (4.4%), Benin with CFAF 1.2 billion (0.3%) and Guinea Bissau with CFAF 1 million CFAF (less than 0.1%). Côte d'Ivoire thus remains Burkina Faso's main customer and supplier in the WAEMU region with more than 60% of the country's exports and imports.

In 2017, Burkina Faso's intra-WAEMU imports represented about 2.3 times its exports in the region. In 2016, this ratio was 3.14 against 6.05 in 2013. In general, there is a decline in the ratio between imports and exports over the 2013-2017 period, which indicates an improvement in Burkina's capacity to export to the rest of the region. However, the degree of openness of Burkina Faso's economy to other WAE-

MU countries remains low. In 2017, it was around 3.66%, compared to 3.3% in 2016 and 3.62% in 2013.

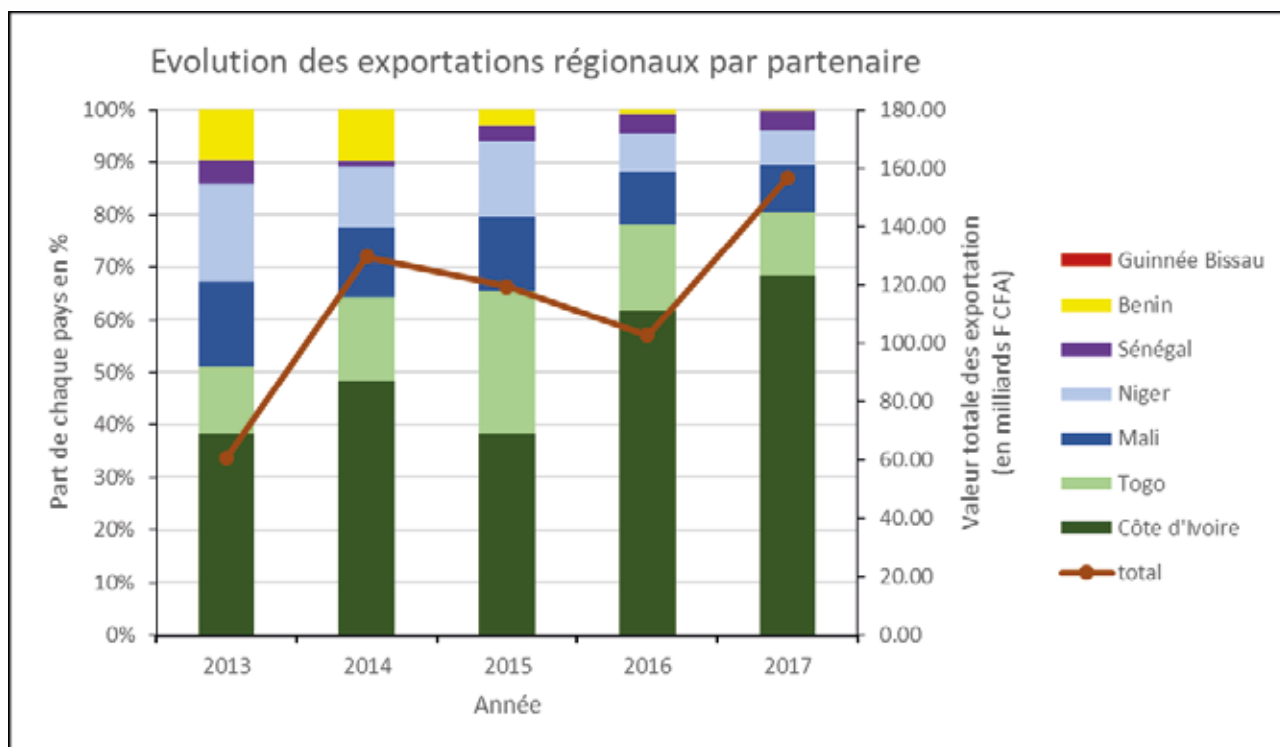
5.2.3 Regional exchanges by partner

Burkina Faso's regional trade shows a certain stability in the trade structure with the seven (07) other countries of the WAEMU region. Côte d'Ivoire is thus the leading export partner. Its weight in exports increased from 38.2% to 68.4% between 2013 and 2017 (Figure 4). Togo, Mali, and Niger come next in 2nd, 3rd, and 4th position respectively as key export partners in 2017 and this order has been the same since 2013. These three partners represented respectively 12.1%, 8.8% and 6.7% in 2017 with variations of a few points from previous years, which places them in the second category of partner coun-

tries behind Côte d'Ivoire. Finally, Senegal, Benin, and Guinea Bissau were respectively 5th, 6th, and 7th in the order of export partner countries in 2017

representing respectively 3.7%, 0.3%, and less than 0.1% of the value of exports in 2017.

Figure 4 : Structure of exports by destination for exports to the seven other countries of the WAEMU zone between 2013 and 2017



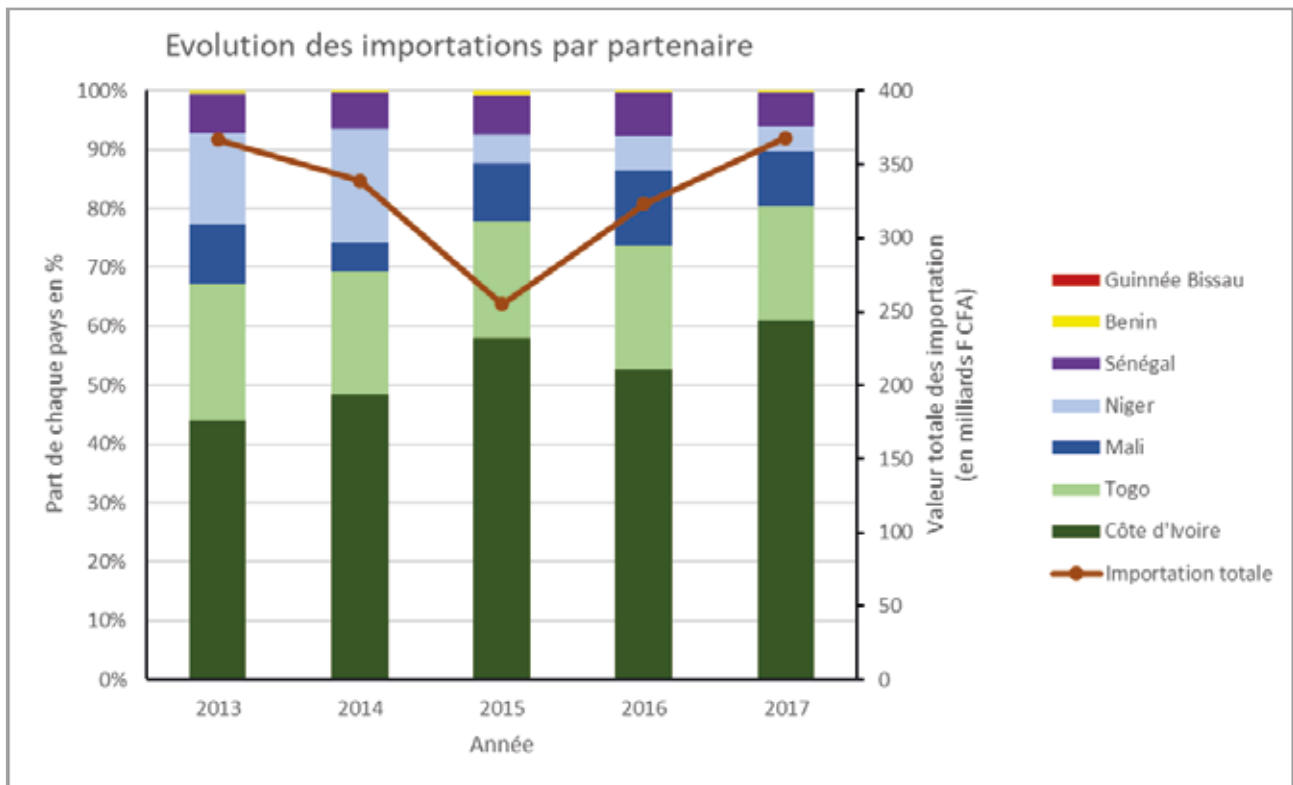
Source : Trade ministry, NISD

In terms of imports from the WAEMU zone, Côte d'Ivoire remains Burkina Faso's leading supplier. Its weight in Burkina Faso's total imports increased from 44% to 61% between 2013 and 2017. Togo is the country's second supplier with 19.4% of imports in 2017 against 23.3% in 2013. Mali and Niger occupy third and fourth place respectively with 9.3% and 4.4% of total imports in 2017, with variations of a few points from previous years, placing them in the second category of partner countries behind Côte d'Ivoire and Togo. Senegal, Benin and Guinea Bissau come in fifth, sixth and seventh positions with respectively 5.6%, 0.3% and less than 0.1% of Burkina Faso's imports within the WAEMU region in 2017.

5.2.4. Regional trade by type of product

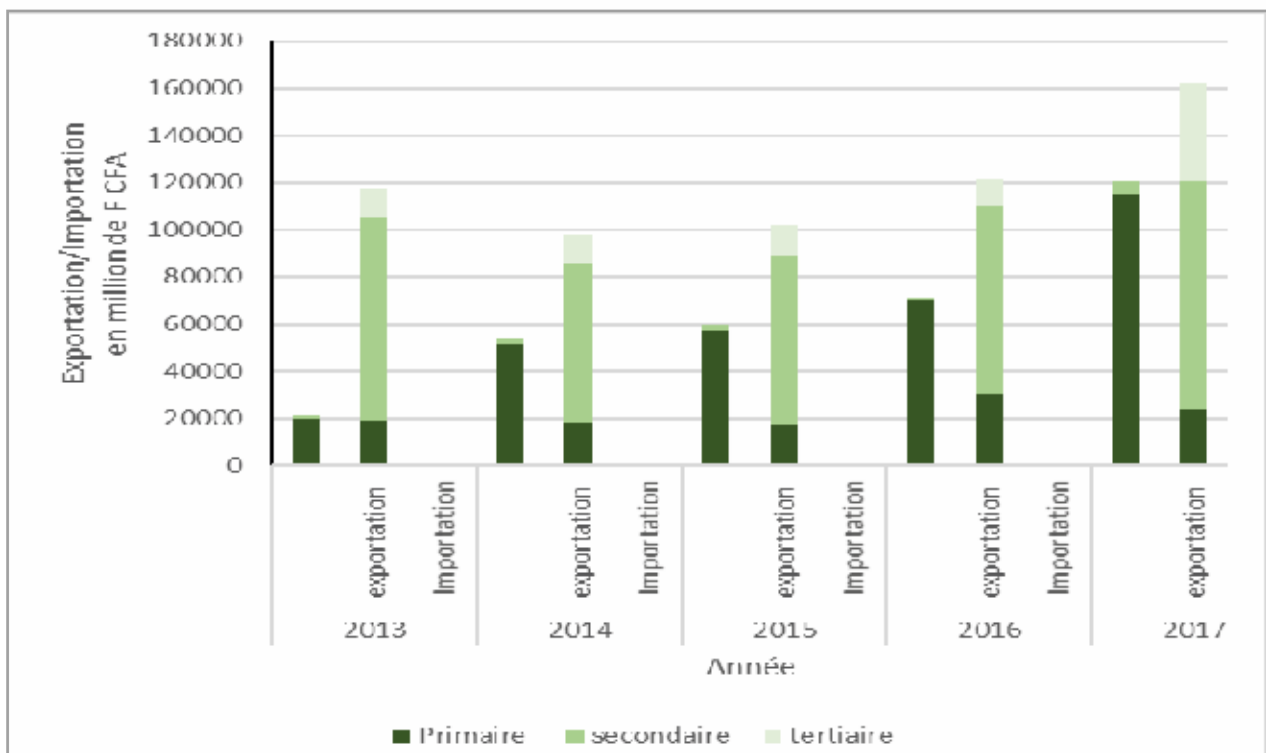
Burkina Faso's exports in the WAEMU region are mainly directed to Côte d'Ivoire and Togo. The products exported to these two countries are dominated by primary sector products, mainly raw zinc, sesame seeds, cashew nuts, oil seeds and oleaginous fruits, and market garden products. The total amount of primary sector products exported to these two countries was about CFAF 115.3 billion in 2017 against CFAF 20 billion in 2013 (Figure 6). The total amount of secondary sector products exported to these two countries was CFAF 5.2 billion in 2017 against CFAF 1.2 billion in 2013. These products are mainly composed of cotton yarn or cotton cord, self-propelled dump trucks and automobile derricks for sampling. Burkina Faso hardly trades services with these two countries. Zinc in raw form accounted for about 79.5% of the country's total exports to Côte d'Ivoire and Togo.

Figure 5 : Structure of imports by supplier for imports from the other seven countries of the WAEMU zone between 2013 and 2017



Source : Trade ministry, NISD

Figure 6 : Main products by categories traded with the main WAEMU partners



Source : DGC, Trade ministry

In 2017, Burkina Faso's imports from Côte d'Ivoire and Togo were dominated by secondary sector products, followed by tertiary and primary sector products. The total amount of imports from these two countries in 2017 was about CFAF 162 billion against CFAF 117.6 billion in 2013. Secondary sector pro-

ducts imported from Côte d'Ivoire and Togo mainly include petroleum oils, hydraulic cement and rolled products. Primary sector products are mainly composed of palm oil and its fractions, milk and cream. As for the products of the tertiary sector, these are mainly electrical energy and clothing.

5.3. International Trade

5.3.1. Trade policy

Burkina Faso's framework for trade policy formulation and implementation is constituted by trade laws and regulations. The laws and regulations related to trade in Burkina Faso are found mainly in the Constitution, legislations and regulations, the mining code and the investment code. The general objectives of Burkina Faso's trade policy are as follows:

- Establish favorable conditions for trade liberalization;
- To improve the regulatory conditions for the creation and exercise of private companies, both for nationals and foreign investments through the creation of Business Formality Centers;
- Promote business development within a framework of legal security in accordance with international standards;
- Continue measures to adapt national regulations to those in force in WAEMU, ECOWAS and the WTO.

Burkina Faso's policy on trade in goods consists essentially of the implementation of WAEMU acts. These provisions are inspired by those of Article 18 of the WAEMU Customs Code.

The agreements and arrangements concluded by Burkina Faso include multilateral agreements, regional agreements, bilateral agreements and preferen-

tial agreements. Under the multilateral agreements, the country has been a member of GATT since 1963 and ratified the Agreement establishing the WTO, becoming a founding member of that organization on 3 June 1995. With regard to regional agreements, Burkina Faso is a founding member of WAEMU, which was established on 10 January 1994. It is also a member of the Economic Community of West African States (ECOWAS).

At the level of preferential agreements, the US African Growth and Opportunity Act (AGOA) is an integral part of the Trade and Development Act of 2000. Declared eligible for AGOA on 10 December 2004, Burkina Faso has made every effort to comply with the requirements of this law and to obtain the textile visa.

Under the WTO's special and differential treatment, the EU has committed to granting market access for 97% of the tariff lines of the least developed countries. The Generalized System of Preferences "Everything but Arms and Ammunition", which came into force in 2001, grants duty-free and quota-free access to 97% of products from beneficiary LDCs, including Burkina Faso.

The trade agreements between Burkina Faso and its main partners are summarized in table 20.

Table 20 : Trade agreements between Burkina Faso and its main partners

Agreement governing the trade of goods and services	Countries concerned
WAEMU Treaty	Côte d'Ivoire, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau
ECOWAS Treaty	Ghana, Nigeria, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau, Liberia, Sierra Leone, Cape Verde, Guinea
Marrakesh Agreement Establishing the WTO	AFRICA: Ghana, Nigeria, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau, Liberia, Sierra Leone, Cape Verde, Guinea, Morocco, Egypt, Tunisia, South Africa
	ASIA: India, Singapore, Vietnam, Japan, China, Dubai, Thailand, Indonesia, Lebanon, Burma, South Korea.
	AMERICA: USA, Canada, Brazil, Haiti, Guadeloupe (France), Paraguay, Guatemala, Peru
	EUROPE: Turkey, Russia, France Switzerland, the Netherlands, Denmark, United Kingdom, Turkey, Germany Spain, Belgium, Luxembourg Italy, Sweden, Finland
Treaty of the Economic Commission for Africa (African Union)	Ghana, Nigeria, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau, Liberia, Sierra Leone, Cape Verde, Guinea, Morocco, Egypt, Tunisia, South Africa.
Agreement between Burkina Faso and the Republic of Guinea (agreement ratified on 26 August 2004)	Guinea
Agreement on the reciprocal encouragement and protection of investments between the Government of Burkina Faso and the Government of the Kingdom of Morocco ratified on 22 April 2008.	Morocco
Investment Protection and Non-Double Taxation Agreement between Burkina Faso and Tunisia (Agreement ratified by Tunisia on 07-01-1993, Act 93-56 of 15-06-1993)	Tunisia
Agreement between the Government of Burkina Faso and the Government of the Republic of Korea on the Promotion and Reciprocal Protection of Investments (Agreement ratified on 22 April 2008)	South Korea
Agreement between Burkina Faso and China (Taiwan) (agreement ratified on 18 August 2003)	Taiwan
AGOA	USA
Cotonou Agreement between the ACP countries and the European Union	France, Switzerland, Netherlands, Denmark United Kingdom, Germany, Russia, Spain, Belgium, Luxembourg, Italy, Sweden, Finland.
Tax treaty between Burkina Faso and France.	France
Treaty between Burkina Faso and the Federal Republic of Germany (agreement ratified on 26 August 2004).	Germany
Convention between Burkina Faso and Belgium (agreement ratified on 18 August 2003)	Belgium
Investment Promotion and Protection Agreement (APPI) between Burkina Faso and Luxembourg.	Luxembourg

Source : APEX Burkina

5.3.2. International trade in value terms and by destination

Burkina Faso exported about CFAF 1,689.1 billion in 2017 with its main partners (Table 21). There are essentially three groups of importance in terms of export value. Europe is the first partner, accounting for more than 65.08% of exports in 2017. Asia and Africa are respectively second and third and constitute the second group with 21.8% and 12.9% respectively. Finally, America is a rather negligible partner,

representing less than 0.5% of the value of exports in 2017.

Generally speaking, the value of Burkina Faso's exports to the various continents has increased since 2013, except for the American continent. Between 2016 and 2017, the value of exports to this continent fell significantly by 76.3%. On the contrary, the total value of Burkina Faso's exports to Europe increased. It was about CFAF 1,100 billion in 2017 against CFAF 751 billion in 2013.

Table 21 : Main Export Destinations of Burkina Faso between 2013 and 2017

Destination of exports (Millions of CFAF)	2013	2014	2015	2016	2017
Africa	221 199.7	289 209.9	225 395.3	205 936.7	218 780.4
WAEMU	109 369.6	207 096.8	135 620.3	108 572.7	166 155.0
Ghana	25 080.4	29 739.8	31 687.8	36 255.1	26 346.9
Nigeria	611.9	1 636.1	286.3	123.3	35.7
Other in Africa	86 137.8	50 737.2	57 801.0	60 985.5	26 242.8
Europe	750 746.5	815 965.4	742 931.3	1 007 346.4	1 099 296.3
France	31 325.6	46 760.1	38 705.5	37 188.0	45 151.1
Denmark	10 725.5	7 879.5	8 972.7	15 364.5	10 575.6
America	8 049.4	4 550.6	8 338.0	11 955.2	2 828.4
USA	2 151.5	3 162.7	1 022.3	1 273.1	1 938.1
Asia	252 926.2	192 919.6	335 962.9	274 666.5	368 228.4
Singapore	67 244.9	95 646.6	128 969.8	136 984.9	153 188.3
Total	1 232 922	1 302 646	1 312 628	1 499 905	1 689 134

Source : BCEAO, Trade ministry

In terms of imports, Europe remains Burkina Faso's leading supplier with CFAF 735.4 billion in 2017, or 33.8% of the country's total imports (Table 22). Asia and Africa come second and third and constitute the second category of Burkina Faso's supplier with CFAF 639 billion and CFAF 586 billion respectively in 2017, representing 29.4% and 26.9% of Burkina

Faso's total imports. America remains the country's fourth supplier with a total value of imports of CFAF 216 billion in 2017, or about 9.9%. Between 2016 and 2017, imports from the different continents increased, except those from Asia and America which fell by 3.9% and 12.6%

Table 22 : Origin of Burkina Faso's imports between 2013 and 2017

Source of imports (Millions of CFAF)	2013	2014	2015	2016	2017
Africa	598 099.8	951 534.5	449 268.5	533 095.5	586 157.0
WAEMU	410 488.6	717 177.0	264 143.3	329 823.3	380 754.6
Ghana	64 161.9	102 171.0	67 643.0	99 063.2	108 664.2
Nigeria	12 643.6	4 802.2	7 278.9	7 452.3	6 508.1
Other in Africa	110 805.6	127 384.3	110 203.4	96 756.7	90 230.0
Europe	784 622.0	420 625.5	671 678.1	553 580.7	735 430.3
France	745 253.6	386 308.2	608 186.8	514 380.5	666 357.0
Netherlands	184 552.8	23 004.0	141 760.7	88 654.0	153 152.5
America	227 866.8	66 326.9	188 773.2	224 820.5	215 527.8
USA	133 733.6	40 983.1	120 661.2	159 702.3	157 151.1
Asia	539 158.4	321 766.2	489 267.9	616 402.0	639 495.8
China	209 569.8	159 419.6	220 479.4	291 066.6	327 638.8
Total	2 149 747	1 760 253	1 798 988	1 927 899	2 176 611

Source : BCEAO, Trade ministry

5.3.3. International trade in value terms and by product

Mining and agricultural products were the main export products in 2017 (Table 23). The top ten (10) export products accounted for 94.3% of total ex-

ports. Non-monetary gold was the leading export product with a proportion of 64.5% of the total value of exports in 2017 followed by non-carded and non-combed cotton (12.0%). Sesame, which was the third-largest export product in 2016, now ranks fifth after zinc and cashew nuts.

Table 23 : Top 10 export products in million CFAF

Products / Year	2013	2014	2015	2016	2017	2017 Share
Non-monetary gold	728 903.7	722 367.7	794 584.4	920 380.7	1048335.4	64.5%
Cotton not carded or combed	230 839.5	227 425.8	169 412.3	236 456.7	195 278.9	12.0%
Zinc raw material	12 533.6	43 066.9	32 699.2	53 546.9	95 817.9	5.9%
Cashews in shells	19 721.6	18 153.5	49 336.4	61 376.7	85 010.0	5.2%
Sesame seeds	79 629.2	66 364.9	99 875.4	67 415.3	56 830.8	3.5%
Cotton, carded or combed	267.2	580.8	6 783.7	15 845.4	17 964.0	1.1%
Shea Kernel	21 541.0	24 142.8	21 901.5	22 604.4	17 864.4	1.1%
Mango	2 995.8	4 218.9	6 330.3	8 356.8	8 839.5	0.5%
Cotton cake and other solid cotton waste	2 620.4	4 387.2	4 764.8	6 014.7	7 315.6	0.5%
Shea butter	3 499.5	6 164.7	5 378.9	6 392.3	7 151.9	0.4%

Source : DGC, from the NISD database

In 2017, Burkina Faso's imports were dominated by hydrocarbons and electrical energy, which totaled CFAF 518.7 billion, or 24.3% of total imports. This was followed by medicines, hydraulic cement known as clinkers and rice, which accounted for

4.2%, 3.9% and 2.7% of imports respectively. These products are followed by spare parts, cars, vehicles for transporting goods and mineral fertilizers, which respectively accounted for 2.4%, 2.4%, 2.3% and 1.9% of Burkina Faso's total imports.

Table 24 : Evolution of the top 20 import products, in millions CFAF

Products/Year	2013	2014	2015	2016	2017	Part 2017
Petroleum Oils	464 186.6	451 809.5	423 642.7	373 091.1	452 069.7	21.2%
Medicine	87 409.7	76 794.7	80 214.7	98 928.4	89 397.7	4.2%
Hydraulic cements known as clinkers	53 760.7	46 917.7	58 567.0	63 551.4	82 883.3	3.9%
Rice	61 591.7	49 557.1	52 163.5	63 504.7	58 580.6	2.7%
Parts of products from headings 84.25 to 84.30	37 942.4	11 674.8	29 043.4	32 760.0	51 932.4	2.4%
Vehicles for the transport of passengers	49 067.0	43 246.1	42 378.0	40 830.7	51 094.4	2.4%
Vehicles for the transport of goods	48 700.3	20 498.0	26 923.6	38 351.3	48 600.6	2.3%
Mineral or chemical fertilizers	50 684.8	28 612.8	35 183.4	54 403.5	40 216.1	1.9%
Motorcycles (including mopeds)	34 819.8	27 611.6	30 530.6	34 280.7	39 945.1	1.9%
Electrical lighting fixtures	325.2	319.4	154.2	646.7	35 292.5	1.7%
Petroleum gases and other gaseous hydrocarbons	27 147.5	26 222.0	23 517.2	24 615.4	34 979.7	1.6%
Diodes, transistors and similar devices	4 524.4	12 824.3	11 786.6	21 760.9	33 183.6	1.6%
Bulldozers, Angledozer	42 913.9	14 889.4	21 961.0	52 625.3	33 002.6	1.5%
Electrical Energy	0,0	0,0	0.0	0.0	31 663.6	1.5%
Other tobacco and tobacco substitutes	25 534.8	27 050.1	29 440.9	27 744.9	31 649.5	1.5%
Machines and devices for sorting, screening, wash	32 116.4	15 958.0	19 945.7	23 630.2	28 140.2	1.3%
Wheat and meslin	16 662.2	16 921.5	23 357.1	23 996.8	26 101.8	1.2%
Cyanides, oxycyanides and complex cyanides	27 867.1	14 882.0	18 500.6	19 987.1	25 008.6	1.2%
Flat-rolled products of iron or steel	15 545.2	13 337.4	14 567.0	17 966.9	22 961.2	1.1%
Cane or beet sugars	23 468.9	17 373.7	22 021.1	18 045.4	22 486.2	1.1%

Source : DGC, from the NISD data base

5.4. Foreign direct investment

Foreign investment in Burkina Faso in 2017 resulted in net inflows of CFAF 254 billion, an improvement of CFAF 74 billion from 2016. In 2013, net capital inflows were estimated at CFAF 213 billion before

falling to CFAF 142 billion in 2014 and 129 billion in 2015. This slowdown in net capital inflows of direct investment could be explained mainly by the deceleration of foreign direct investment in Burkina Faso, due to a business climate disturbed by the socio-political unrest in 2014 and 2015.

Table 25 ; Evolution of foreign direct investment between 2013 and 2018

Year	2013	2014	2015	2016	2017	2018
Foreign Direct Investment (In billions of CFAF)	213	142	129	202	254	240

Source: BCEAO, IMF

According to BCEAO, net capital inflows in 2016 were driven by debt instruments (61.3%), reinvestment of profits (20.9%) and equity securities (17.8%). These inflows came mainly from countries in North America and the Eurozone, on the one hand, and were particularly beneficial to the extractive and manufacturing industries as well as the finance sector, on the other hand. Burkina Faso's direct investments abroad increased by CFAF 22 billion between 2015 and 2016 as a result of equity securities, debt instruments and reinvested profits, mainly in WAEMU countries.

5.5. Regional integration

5.5.1. WAEMU convergence criteria

Multilateral surveillance of macroeconomic policies

established within WAEMU is based on five criteria. As a reminder, the ratio of the overall budget balance, including grants, to nominal GDP was adopted in 2014 on the occasion of the review of the WAEMU convergence criteria to replace the basic budget balance.

Between 2013 and 2018, Burkina Faso continuously met two (02) primary convergence criteria (Table 26). These are the criteria relating to the inflation rate and the stock of public debt. The overall budget balance, including grants, relative to nominal GDP was in line with the Union standard of 3% maximum in 2014 and 2015. However, it deteriorated significantly between 2016 and 2017. In 2018, this criterion improved by 3 percentage points compared to 2017, in line with the good performance in terms of mobilizing the State's own revenues.

Table 26 : Evolution of the convergence criteria between 2012 and 2018

Year	2012	2013	2014	2015	2016	2017	2018
	Primary						
Overall Budget balance, including grants, relative to nominal GDP	-3.1	-3.6	-1.9	-2.2	-3.9	-7.9	-4.9
Average annual inflation rate	3.8	0.5	-0.3	0.9	-0.2	2.9	1.9
Total public debt outstanding as a proportion of nominal GDP	28.9	29.6	30.4	35.8	38.3	38.3	42.3
	Secondary						
Payroll/Tax Revenues (%)	37.30	35.82	46.49	49.96	51.60	49.91	52.1
Tax burden rate	15.6	16.8	15.4	15.2	15.8	16.6	17.2

Source : MINEFID/SP-CNPE

5.5.2. Review of regional integration

WAEMU was created by the Treaty of Dakar signed on 10 January 1994. The Treaty entered into force on August 1, 1994, after ratification by the Member States. The Union was enlarged to eight Member

States on 2 May 1997 with the accession of Guinea-Bissau. On 8 December 1999, an Additional Act to the WAEMU Treaty, establishing a Convergence, Stability, Growth and Solidarity Pact (PCSC) between the WAEMU Member States and a Community Regulation of 21 December 1999 implementing the

Convergence Pact were adopted. The new approach to the integration of economies within WAEMU includes a Multilateral Surveillance Mechanism whose main purpose is to ensure the convergence of economies. With the adoption in 2015 of the Additional Act No. 01/2015/CCEG/UEMOA establishing new convergence criteria, the convergence horizon is set on 31 December 2019.

The objectives of WAEMU are:

- To strengthen the competitiveness of the economic and financial activities of the Member States as part of an open and competitive market and a streamlined and harmonized legal environment;
- To ensure convergence of Member States' economic performance and policies through the establishment of a multilateral surveillance procedure;
- To create a common market between the Member

States based on the free movement of persons, goods, services, capital, and the right of establishment for individuals exercising an independent or salaried activity, as well as on a common external tariff and commercial policy;

- Establish coordination of national sectoral policies through the implementation of joint actions and, where appropriate, common policies, in particular in the following areas: human resources, land development, agriculture, energy, industry, mining, transport, infrastructure and telecommunications;
- Harmonizing, when necessary for the proper functioning of the common market, the laws of the Member States and in particular the tax system.

The WAEMU Common External Tariff was introduced in 2000.

6- CREDIT STANDARD

6.1 Business Climate

The Doing business 2019 report ranks Burkina Faso 151st out of 190 countries with a score of 51.57. This result is an underperformance for the country compared to 2018 and 2017 when it was ranked 148th and 146th in the world respectively. In two consecutive years, a total of 5 places have been lost. The factors explaining the underperformance observed between 2017 and 2019 are the fact that the procedures related to "setting up a business", "obtaining a building permit", "connecting to electricity" and "ob-

taining loans" remain less flexible, and even complicated, for entrepreneurs.

Similarly, on criteria such as "protection of minority investors", "contract enforcement", "insolvency settlement", "cross-border trade", "payment of taxes", "transfer of ownership", the country has not worked to improve its performance in recent years (Table 27). In these areas, there has been no real action to remove roadblocks and other inconveniences to achieve best practice.

Table 27 : Burkina Faso's performance indicators in the Doing business 2019 ranking.

Starting a business					
Setting up a business	Regulation	Average number of procedures	Procedure time (days)	Cost spent (% of per capita income)	Minimum capital required (% of per capita income)
	Decree No. 2005-332/PRES/PM/MCPEA/MFB /MTEJ of 21 July 2005	3	13	42.5	6.6
Building Permit					
Building Permit	Regulation	Average number of procedures	Procedure times (days)	Cost (% of construction value)	Construction Quality Control Index (0-15)
	joint order N 2008-066/MHU/MATD/MEF /MID and the circular N 1001195/MID/SG/LNBTP	14	121	4.7	12
Access to electricity					
Access to electricity		Average number of procedures	Procedure times (days)	Cost (% of per capita income)	Reliability of supply and tariff transparency indicator (0-8)
		4	169	9353.5	0
Property registration					
Property registration	Regulation	Average number of procedures	Procedure times (days)	Cost (% of property value)	Land administration quality indicator (0-30)
	Decree N: 2008-164	4	67	12	11.5
Access to credit					
Access to credit		Warranty Reliability Index (0- 12)	Extent of credit Information Index (0-8)	Credit register coverage (% adults)	Credit office coverage (% adults)
Average time to		6	0	0.5	1.1

get paid						
Protection of minority investors						
Protection of minority investors	disclosure of information index (0-10)	Index measuring executive responsibility (0-10)	ease of prosecution by shareholders index (0-10)	Shareholder Rights Index (0-10)	Ownership and Control Index (0-10)	Corporate Transparency Index (0-10)
	7	1	5	4	3	4

Level of taxes		Payments (number per year)	Timeframe (hours per year)	Total payable (% of gross profit)	Post-tax return index (0 - 100)
		45	270	41.3	49.31
Ease of paying taxes					

Export facility							
Time to Export: Compliance with Cross-Border Trade Procedures (in hours)	Export Cost: Compliance with Cross-Border Trade Procedures (USD)	Time to Export: Compliance with Documentation Requirements (in hours)	Export Cost: Compliance with documentation requirements (USD)	Delay at import: Compliance with documentation requirements (in hours)	Import cost: Compliance with cross-border trade procedures (USD)	Time to Import: Compliance with documentation requirements (in hours)	Import cost: Compliance with documentation requirements (USD)
			86	2	265	86	197

Enforcing contract law						
			Time (days)		Cost (% of claim)	Quality of legal proceedings (0-18)
Enforcing contract law			446		81.7	7.5
			Recovery rate (US cents)	Time (years)	Cost (% of assets)	Index on the Insolvency Legal Framework relevance (0-16)
Insolvency Resolution			23.7	4	21	9
Bankruptcy Resolution						

Source: World Bank

According to Transparency International's 2018 World Corruption Perception Index report, Burkina Faso is ranked 78th/180 with a score of 41/100. The country loses four (04) places compared to the 2017 ranking where it was ranked 74th/180.

6.2 Financial Governance

In 2018, revenue collection was generally on target. Despite an increase in revenues, the budget deficit stood at 4.9% of GDP on a commitment basis, an improvement of 3 percentage points compared to 2017. This significant improvement is justified by the good performance in revenue mobilization (+10.3%) and the slight contraction in total expenditure (-0.9%).

In 2018, the IMF approved in favor of Burkina Faso a new three-year agreement under the Extended Credit Facility (ECF)¹ for an amount of SDR 108.36 million (about US\$ 157.6 million, or 90% of the country's quota) in support of the national economic and financial reform program. The new program aims to maintain macroeconomic stability while creating fiscal space by increasing domestic revenue and improving public expenditure.

Its objective is to reduce the budget deficit to a sustainable level in line with the country's WAEMU commitments while protecting critical expenditures on social services and priority public investments. Strengthened debt and public finance management,

reforms of the customs and tax administrations, and improved selection and analysis of major infrastructure projects, including PPPs, should support the authorities' efforts to maximize the benefits of public spending while preserving macroeconomic and debt stability.

6.3 Financial ratings

Since 2004, the rating agency Standard & Poor (S&P) has regularly carried out a financial rating of Burkina Faso. In 2017, Burkina Faso's rating was B for long-term and short-term foreign currency sovereign issues but with a positive outlook upgrade. This rating is higher than in 2016 (B-) and is explained by the return of political stability and the improvement in the external prospects.

For S&P, the November 2015 presidential elections marked the beginning of a period of political stability in Burkina Faso, contributing to the country's economic performance. The history of Burkina Faso's ratings by the S&P rating agency is presented in Table 28.

Table 28 : Rating history of Burkina Faso by the rating agency S&P

Agency	Note	Outlook	Date
Standards and Poor's	B	Positive	26 May 2017
Standards and Poor's	B	Positive	May 2016
Standards and Poor's	B	Stable	December 2014
Standards and Poor's	B	Negative	03 November 2014
Standards and Poor's	B	Stable	August 2008

7.1 Budget

7.1.1 Expenditure and revenue

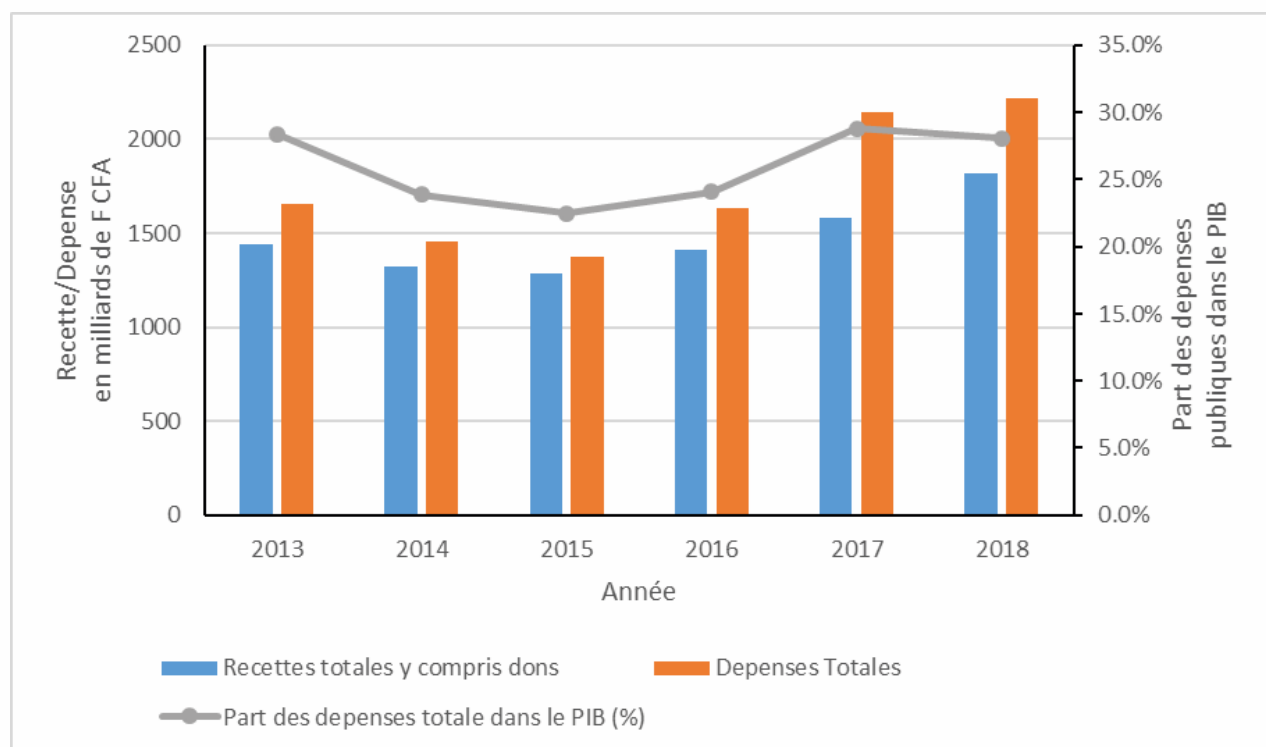
According to the Ministry in charge of the economy, total revenues including grants are up by 12.1% in 2017, i.e., CFAF 171.03 billion compared to 2016. This increase is largely attributable to the rise in total revenues. Total revenues amounted to CFAF 1 389.27 billion for a forecast of CFAF 1 441.01 billion in 2017, i.e., a collection rate of 96.4%. Compared to 2016, total revenues are up by 12.9%, representing CFAF 158.76 billion. Over the 2013-2017 period, total revenues increased from CFAF 1117.38 billion to CFAF 1389.27 billion with an average annual growth of 4.4%.

Total expenditures and net loans in 2017 amounted to CFAF 2 146.47 billion for a forecast of CFAF 2 293.54 billion, i.e., a 93.6% achievement rate. Compared to 2016, total expenditures and net loans increased by about 28.9%. The total expenditures

amounted in 2017 to CFAF 2 150.00 billion for a forecast of CFAF 2 297.29 billion, i.e., a rate of 93.6%. Compared to the year 2016, they increased by 28.5% mainly due to the increase in capital expenditures. This type of expenditure increased by CFAF 276.38 billion to reach CFAF 831.33 billion at the end of December 2017. Between 2013 and 2017, total expenditures and net loans increased from CFA 1 452.9 billion to CFAF 2 146.5 billion. Over the same period, the share of total expenditure and net loans in GDP increased from 24.5% to 28.6%.

The increase in revenue was 12.1% against 28.9% for expenditure between 2016 and 2017. The increase in the gap is mainly financed by debt and official development assistance. This dynamic should therefore be closely monitored, although the public debt-to-GDP ratio (38.5%) remains reasonable and under control.

Figure 7 : Evolution of public finances between 2013 and 2018



Source : BCEAO, Ministry of Economy, IMF.

7.1.2 Detailed presentation of expenditure and income

The increase in total revenue recorded between 2016 and 2017 is mainly attributable to the increase in tax revenues (CFAF +162.85 billion). Non-tax revenues, on the other hand, are on the decline (CFAF -4.06 billion).

Tax revenues in 2017 were mobilized in the amount of CFAF 1 238.24 billion for a forecast of CFAF 1 315.50 billion, i.e., a collection rate of 94.1%. There is a CFAF 162.85 billion increase (+15.1%) compared to 2016 when collection amounted to CFAF 1 075.39 billion. This performance is mainly driven by the tax on goods and services (+ CFAF 101.26 billion), the tax on income and profits (+ CFAF 37.46 billion), as well as taxes on trade and international transactions (+ CFAF 22.05 billion).

At the end of December 2017, non-tax revenues reached CFAF 151.03 billion, out of a forecast of CFAF 125.52 billion. This is equivalent to an achievement rate of 120.3%. These revenues are down by CFAF 4.06 billion compared to 2016. This is due to the decrease in revenues from fines and financial penalties which amounted to CFAF 15.46 billion (-88.6%).

Current expenditures were executed to the tune of CFAF 1 318.7 billion in 2017 out of a forecast of CFAF 1 206.26 billion, i.e., a rate of 109.3%. Compared to 2016, this represents an increase of 17.9% for a total amount of CFAF 199.91 billion. This increase is attributable to all its components including a higher-than-expected increase in salary expenditures. At the end of December 2017, staff expenditures stood at CFAF 618 billion out of a forecast of CFAF 573.05 billion, i.e., an implementation rate of 107.8%. Compared to 2016, they increased by 11.4% (CFAF +63.48 billion). This increase can be explained, among other things, by the implementation of Law 081-2015/CNT of 24 November 2015. Operating

expenses increased by 36.0% in 2017 compared to 2016 and reached CFAF 174.1 billion out of a revised allocation of CFAF 153.52 billion. This shows an implementation rate of 113.4%.

At the end of December 2017, debt interest was paid up to CFAF 69.5 billion out of a forecast of CFAF 68.19 billion, i.e., an execution rate of 101.9%. They are made up of 71.0% interest due to domestic debt and 29.0% interest due to external debt. For an average annual execution rate of 111.1% over the period under review, current transfers were executed in 2017 to the tune of CFAF 457 billion out of a forecast of CFAF 411.50 billion.

Compared to 2016, current transfers increased by 23.2% equivalent to CFAF 86.18 billion. This increase is mainly explained by the State subsidies granted to SONABHY and SONABEL up to CFAF 50.00 billion as well as the payment of arrears of subsidies to SONABHY up to CFAF 35.48 billion.

Capital expenditures were executed in 2017 to the tune of CFAF 831.33 billion out of a forecast of CFAF 1 091.03 billion, i.e., an execution rate of 76.2%, an improvement of 7.0 percentage points compared to 2016. They experienced a strong increase (+49.8%) in 2017 compared to 2016. This increase is mainly attributable to the increase in capital expenditures financed from national resources.

The overall balance based on commitments which represents the financing of current and capital expenditures excluding debt interest stood at CFAF -562.90 billion at the end of December 2017 against CFAF -252.49 billion in 2016, an increase of CFAF 310.41 billion, i.e., 122.9%. In 2017, this balance represented 7.5% of the nominal GDP against 3.7% in 2016, i.e., a significant difference of +4.5 percentage points. The basic primary balance was CFAF 430.3 billion in 2017 against CFAF 161.2 billion in 2016.

Table 29 : Detailed presentation of Burkina Faso's expenditures and revenues between 2012 and 2017

	2012	2013	2014	2015	2016	2017
Total revenues and grants R1	1 276.4	1 441.7	1 321.2	1 286.2	1 409.9	1 583.6
<i>Total revenue excluding grants R2</i>	<i>998.9</i>	<i>1 117.4</i>	<i>1 064.7</i>	<i>1 056.2</i>	<i>1 229.7</i>	<i>1 389.3</i>
Current revenues R3	998.9	1 117.4	1 064.7	1 056.2	1 229.7	1 389.3
Tax revenues	890.8	992.6	940.7	937.7	1 074.6	1 238.2
Income and profit taxes	256.0	277.2	272.0	241.9	285.7	323.3
Taxes on goods and services	467.5	523.4	509.6	535.3	600.9	702.9
Including VAT	364.4	423.3	386.9	393.1	439.9	511.9
Tax on foreign trade	148.6	168.6	143.7	145.0	159.1	181.2
Other tax revenues	18.7	23.3	15.3	15.4	28.8	30.9
Non-tax revenues	108.0	124.8	124.0	118.5	155.1	151.0
<i>grants</i>	<i>277.5</i>	<i>324.4</i>	<i>256.4</i>	<i>230.0</i>	<i>180.2</i>	<i>194.3</i>
Total expenditures and net loans E1	1 452.9	1 652.7	1 456.5	1 371.7	1 629.8	2 146.5
Total Expenditures E2	1 453.7	1 677.4	1 462.6	1 384.3	1 638.5	2 150.0
Current expenditures E3	828.7	819.0	931.5	925.4	1 112.3	1 318.7
Wages and salaries	332.3	355.5	437.3	468.5	554.5	618.0
Transfers and Grants	333.9	310.1	349.0	302.4	369.5	457.1
Other current expenses	162.4	118.6	101.3	110.3	128.5	174.1
Interest on Public Debt E4	41.8	34.8	44.0	44.1	59.8	69.5
Interest on domestic debt	28.8	21.9	29.3	28.6	43.2	49.4
Interest on external debt	13.0	12.8	14.7	15.5	16.6	20.2
Capital Expenditures E5	619.6	762.7	523.9	454.2	519.2	814.8
On Internal financing	402.4	497.0	308.2	302.6	338.4	570.4
On external financing	217.1	265.7	215.7	151.6	180.8	244.4
Capital Transfers	5.5	95.8	7.1	4.7	7.0	16.5
Current balance (R3-E3)	171.2	298.4	133.2	130.8	117.4	70.6
Overall balance excluding grants (R2 - E1)	-454.0	-535.3	-391.8	-315.5	-400.1	-757.2
Overall balance (R1 - E1)	-176.5	-210.9	-135.3	-85.5	-220.0	-562.9
Current primary balance (R3 - E3 + E4)	213.0	333.2	177.2	174.9	177.2	140.1
Basic primary balance (R2 - E3 + E4 - E5)	-190.4	-163.8	-131.1	-127.7	-161.2	-430.3
Primary balance excluding grants (R2 - E2+ E4)	-413.0	-525.3	-353.9	-284.0	-349.0	-691.2
FINANCING REQUIREMENTS (overall cash basic balance)	156.8	160.1	101.8	198.3	134.4	426.1
External financing	85.5	34.4	51.4	90.4	102.9	74.3
Domestic financing	64.7	127.9	54.9	112.8	33.8	350.7
BUDGETARY INDICATORS (in % of GDP)						
Budgetary revenues	22.4	24.5	21.6	20.9	20.8	21.2
Tax revenues	15.6	16.8	15.4	15.2	15.8	16.6
Total Expenditures	25.5	28.4	23.9	22.5	24.1	28.8
Current expenditures	14.5	13.9	15.2	15.0	16.4	17.7
Capital Expenditures	10.9	12.9	8.6	7.4	7.6	10.9
Basic primary balance	-3.3	-2.8	-2.1	-2.1	-2.4	-5.8

Source: Ministry of Economy, BCEAO

7.1.3 General presentation of the budget

The detailed presentation of the distribution of the budget according to the different ministries reveals the strategic choices that are being made to finance Burkina Faso's future. They are in line with the PNDES. Thus, social ministries are the first beneficiaries of the budget. The Ministry of National Education and Literacy received 17% of the budget in 2017 against 10% in 2013. The Ministry of Health comes in second place with about 9.8% of the bud-

get against 7.2% in 2013.

The largest allocation to social ministries in 2017 follows a rebalancing of allocations. In particular, the Ministry of Economy saw its allocation fall by 9.6% of the total budget in 2016 against 13% in 2013.

The rest of the national budget is distributed among the other ministries and specific institutions. The share of the national budget allocated to common inter-ministerial expenditure was 14.2% in 2017 against 22.3% in 2013.

Table 30 : Evolution of overall budget expenditures by ministry and institution excluding external financing

Year	2013	2014	2015	2016	2017
Total budget in billions of CFAF	1421.84	1336.24	1453.3	1606.4	1871
Social Ministries (% of total budget)					
National Education and Literacy	10.09	13.49	10.7	16.57	17.46
Health	7.24	6.96	7.28	9.13	9.76
Higher Education, Scientific and Technical Research and Innovation	0	0	0	7.66	5.46
Sovereign Ministries (% of total budget)					
Economy, Finance and Development	13.2	17.94	17.32	19.1	9.58
National Defense and Veterans Affairs	7.29	6.49	6.02	5.94	6.1
Territorial and Decentralization Administration	1.25	3,89	5.69	5.43	4.86
Resource Transfers to Territorial Communities	1.68	1.63	0.77	0.94	3.05
Presidency of Burkina Faso	1.26	1.37	1.03	1.19	1.47
First Ministry	1.08	1.11	1.71	1.31	1.32
Justice, Human Rights and Civic Promotion	1.08	1.04	1.13	1.18	1.26
Security	0	0	2.72	0	1.12
Foreign Affairs, Cooperation and Citizen from abroa	2.06	1.87	2.52	2.2	2.03
Other ministries of Strategic Importance (% of total budget)					
Infrastructure	4.53	2.59	2.57	3.81	5.21
Water and Sanitation	2.45	2.07	0	1.57	4.09
Agriculture and Hydraulic Installations	3.22	2.66	4.82	3.03	3.84
Common Interdepartmental Expenses	22.35	20.2	24.63	13.32	14.2
Other Departments and Institutions	15.76	16.23	13.79	7.63	9.18

Source : NISD, MEF

7.2 Tax policy

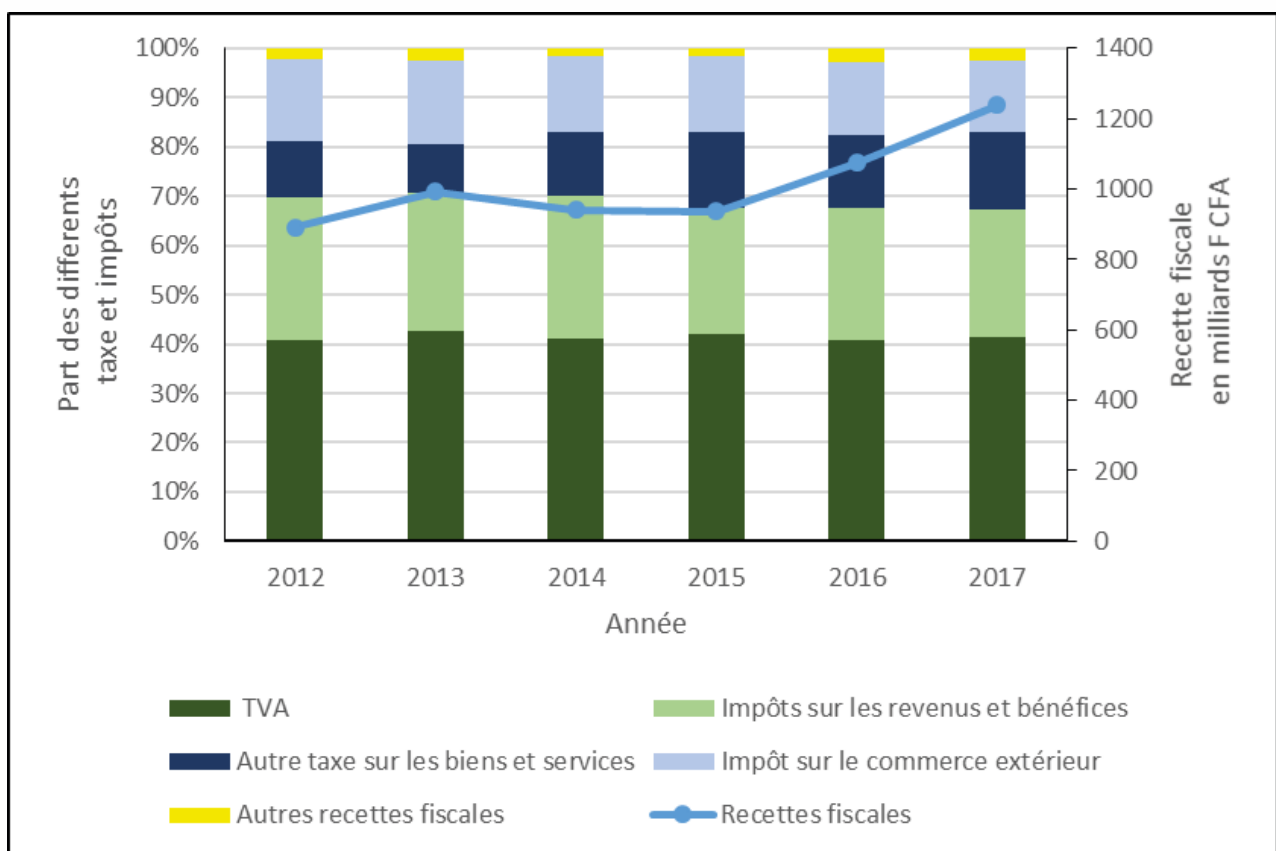
7.2.1 General budget revenue broken down by source

The structure of tax revenues remained fairly stable over the 2013-2017 period, rising from CFAF 992.6 billion to CFAF 1,238.2 billion. VAT is the most important source of tax revenue. It accounted for nearly 42% of tax revenue in 2017. Tax on income and profits is Burkina Faso's second-largest source of tax revenue. Its share represents between 25 and 28% and slowly but steadily declined over the 2013-2017 period.

Other taxes on goods and services have become the third source of tax revenue, increasing from 11 to 15% of the total. The tax on foreign trade yielded almost as much in 2017 as other taxes on goods and services, but its share in total revenue has declined slowly but steadily over the 2013-2017 period from 16% to 12%. Other tax revenues account for about 3% of total revenues.

In summary, the slight decline in the share of taxes on income and profits and taxes on foreign trade was offset by other taxes on goods and services, which went from fourth to third place in terms of financial resources over the 2013-2017 period. The level of tax revenue increased for all types of taxes

Figure 8 : Evolution of tax revenues between 2012 and 2017



7.2.2 Presentation of new tax measures recently voted or under discussion and in the process of being voted on

The total revenue forecast for 2019 is CFAF 1 954.6 billion, an increase of 10.86% compared to 2018. Expenditures are estimated at CFAF 2 213.3 billion, a decrease of 9.34% compared to 2018. This provisional budget is in deficit by 3%, following commu-

nity injunctions. It stands at CFAF 258.725 billion against CFAF 396.010 billion in 2018 (5% of the national budget) and CFAF 498.65 billion in 2017 (7.6%). The main fiscal innovations proposed in the 2019 budget law are:

- The abolition of the Beverage Sector Contribution (CSB). The players covered by the Beverage Sector Contribution are subject to the ordinary law system. Taxation under the normal regime should

improve the contributive share of actors operating in this field. As of 1 January 2019, they will be subject to income tax, value-added tax (VAT), employers' apprenticeship tax (TPA), the contribution of business licensing, the contribution of micro-enterprises, etc.;

- Another tax innovation is the introduction of a motor vehicle tax. This tax applies only to vehicles with four or more wheels;

- Another tax innovation for 2019 is the increase in the arm tax rates;

- The increase of certain excise duties is envisaged, including the tax on non-alcoholic beverages from 10 to 15%, the specific tax on perfumery and cosmetic products from 10 to 15%, the tax on coffee and tea from 10 to 12%, the levy on air tickets at CFAF 40.000 for business class and CFAF 20.000 for economy class.

7.3 Finance Bill 2019

For 2019, in terms of resource mobilization, public policy will be oriented towards the modernization of the tax administration and the broadening of the tax base through: i) computerization of structures; ii) simplification, automation of procedures and strengthening of human resource capacities; iii) continued migration to SYDONIA World at the level of the Customs Administration; iv) dematerialization of customs clearance procedures and harmonization of the various information systems; v) improving the quality of services to users; vi) identifying revenue niches and combating tax fraud and evasion; vii) improving the legislative and regulatory framework; viii) strengthening national and international cooperation.

The national and international environment carries risks that can affect economic development. This section deals with political and security risks, social risks, risks related to the mobilization of financial resources, health risks and environmental risks.

8.1 Political and security risks

After a political crisis that saw the fall of former President Blaise Compaoré in October 2014 and a failed military coup in September 2015, the political climate has been rather stable in the country, despite the growing threat of terrorist attacks in the capital and the border regions with Mali and Niger's neighbors.

The party of the current president won the local legislative elections in 2016. Due to violence and unrest that prevented voting from taking place in 19 departments, a by-election had to be held in 2017 to distribute the 814 unallocated seats and saw the MPP increase its lead.

Security has become a cross-cutting issue in the country. The threat posed by Islamist groups in the Sahel is a challenge to political stability and an obstacle to overall progress. Travel in the border area with Mali, the border area with Niger north of Dori and in the province of Kantchari is potentially risky due to the risk of kidnapping and attacks.

To combat Al Qaeda in the Islamic Maghreb (AQIM), the G5 Sahel countries (Mali, Mauritania, Niger, Chad, and Burkina Faso) decided in 2017 to create an anti-terrorist force that will benefit from training and logistical support from Morocco, as well as financial support from the European Union (EUR 50 million). The implementation of this force should make it possible to curb the security issue and restore investors' confidence.

8.2 Social risks

The number of incidents related to social unrest has increased over the 2016-2018 period. Public sector strikes and social unrest affected revenue collection in the first half of 2017 and drove up wages and transfers. These strikes are mo-

tivated by wage and benefit inequalities within and between ministries. They have led to wage settlements specific to each ministry, which in turn have caused further strikes in other ministries.

The public wage bill was also affected by the 2016 reform: incorporation of contract agents into the civil service and harmonization of remuneration for all civil servants and contract agents. Reforms are currently under discussion under the auspices of the Ministry in charge of the civil service to reorganize the pay system to reduce inequalities between civil servants. Such a system should calm the social climate.

8.3 Macroeconomic risks

Burkina's economy is dependent on agricultural production, gold, and cotton exports. The country is vulnerable to fluctuations in oil import prices, gold and cotton prices. Burkina Faso's foreign trade is structurally in deficit.

According to the World Bank, between 2014 and 2016 Burkina Faso's net merchandise terms of trade index rose from 123.3 to 144.9, after falling from 142.6 to 123.3 between 2012 and 2014.

8.4 Risks concerning the mobilization of public and private financial resources

Tax revenue mobilization increased significantly between 2010 and 2017, from CFAF 445.21 billion to CFAF 1,040.29 billion. Public sector strikes and social tensions affected revenue collection in the first half of 2017. With the rise in the price of a barrel of oil, in 2018 the government reduced its subsidies for petroleum products. This materialized firstly through an increase of CFAF 75 per liter of petrol and then a downward revision of CFAF 20. The final increase in the price of a liter of petrol was CFAF 55. This price increase leads to a drop in fuel consumption, which constitutes a loss of revenue for the State in terms of taxes collected on petroleum products.

The reform of the Ministry of Finance's incentive fund for civil servants (known as the "Common

Fund"), which started in 2018 and is due to come into force in 2019, could hinder the mobilization of financial resources during the year. The 2019 finance Act provides for the "Common Fund" to be capped at 25% of the annual salary of civil servants, whereas it was previously indexed to national tax revenues. This reform has resulted in a significant reduction in the "common fund", which could lead to strikes by finance ministry officials throughout 2019.

8.5 Health Risks

Over the 2016-2017 period, Burkina Faso has experienced an epidemic of dengue fever. According to WHO, from 5 August to 12 November 2016, a total of 1,061 probable cases (positive on the rapid diagnostic test for dengue fever) out of 1,266 suspected cases were reported with a cumulative total of 15 deaths (fatality rate of 1.2 percent). The reported cases are spread over all 12 districts of the city of Ouagadougou.

Dengue fever occurred in the context of the weak implementation of dengue surveillance

in Burkina Faso. Many (public) health facilities did not have access to rapid diagnostic tests for dengue. To correct these weaknesses and to combat dengue and other diseases, the Ministry of Health set up an Integrated Disease Surveillance and Response (IDSR) system. This plan includes vector control and risk communication.

8.6 Environmental Risks

Burkina Faso has seen a progressive development of the mining sector in recent decades. This sector is characterized by the coexistence of industrial exploitation and artisanal exploitation or gold mining. Mercury and cyanide are used in the processing of minerals, thus contributing to the pollution of water resources in the regions of the country where the activity is practiced. Furthermore, Burkina Faso is a Sahelian country and is subject to high variability in annual rainfall with a high risk of drought from one year to the next.

9- DEBT SITUATION

9.1 General Description of the Public Debt

9.1.1 Overall picture

Over the last five years, the outstanding public debt has experienced a continuous rise from CFAF 1,935.39 billion at the end of 2014 to CFAF 2,497.04 billion in 2016 to reach CFAF 3,365.95 billion at the end of 2018, i.e., an average annual increase of 14.9%. In 2018, Burkina Faso's public debt portfolio was made up of 56.7% external debt and 43.3% do-

mestic debt, i.e., CFAF 1,909.56 billion and 1.456.39 billion CFAF respectively. It represented about 42.9% of GDP against 31.6% in 2014.

For 2019, Burkina Faso's total debt is estimated at CFAF 3 787.51 billion, or 44.3% of GDP.

Table 31. Global overview of Burkina Faso's Public Debt

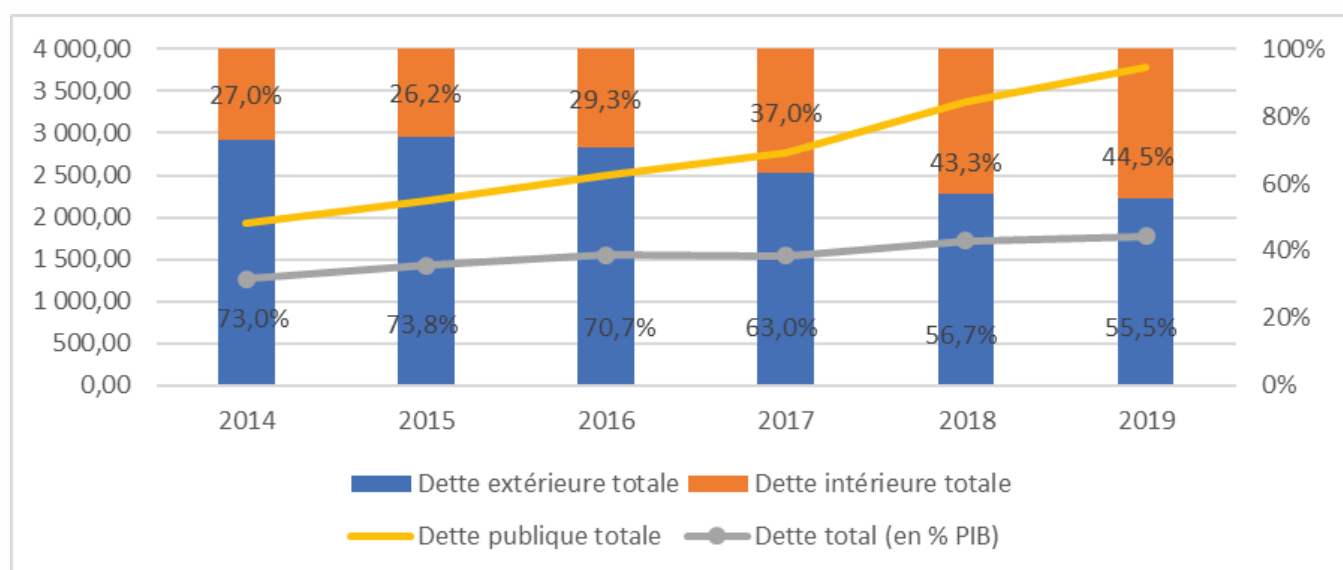
Burkina Faso	2014	2015	2016	2017	2018	2019 (Est)
Total debt (% GDP)	31.6	35.5	38.7	38.6	42.9	44.3
Total debt (in billions of CFAF)	1 935.39	2 188.51	2 497.03	2 767.19	3 365.95	3 787.51
Remaining due						
Arrears	0.00	0.00	0.00	0.00	0.00	0.00
Due	156.41	168.35	226.92	229.30	256.04	321.21
Paid	156.41	168.35	226.92	229.30	256.04	321.21
External debt (% GDP)	23.08	26.21	27.41	24.28	24.33	24.57
External debt (in billions of CFAF)	1 412.29	1 615.05	1 766.06	1 742.99	1 909.56	2 101.12
Remaining due						
Arrears	0	0	0	0	0	0
Due	45.51	48.75	56.33	70.37	78.14	88.34
Paid	45.51	48.75	56.33	70.37	78.14	88.34
Domestic debt (% GDP)	8.55	9.31	11.34	14.27	18.55	19.72
Domestic debt (billions of CFAF)	523.1	573.46	730.97	1 024.20	1 456.39	1 686.39
Remaining due						
Arrears	0	0	0	0	0	0
Due	110.9	119.6	170.59	158.93	177.90	232.87
Paid	110.9	119.6	170.59	158.93	177.90	232.87
Nominal GDP (billions of CFAF)	6 119.57	6 162.49	6 444.23	7 177.42	7 849.21	8 550.33

Source : MINEFID, Public Debt Directorate

Over the 2014-2019 period, the share of external debt in the total debt is declining while that of domestic debt is steadily increasing. In 2019, external debt would represent 55.5% against 73.0% in 2014.

Domestic debt, for its part, would reach 44.5% in 2019 against 27.0% in 2014.

Figure 9 : Evolution of Burkina Faso's public debt from 2014 to 2019



Source : MINEFID, Public Debt Directorate

9.1.2 Time profile of the debt to be repaid

The time profile of the debt to be repaid shows that about 55.3% of Burkina Faso's total debt is long-

term debt (more than 5 years). Medium-term debts represent 38.3% of the total debt and short-term debts represent 6.4%.

Table 32 : Time profile of the debt to be repaid

Expressed in %	Allocation initially planned	2014 Allocation	2019 Allocation (estimates)
Short term (< 1 year)	6.4%	-	-
Medium term (1 to 5 years)	38.3%	-	-
Long term (> 5 years)	55.3%	-	-
Total	100%	-	-

Source : MINEFID, Public Debt Directorate

9.1.3 Amount of debt to be repaid in the short term

Public debt service increased from CFAF 156.4 billion in 2014 to CFAF 256.04 billion in 2018, an increase of 142.8%. Debt service in 2018 was composed of CFAF 177.9 billion of domestic debt (69.4%) and CFAF 78.14 billion of external debt (30.6%).

Payments at the end of December 2019 would amount to CFAF 321.21 billion and would be divided between external and internal creditors for amounts of CFAF 110.7 billion and CFAF 210.5 billion respectively. Over the 2014-2019 period, it can be observed that the annual amount of domestic and external debt to be repaid has more than doubled.

Table 33 : Evolution of debt servicing from 2014 to 2019

Burkina Faso	2014	2015	2016	2017	2018	2019 (est)
Amount of external debt payable in the year (in billions of CFAF)	45.51	48.75	56.33	70.37	78.14	110.7
Amount of domestic debt payable in the year (in billions of CFAF)	110.90	119.60	170.59	158.93	177.90	210.5
Total	156.40	168.35	226.92	229.30	256.04	321.21

Source : MINEFID, Public Debt Directorate

9.2 Debt strategy and debt sustainability

9.2.1 Description of the strategy

Since 2014, Burkina Faso has opted for a multi-year strategy known as the Medium-Term Debt Management Strategy (MTDS). The first formal MTDS was implemented for the 2014-2016 period. The current MTDS covers the 2020-2022 period.

The main axes of the strategy can be summarized as follows:

- maintaining the use of concessional resources to finance the needs of the economy. External financing denominated in euros will be favored given its low cost and low exchange rate risk;
- resorting, to a greater extent, to non-concessional external resources in accordance with the IMF's ECF program. This option is justified by the importance of the needs to cover in the context of the implementation of the PNDES on the one hand, and the need to reprofile the internal debt to reduce its stock in favor of the external debt on the other hand;
- slowing down the country's participation in the regional financial market. Volumes issued will have to be reduced and maturities lengthened.

lengthened.

In conclusion, Burkina Faso will continue its prudent public debt policy by covering most of its financing needs through concessional loans. To this end, the Government has resolutely adopted a public debt management strategy that meets international and sub-regional standards, enabling it to honor its commitments to its creditors on time and to maintain its credit standard with investors.

9.2.2 Debt Sustainability

The Debt Sustainability Analysis (DSA) presents the evolution of Burkina Faso's debt indicators projected over the next twenty (20) years to analyze the country's vulnerability to exogenous and economic shocks. It assesses the risks of external and global over-indebtedness according to the thresholds defined by the Bretton Woods Institutions.

The last DSA was carried out by the technical unit of the National Public Debt Committee (CNDP) using the new Debt Sustainability Framework for Low-Income Countries (DSF-LIC) developed by the International Monetary Fund (IMF) and the World Bank (WB). The projected debt indicators incorporate the

financing provided for in the Medium-Term Debt Management Strategy (2020-2022 MTDS) and are based on the macroeconomic framework produced by the unit.

The macroeconomic framework used for the DSA covers the 2020-2039 period. The current economic policy is built around the PNDES. It aims at transforming the structure of the economy to achieve strong and inclusive growth through sustainable consumption and production patterns in the context of preserving macroeconomic stability by reducing the overall budget deficit to a level of 3% of GDP or less. To this end, the Government intends to create a budgetary margin to finance priority expenditure by improving revenue mobilization, controlling current expenditures and increasing the volume and efficiency of public investment. This policy aims at sustaining economic growth and preserving fiscal and external sustainability in line with the objectives

of the economic and financial program supported by the Extended Credit Facility (ECF) over the 2018-2020 period.

The dynamism of the gold and cotton sectors should help keep the debt on a sustainable path. Indeed, the present value (PV) ratios of external debt to GDP and exports as well as external debt servicing indicators are projected to remain below their baseline levels throughout the projection period (2020-2039) (Table 34).

With regard to public debt, in the reference scenario, the PV of public debt/GDP in 2019, estimated at 32.4%, is below its reference point and would remain so throughout the projection period. However, this ratio would increase over the projection period to stand at 63.6% in 2039.

The new DSF/LIC no longer refers to the analysis of present value (PV) debt-to-revenue ratios as a public debt sustainability criterion.

Table 34 : Debt Sustainability Frameworks

Heading	Seuil	2019	2020	2021	2022	2023	2030	2039
debt sustainability framework								
PV of public sector debt (as % of GDP)	<=70	32.4	31.2	31.8	32.3	32.0	45.1	63.6
external debt sustainability framework								
PV of external debt as % of GI % du PIB	<=55	11.9	14.1	14.1	14.1	15.3	12.7	8.4
PV of external debt as % of exports	<=240	39.7	47.4	47.5	48.0	53.8	49.8	36.3
Debt-servicing/export ratio (%)	<=21	4.30	3.2	3.3	3.1	3.1	4.3	3.9
Debt-servicing/revenue ratio (%)	<=23	6.12	4.5	4.6	4.2	4.1	5.1	4.2

Source : CNDP Technical Cell, August 2019

In the new DSF, debt thresholds are determined based on a country's debt capacity as measured by the Composite Index (CI), which includes the CPIA (the only indicator used in the old framework) in addition to other variables of the macroeconomic framework, namely the country's real GDP growth, workers' remittances, foreign exchange reserves and global growth.

It should be noted that for countries, such as ours, that are members of a monetary union, it is generally appropriate to refer to the coverage of foreign

exchange reserves at the union level to classify a country's debt capacity. However, when members of the union have effectively lost or are about to lose access to pooled foreign exchange reserves for an extended period, this approach is likely to overestimate their foreign exchange reserves and thus their debt capacity. The ranking must then be determined using the level of imputed reserves for an individual member country.

The composite index uses ten years of data (five years of historical data and five years of projections)

to smooth business cycles and encourage forward-looking policy discussions. The combination of historical data and projections allows the framework to

capture ongoing changes in the outlook for country fundamentals and the classification of countries into low, medium, high and sustained performance.

Table 35 : Burkina Faso Composite Index Rating

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.606	1.39	45%
Real growth rate (in percent)	2.719	5.632	0.15	5%
Import coverage of reserves (in percent)	4.052	40.208	1.63	53%
Import coverage of reserves ² (in percent)	-3.990	16.167	-0.65	-21%
Remittances (in percent)	2.022	2.099	0.04	1%
World economic growth (in percent)	13.520	3.579	0.48	16%
CI Score			3.05	100%
CI rating			Strong	

Source : DSF downloaded in August 2019 from the IMF website.

The calculation of the composite index for Burkina Faso shows a rating of 3.05, placing it in the category of countries with high debt capacity. As a result,

the following debt thresholds will apply to it.

EXTERNAL debt burden thresholds	Weak	Medium	Strong
PV of debt in % of Exports	140	180	240
GDP	30	40	55
Debt service in % of Exports	10	15	21
Revenue	14	18	23

TOTAL public debt benchmark	Weak	Medium	Strong
PV of total public debt in percent of GDP	35	55	70

When the debt indicators are above their respective thresholds, the risk of over-indebtedness is present.

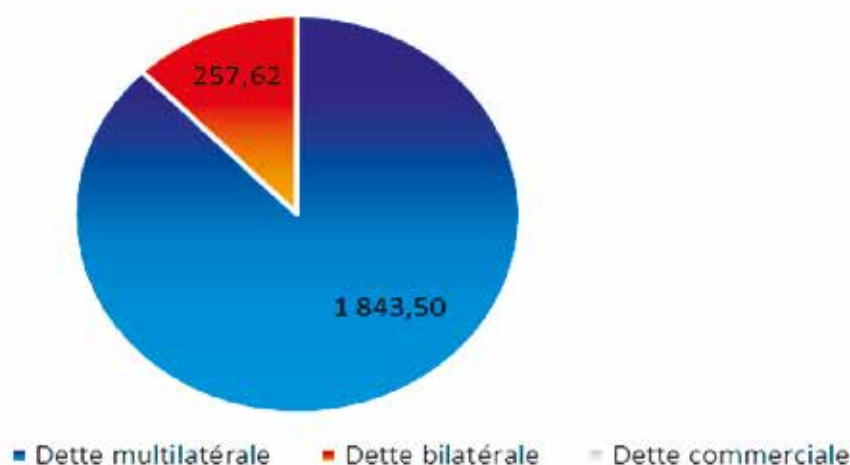
9.3 External debt

9.3.1 The Holders

In 2019, Burkina Faso's external debt stock was estimated at CFAF 2,101.12 billion. The total amount of

debt held by multilateral institutions would be CFAF 1 843.50 billion, or 87.74% of the total external debt and the amount held by bilateral institutions would be CFAF 257.62 billion, or 12.26% (Figure 10).

Figure 10 : Distribution of Burkina Faso's external debt by holder



With regard to the distribution of multilateral debt, the World Bank through the International Development Association (IDA) is in the lead with about CFAF 942.06 billion, or 44.84% of the total external debt. It is followed respectively by the African Development Bank via the African Development Fund (ADF) which holds about CFAF 331.45 billion, i.e., 15.78%; the West African Development Bank (WADB) with CFAF 140.16 billion, i.e., 6.67%; the Islamic Development Bank for an outstanding amount of CFAF 124.16 billion, i.e., 5.91% and the International Monetary Fund (IMF) with CFAF 121.37 billion, i.e., 5.78%. The remainder of the multilateral debt estimated at CFAF 184.44 billion, i.e., 8.77% of the total external debt which is held essentially by the International Fund for Agricultural Development (IFAD), the Arab Bank for Economic Development in Africa (ABEDA), the Euro-

pean Investment Bank (EIB), the OPEC Fund for International Development (OFID), the ECOWAS Fund (EDF) and the Nordic Development Fund (NDF). In terms of bilateral debt holders, France, via the French Development Agency (AFD), is in first place with CFAF 66.39 billion, i.e., 3.16% of Burkina Faso's total external debt. Kuwait via the Kuwait Fund is in second place with CFAF 36.49 billion, or 1.74%. China Taiwan, Saudi Arabia, India, and Denmark come in third, fourth, fifth, and sixth place with respectively CFAF 31.87 billion, 24.62 billion, 22.55 billion, and 22.42 billion, i.e., respectively 1.52%, 1.17%, 1.07% and 1.07%. The remainder of the bilateral debt which is estimated at CFAF 53.27 billion, i.e., 2.54% of the total external debt which is held by Côte d'Ivoire, China, Libya, Belgium and the United Arab Emirates (Abu Dhabi Fund).

Table 36 : Breakdown of Burkina's external debt in 2019

Burkina Faso 2019 (Estimates)	Total debt (expressed in value, billions of CFAF)	Expressed as a % of total external debt	Expressed as a % of nominal GDP
Total external debt	2 101.12	100.00	24.57
Trade debt	0	0	0
... cite issues or buyers holding a significant share	0	0	0
Bilateral	257.62	12.26	3.01
Of which France (AFD)	66.39	3.16	0.78
KUWAIT FUND	36.49	1.74	0.43
China Taiwan	31.87	1.52	0.37
SAUDI FUND	24.62	1.17	0,29
REP INDIA	22.55	1.07	0,26
Denmark	22.42	1.07	0,26
... including others (Côte d'Ivoire, China, Libya, Belgium, Abu Dhabi Fund)	53.27	2.54	0.62
Multilateral	1 843.50	87.74	21.56
Including World Bank - IDA	942.06	44.84	11.02
Including AFD	331.45	15.78	3.88
Including WADB	140.16	6.67	1.64
Including IMF	121.37	5.78	1.42
Including IBD	124.16	5.91	1.45
Including BADEA	49.57	2.36	0.58
Including IFAD	49.20	2.34	0.58
Including EIB	27.52	1.31	0.32
Including OPEC (OFID)	29.74	1.42	0.35
Including ECOWAS Regional Fund	20.78	0.99	0.24
Including Global Fund and NDF	7.50	0.36	0.09

Source : MINEFID, Public Debt Directorate.

9.3.2 External debt payment situation

The total amount of External debt service paid in 2018 was CFAF 78.14 billion, of which CFAF 55.08 billion was repaid in capital and CFAF 23.06 billion in interest. The total amount of External debt service paid on behalf of multilateral institutions in 2018

was CFAF 51.66 billion, of which CFAF 36.57 billion was capital repaid and CFAF 15.09 billion was interest repaid. On behalf of bilateral institutions, the total amount of external debt repaid was CFAF 26.48 billion, of which CFAF 18.51 billion was capital and CFAF 7.96 billion interest.

Table 37 : External debt payment situation

Situation as of December 2018 (in billions of CFAF)	Multilateral			Bilateral			Commercial			Total		
	Capital	interest	Total	Capital	interest	Total	Capital	interest	Total	Capital	interest	Total
Remaining due as of 31 December 2017	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
New drawings	-	-	-	-	-	-	-	-	-	-	-	-
Service due	36.57	15.09	51.66	18.51	7.96	26.48	0.00	0.00	0.00	55.08	23.06	78.14
Total	36.57	15.09	51.66	18.51	7.96	26.48	0.00	0.00	0.00	55.08	23.06	78.14
2017 maturity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Paid service	36.57	15.09	51.66	18.51	7.96	26.48	0.00	0.00	0.00	55.08	23.06	78.14
Total	36.57	15.09	51.66	18.51	7.96	26.48	0.00	0.00	0.00	55.08	23.06	78.14
2017 maturity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Arrears	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
For arrears dating back to 2017,	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restructured debt service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Remaining due as of 31 December 2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source : MINEFID, Public Debt Directorate

9.3.3 Debt currencies

The distribution of Burkina Faso's total debt by currency in 2018 shows that it is composed of:

- CFAF 1 624.99 billion;
- SDR 805.60 billion. The SDR is a basket of currencies comprising the US Dollar, the Euro, the Pound

Sterling, and the Japanese Yen;

- € 580.39 billion;
- \$ 173.52 billion;
- IDI 92.35 billion;
- KWD 35.46 billion.

Table 38 : Currencies in which the external debt is denominated

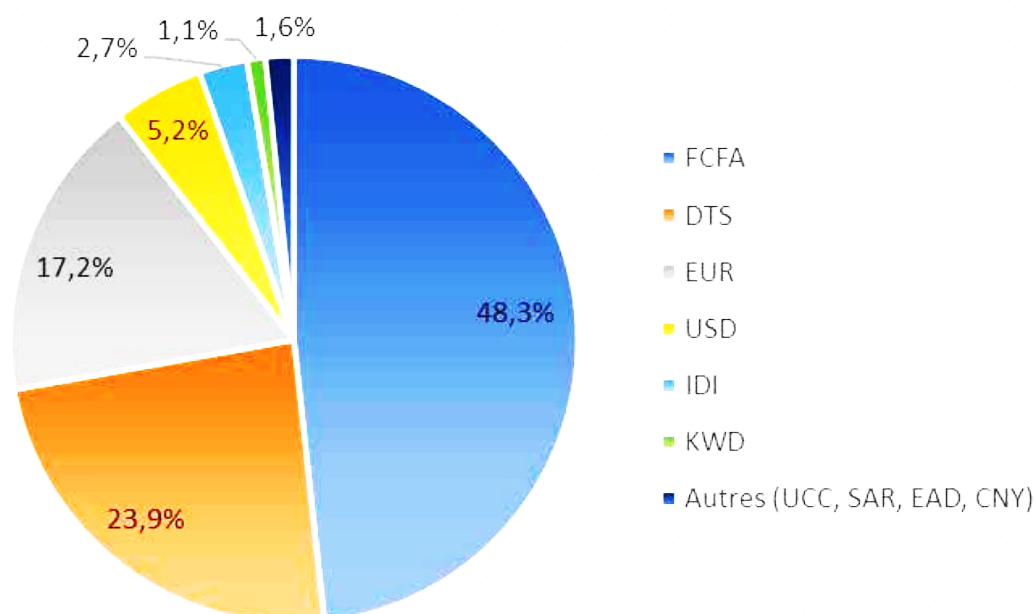
Currency	Total debt originally denominated in this currency (in thousands)	CFAF exchange rate as of 31 December 2018	Total debt expressed in billions of CFAF	Exchange rate in EUR as of 31 December 2018	Total debt expressed in millions of euros	Debt distribution by currency (%)
XOF	1 624 985 199.14	1	1 624.99	655.957	2 477.27	48.28
SDR	805 600 391.00	796.25	805.60	655.957	1 228.13	23.93
EUR	580 394 548.00	655.96	580.39	655.957	884.81	17.24
USD	173 524 837.00	572.61	173.52	655.957	264.54	5.16
IDI	92 350 087.00	778.56	92.35	655.957	140.79	2.74
KWD	35 464 079.00	1887.09	35.46	655.957	54.06	1.05
Others (UCC, SAR, AED, CNY)	53 633 445.00		53.63	655.957	81.76	1.59
TOTAL	3 365 952 586.14		3 365.95		5 131.36	100.00

Source : MINEFID, Public Debt Directorate.

The relative distribution of Burkina Faso's total debt according to the currencies in which it is issued shows that it is composed of:

- 48.28% of CFAF;
- 23.93% of SDRs;
- 17.24% EUR;
- 5.16% of USD;
- 2.74% IDI;
- 3.82% EUR;
- 1.05% KWD;
- 1.59% of all other currencies.

Figure 11 : Breakdown of Burkina Faso's public debt in foreign currencies



9.4 Domestic Debt

9.4.1 Presentation of the situation as of December 31, 2018

At the end of 2018, the outstanding domestic debt of CFAF 1,456.39 billion had increased by 42.20% compared to its 2017 level of CFAF 1,024.20 billion.

This increase is essentially explained by 13 bond issues (including two (02) by syndication mobilized CFAF 173.74 billion) and 16 Treasury Bills issues for cumulative amounts of CFAF 347.19 billion and 357.52 billion respectively. Also, the outstanding government securities (Bills and Bonds) for this year amounted to CFAF 1 254.06 billion and represented 86.11% of the domestic debt.

Table 39 : Breakdown of Burkina's domestic debt in 2018

Burkina Faso			
Situation as of 31 December 2018	Domestic debt expr	Domestic debt as a % of total domestic debt	Domestic debt as a % of nominal GDP in 2018
Total domestic debt	1 456.39	100.00	18.55
Securities	1 254.06	86.11	15.98
Treasury Bills	282.68	19.41	3.60
OAT	971.38	66.70	12.38
Other types	0.00	0.00	0.00
Bank loan	39.8	2.73	0.51
BCEAO	4.70	0.32	0.06
Commercial Bank	35.10	2.41	0.45
Others	162.53	11.16	2.07

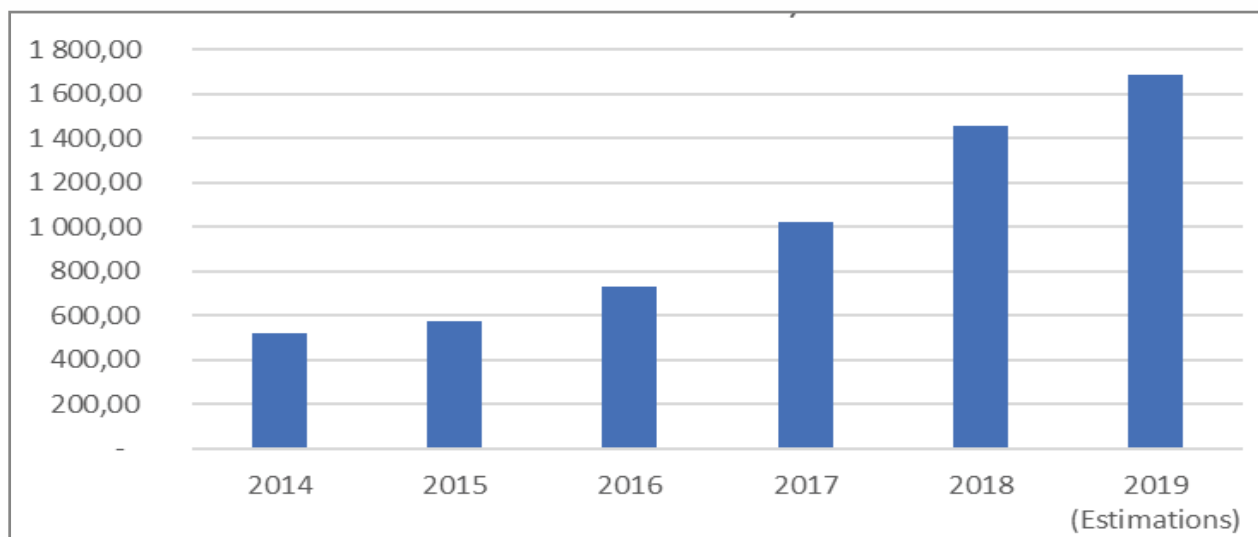
Source : MINEFID, Public Debt Directorate.

9.4.2 Evolution of the domestic debt's composition over the last 5 years

Over the last five (05) years, Burkina Faso's outstanding domestic debt has increased from CFAF 523.10 billion in 2014 to CFAF 1,456.39 billion in 2018, i.e. an average annual increase of 29.85%. The evolution of the stock of domestic debt in recent years is mainly

attributable to the issuance of government securities (Bills and Bonds) and to the fact that the State took over the debt or liabilities of certain public or private companies (repurchase of the debt of the BRAFASO company, consumption of water and electricity by the State, capital losses of the SONABHY...). For 2019, the outstanding domestic debt is estimated at CFAF 1,686.39 billion.

Figure 12 : Evolution of Burkina Faso's domestic debt from 2014 to 2019



Source : MINEFID, Public Debt Directorate.

9.4.3 Domestic debt payments situation

The total domestic debt service as of 31 December 2018 was CFAF 177.90 billion of which CFAF 103.64 billion of principal repaid and CFAF 74.26 billion of interest. The amount of domestic debt service repaid

to the banking sector is estimated at CFAF 119.15 billion of which CFAF 93.53 billion was principal and CFAF 25.62 billion interest. For the non-banking sector, the amount of debt service repaid was CFAF 39.78 billion of which CFAF 15.94 billion was principal and CFAF 23.85 billion interest.

Table 40 : Domestic debt payments situation in 2018

	Banking sector			Non-banking sector			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
(1) Debt service due at the end of December 2018	101.4	70.6	172.0	2.2	3.7	5.9	103.6	74.3	177.9
Including maturing in 2018	101.4	70.6	172.0	2.2	3.7	5.9	103.6	74.3	177.9
Including arrears dating back to 2017 recovered	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(2) Debt service paid during 2018.	101.4	70.6	172.0	2.2	3.7	5.9	103.6	74.3	177.9
For 2018 maturities	101.4	70.6	172.0	2.2	3.7	5.9	103.6	74.3	177.9
For arrears dating back to 2017 recovered	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(3) Restructured debt service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
For the 2018 maturities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
For arrears dating back to 2017 recovered	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4) Arrears of Dec. 31, 2018 (1)-(2)-(3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Including arrears dating back to 2017 recovered	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Including new arrears from 2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5) Outstanding at the end of Dec. 2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
((6) Total debt due Dec. 31, 2018 (4) + (5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source : MINEFID, Public Debt Directorate.

9.5 Viability and Sustainability

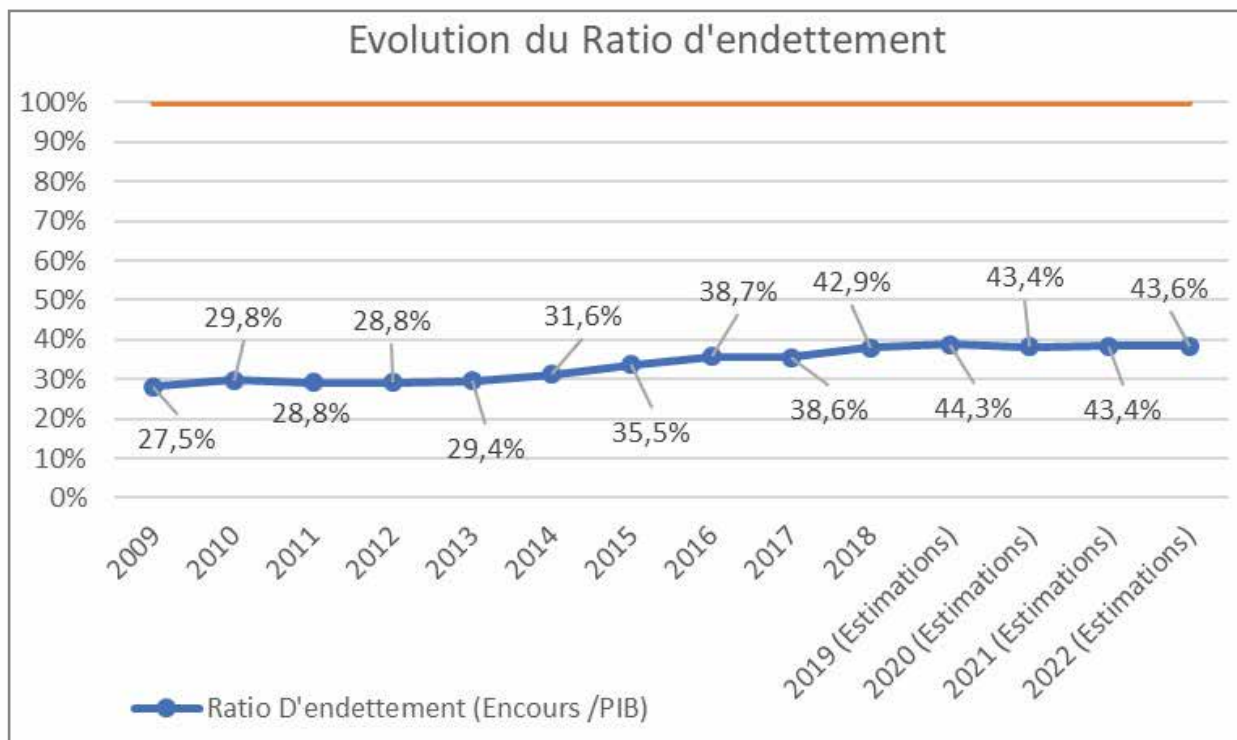
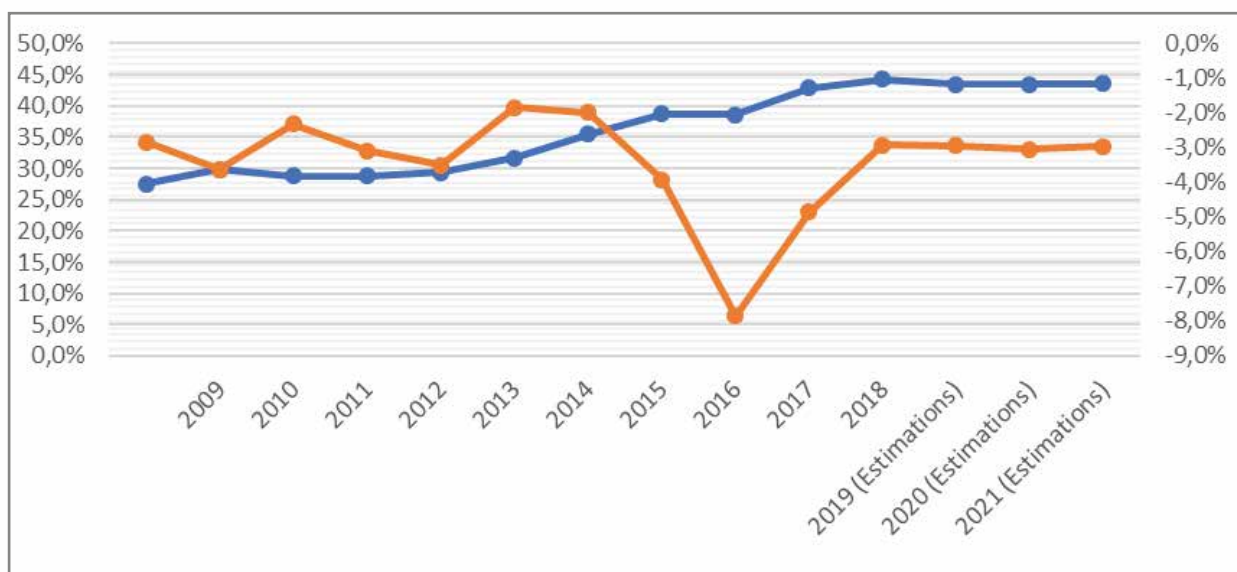
The debt-to-GDP ratio has been rising since 2009. It rose from 27.5% to 42.9% of GDP over the 2009 and 2018 period. According to the projections from our latest Sustainability Analysis, carried out in August 2019, the debt level is expected to be around 44.3% in 2019. Although the country's debt ratio is increasing, it remains below the Union standard of 70% of

GDP. Over the 2020-2022 period, this ratio would be virtually stagnant, rising from 43.4% to 43.6%.

From 2019 onwards, the budget deficit should be reduced to around -2.9% compared to -7.8% in 2017. Over the period covered by the MDTs, this ratio should stabilize at around -3%.

In sum, Burkina Faso's debt level remains on the whole viable and sustainable if efforts to reduce the budget deficit are maintained until 2022.

Figure 13 : Evolution of Burkina Faso's public debt and deficit



Source : MINEFID, Public Debt Directorate.

10.1 Details of the country's issues from 2013 to 2018

Annex 1 : Evolution of the value of issues by maturity (in millions of CFAF)

year maturity	2013	2014	2015	2016	2017	2018
3months	91352	90410	26254	40000	100000	60000
6months	0	104143	185703	78500	235000	55000
1year	0	0	0	70000	200000	300000
2year	0	0	0	115000	0	0
3year	0	0	0	40000	340000	290000
5year	121600	41676	96720	75000	145000	50000
7year	0	0	0	50000	0	0
Total	212952	236229	308677	468500	1020000	755000

Annex 2 : List of issues between 2013 -2016 (2017 information note)

Issuer	Heading	ISIN	Process	Maturity (year)	Issue Date	Amount Issued (millions of CFAF)	TMP
Burkina Faso	BF-BT-3months-16. May.13	BF000000307	Auction	0.25	14/02/13	25000	4.16
Burkina Faso	BF-BT-3 months-15. august.13	BF000000315	Auction	0.25	16/05/13	20325	4.03
Burkina Faso	BF-BT-3 months-10. October.13	BF000000323	Auction	0.25	11/07/13	25447	3.98
Burkina Faso	BF-BT-3 months-12. December.13	BF000000331	Auction	0.25	12/09/13	20580	3.84
Burkina Faso	TPBF 6.5% 2013-2020 (7 years)	BF000000182	Auction	7.00	14/11/13	121600	6.60
Burkina Faso	BF-BT-3 month-23. April.14	BF000000349	Auction	0.25	22/01/14	27100	3.87
Burkina Faso	BF-BT-3 months-11. June.14	BF000000356	Auction	0.25	12/03/14	33560	3.97
Burkina Faso	BF-BT-3 month-07. August.14	BF000000364	Auction	0.25	08/05/14	29750	3.91
Burkina Faso	BF-BT-6 months-7. January.15	BF000000372	Auction	0.50	09/07/14	33000	4.02
Burkina Faso	BF-BT-6 months-11. March.15	BF000000380	Auction	0.50	10/09/14	38423	4.29
Burkina Faso	BF-BT-6 months-9. June.15	BF000000398	Auction	0.50	09/12/14	32720	5.22
Burkina Faso	BF-6.25%-5 years-31. December.19	BF000000406	Auction	5.00	30/12/14	41676	6.51
Burkina Faso	BF-BT-6 months-21. April.15	BF000000414	Auction	0.25	20/01/15	26254	4.92
Burkina Faso	BF-BT-6 months-03. September.15	BF000000422	Auction	0.50	05/03/15	30810	4.83
Burkina Faso	BF-BT-6 months-15. October.15	BF000000430	Auction	0.50	16/04/15	35000	4.57
Burkina Faso	BF-6%-5 years-20.may.20	BF000000448	Auction	5.00	19/05/15	33000	5.99
Burkina Faso	BF-6%-5 years-20. May.20	BF000000448	Auction	5.00	25/06/15	33000	5.93
Burkina Faso	BF-BT-6 months-04. February.16	BF000000455	Auction	0.50	06/08/15	42893	4.34
Burkina Faso	BF-BT-6 months-10. March.16	BF000000463	Auction	0.50	10/09/15	33000	4.29
Burkina Faso	BF-BT-6 months-19. April.16	BF000000471	Auction	0.50	20/10/15	44000	4.37
Burkina Faso	BF-6%-5 years-16 December.20	BF000000489	Auction	5.00	15/12/15	30720	6.05
Burkina Faso	BF-BT-6 months-20. July.16	BF000000497	Auction	0.50	20/01/16	38500	4.57
Burkina Faso	BF-BT-12 months-16. February.17	BF000000505	Auction	1.00	18/02/16	35000	5.14
Burkina Faso	BF-BT-24 months-8. March.18	BF000000513	Auction	2.00	10/03/16	40000	5.29
Burkina Faso	BF-6%-5 years-08 April.21	BF000000521	Auction	5.00	07/04/16	40000	6.00
Burkina Faso	BF-BT-6 months-17. November.16	BF000000539	Auction	0.50	19/05/16	40000	4.57
Burkina Faso	BF-5.5%-3 years-17. June.19	BF000000547	Auction	3.00	16/06/16	40000	5.54
Burkina Faso	BF-BT-24 months-19. July.18	BF000000554	Auction	2.00	21/07/16	40000	5.13
Burkina Faso	BF-BT-12 months-10. august.17	BF000000562	Auction	1.00	11/08/16	35000	4.82
Burkina Faso	BF-6.5%-7 years-02. September.23	BF000000570	Auction	7.00	01/09/16	50000	6.72
Burkina Faso	BF-BT-24 months-25. October.18	BF000000588	Auction	2.00	27/10/16	35000	5.59
Burkina Faso	BF-6%-5 yrs-08. April.21	BF000000521	Auction	5.00	10/11/16	35000	6.97
Burkina Faso	BF-BT-3 months-02. March.17	BF000000596	Auction	0.25	01/12/16	40000	4.66

Annex 3 : List of 2017 issues

Issuer	Heading	ISIN	Process	Maturity (year)	Issue date	Amount issued (millions of CFAF)	TMP (%)
Burkina Faso	BF-BT-3months-20. April2017	BF0000000612	auction	0.25	19/01/2017	35000	5.05
Burkina Faso	BF-BT-3month-14. June.2017	BF0000000638	auction	0.25	16/03/2017	35000	5.48
Burkina Faso	BF-BT-6months 09-15.2017	BF0000000646	auction	0.5	16/03/2017	35000	5.77
Burkina Faso	BF-BT-6 Months-11. October.2017	BF0000000653	auction	0.5	12/04/2017	40000	5.56
Burkina Faso	BF-BT-12months-11. April.2018	BF0000000661	auction	1	12/04/2017	40000	5.92
Burkina Faso	BF-6%-3 years-13. April.2020	BF0000000679	auction	3	12/04/2017	40000	6.96
Burkina Faso	BF-BT-6months-16. November.2017	BF0000000687	auction	0.5	18/05/2017	40000	5.85
Burkina Faso	BF-6%-3 years-13. April.2020	BF0000000679	auction	3	18/05/2017	40000	7.23
Burkina Faso	BF-BT-12month-14. June.2018	BF0000000695	auction	1	15/06/2017	40000	5.99
Burkina Faso	BF-6%-3 years-13. April.2020	BF0000000679	auction	3	15/06/2017	40000	7.14
Burkina Faso	BF-BT-6month- 22. January.2018	BF0000000703	auction	0.5	21/07/2017	35000	5.84
Burkina Faso	BF-BT-12months-21. July.2018	BF0000000711	auction	1	21/07/2017	35000	5.99
Burkina Faso	BF-BT-3 months-8. December.2017	BF0000000729	auction	0.25	07/09/2017	30000	5.42
Burkina Faso	BF-BT-6months-7. March.2018	BF0000000737	auction	0.5	07/09/2017	30000	5.60
Burkina Faso	BF-6%%-3 years-29. September.2020	BF0000000752	auction	3	28/09/2017	50000	6.86
Burkina Faso	BF-6.15%%-5years-29. September.2022	BF0000000760	auction	5	28/09/2017	50000	6.84
Burkina Faso	BF-6%-3 years-29. September.2020	BF0000000752	auction	3	05/10/2017	40000	7.05
Burkina Faso	BF-BT-6months-17. April.2018	BF0000000778	auction	0.5	17/10/2017	30000	5.66
Burkina Faso	BF-6%-3years-30. November.2020	BF0000000786	auction	3	27/10/2017	35000	6.92
Burkina Faso	BF-6.15%-5years-29September.2022	BF0000000760	auction	5	27/10/2017	35000	6.95
Burkina Faso	BF-BT-6months-8. May.2018	BF0000000794	auction	0.5	07/11/2017	25000	5.65
Burkina Faso	BF-BT-12months-21. November.2018	BF0000000802	auction	1	22/11/2017	60000	6.12
Burkina Faso	BF-6%-3years-23. November.2020	BF0000000810	auction	3	22/11/2017	60000	6.39
Burkina Faso	BF-6.2%-5years-23. November.2022	BF0000000828	auction	5	22/11/2017	60000	6.9
Burkina Faso	BF-BT-3years-23. November.2020	BF0000000810	auction	3	13/12/2017	35000	7.29
Burkina Faso	BF-BT-12months-18. December.2018	BF0000000836	auction	1	19/12/2017	25000	6.42

Annex 4 : List of 2018 issues

Issuer	Heading	ISIN	Process	Maturity (year)	Issue date	Amount issued (millions)	TMP (%)
Burkina Faso	BF-BT-12months-8. January.2019	BF0000000844	auction	1	09/01/2018	25000	6.38
Burkina Faso	BF-6%3years-25. January.2021	BF0000000851	auction	3	24/01/2018	20000	7.49
Burkina Faso	BF-BT-6months-August 2018	BF0000000869	auction	0.5	07/02/2018	25000	6.12
Burkina Faso	BF-BT-12months-20. February.2019	BF0000000877	auction	1	21/02/2018	25000	6.41
Burkina Faso	BF-BT-12months-6. March.2019	BF0000000893	auction	1	07/03/2018	30000	6.46
Burkina Faso	BF-BT-3years-23. November.2020	BF0000000810	auction	3	21/03/2018	25000	7.83
Burkina Faso	BF-BT-12months-17. April.2019	BF0000000901	auction	1	18/04/2018	20000	6.15
Burkina Faso	BF-BT-12months-20. February.2019	BF0000000877	auction	1	02/05/2018	20000	6.08
Burkina Faso	BF-BT-12months-18. December2018	BF0000000836	auction	1	16/05/2018	20000	6.05
Burkina Faso	-	-	auction	0.25	13/06/2018	25000	-
Burkina Faso	BF-3 years -June 2021	BF0000000943	auction	3	27/06/2018	25000	6.75
Burkina Faso	BF-6.15%-3 years-12. July.2021	BF0000000968	auction	3	11/07/2018	25000	7.57
Burkina Faso	BF-BT-12months-24. July.2019	BF0000000976	auction	1	25/07/2018	25000	5.95
Burkina Faso	BF-6.15%-3 years-9.08.2021	BF0000000984	auction	3	08/08/2018	50000	7.57
Burkina Faso	BF-5years-6.25%-9. august.2023	BF0000000992	auction	5	08/08/2018	50000	7.07
Burkina Faso	BF-BT-12months- August 19, 2019	BF0000001032	auction	1	20/08/2018	25000	6.26
Burkina Faso	BF-6.15%-3years 06.September.2021	BF0000001040	auction	3	05/09/2018	25000	7.43
Burkina Faso	BF-BT-12months-18. September.2019	BF0000001057	auction	1	19/09/2018	25000	5.87
Burkina Faso	BF-BT-12months-3. October.2019	BF0000001065	auction	1	03/10/2018	25000	6.05
Burkina Faso	BF-6.15%-3 years-18. October.2021	BF0000001073	auction	3	17/10/2018	20000	7.89
Burkina Faso	BF-BT-12months-4. november.2019	BF0000001081	auction	1	05/11/2018	25000	6.00
Burkina Faso	BF-6.15%-3 years-15. November.2021	BF0000001099	auction	3	14/11/2018	30000	7.5
Burkina Faso	BF-BT-6months-29. May.2019	BF0000001107	auction	0.5	28/11/2018	30000	5.92
Burkina Faso	BF-BT-12months- December.2019	BF0000001123	auction	1	13/12/2018	35000	6.57
Burkina Faso	BF-3year- December.2021	BF0000001115	auction	3	13/12/2018	35000	7.64
Burkina Faso	BF-BT-3months- march.2019	BF0000001149	auction	0.25	21/12/2018	35000	6.11
Burkina Faso	BF-3years- december.2021	BF0000001115	auction	3	21/12/2018	35000	7.69

10.2. Detail of live securities at the end of 2018

Annex 5 : Details of live securities at the end of 2016 (2017 Information Note)

Issuer	Heading	ISIN	Maturity (years)	Issue date	TMP	Coupon	Outstanding at the end of 2016 (millions of CFAF)
Burkina Faso	BF-5,5%-10-years-29. july.17	BF000000224	10.00	28/07/07	--	5.50	5900
Burkina Faso	BF-6,5%-7 years-20. may.17	BF000000240	7.00	20/05/10	6.49	6.50	9780
Burkina Faso	BF-6,5%-5 years-25. october.17	BF000000281	5.00	25/10/12	6.50	6.50	10785
Burkina Faso	TPBF 6,5%-2013-2020 (7 years)	BF000000182	7.00	14/11/13	6.60	6.50	97280
Burkina Faso	BF-6,25%-5years-31. december.19	BF000000406	5.00	30/12/14	6.51	6.25	31257
Burkina Faso	BF-6%-5 years-20.may.20	BF000000448	5.00	19/05/15	5.99	6.00	66000
Burkina Faso	BF-6%-5 years-16. december.20	BF000000489	5.00	15/12/15	6.05	6.00	30720
Burkina Faso	BF-BT-24 months-08. march.18	BF000000513	2.00	10/03/16	5.29	--	40000

Annex 6 : Details of live securities at the end of 2017

Issuer	Heading	ISIN	Maturity (year)	Issue date	TMP	Coupon	Outstanding at the end of 2016 (millions of CFAF)
Burkina Faso	TPBF 6,5% 2013-2020 (7 years)	BF0000000182	7	14/11/13	6.60	6.50	85 120
Burkina Faso	BF - 6,25% - 5 years - 31. december.19	C600502E5	5	30/12/14	6.51	6.25	26 048
Burkina Faso	BF - 6% - 5 years - 20.may.20	C600542E1	5	25/06/15	5.99	6.00	49 500
Burkina Faso	BF - 6% - 5 years - 16. december.20	C600582E7	5	15/12/15	6.05	6.00	30 720
Burkina Faso	BF -BT - 24 months - 08. march.18	BF0000000513	2	10/03/16	5.29	-	40 000
Burkina Faso	BF - 6% - 5 years - 08. april.21	BF0000000521	5	07/04/16	6.00	6.00	75 000
Burkina Faso	BF - 5,5% - 3 years - 17. june.19	BF0000000547	3	16/06/16	5.54	5.50	40 000
Burkina Faso	BF -BT - 24 months - 19. july.18	BF0000000554	2	21/07/16	5.13	-	40 000
Burkina Faso	BF - 6,5% - 7 years - 02. september.23	BF0000000570	7	01/09/16	6.72	6.5	50 000
Burkina Faso	BF -BT - 24 months - 25. october.18	BF0000000588	2	27/10/16	5.59	-	35 000
Burkina Faso	BF -BT - 12 months - 13. february.18	BF0000000620	1	-	-	-	19 446
Burkina Faso	BF -BT - 12 months - 11. april.18	BF0000000661	1	12/04/2017	5.92	-	8 090
Burkina Faso	BF - 6% - 3 years - 13. april.20	BF0000000679	3	12/04/2017	6.96	-	63 689
Burkina Faso	BF -BT - 12 months - 14. june.18	BF0000000695	1	15/06/2017	5.99	-	7 195
Burkina Faso	TPBF 6,5% 2017-2027 (10 years)	-	10	-	-	-	122 018
Burkina Faso	BF -BT - 6 months - 21. january.18	BF0000000703	0,5	21/07/2017	5.84 %	-	13 050
Burkina Faso	BF -BT - 12 months - 22. july.18	BF0000000711	1	21/07/2017	5.99 %	-	17 016
Burkina Faso	BF -BT - 6 months - 08. march.18	BF0000000737	0,5	07/09/2017	5.60 %	-	16 500
Burkina Faso	BF-6%%-3years-29. september.2020	BF0000000752	3years	28/09/2017	6.86	-	38000
Burkina Faso	BF-6,15%%-5years-29. september.2022	BF0000000760	5 years	28/09/2017	6.84	-	25000
Burkina Faso	BF-BT-6months-17.april.2018	BF0000000778	0,5 year	17/10/2017	5.66	-	31000
Burkina Faso	BF-6%-3years-30.november.2020	BF0000000786	3a years	27/10/2017	6.92	-	21000
Burkina Faso	BF-BT-6months-8.may.2018	BF0000000794	0,5 year	07/11/2017	5.65	-	21000
Burkina Faso	BF-BT-12months-21.November.2018	BF0000000802	1 year	22/11/2017	6.12	-	20000
Burkina Faso	BF-6%-3years-23.november.2020	BF0000000810	3 years	22/11/2017	6.39	-	31000
Burkina Faso	BF-6,2%-5years-23.november.2022	BF0000000828	5 years	22/11/2017	6.9	-	3000
Burkina Faso	BF-BT-12months-18.December. 2018	BF0000000836	1 year	19/12/2017	6.42	-	6000

Auction (for public securities): Auction of securities issued by the Central Government. In the WAEMU region, it is organized by BCEAO and only banks and other regional financial institutions with accounts with BCEAO can participate. Other entities can only subscribe to auctions through WAEMU banks.

Depreciation or Maturity: the period between the disbursement of a loan and its final repayment, consisting of the grace period and the repayment period.

Public Offering: an invitation to tender on the financial market for public securities through an SGI. It is open to all investors.

Net External Assets (NEAs): net external assets or liabilities of monetary institutions (central banks and banks). It comprises all the items in the balance sheets of the central bank and the banks relating to their external operations. It is calculated by deducting from gross foreign assets all foreign liabilities, including medium- and long-term liabilities.

State financing requirement: overall amount needed to cover the primary budget deficit and debt-related interest and depreciation charges.

Treasury bills: short-term public securities with a maturity of between 7 days and 2 years, issued by a WAEMU Member State.

Paris Club: an informal group of creditor countries (usually OECD countries) that meet in Paris to negotiate debt restructuring agreements with debtor countries with debt service problems.

Bilateral creditors: governments, central banks, export credit agencies and agencies that lend to a debtor government on an intergovernmental basis.

Multilateral creditors: international institutions that lend funds on concessional and/or non-concessional terms, such as the IMF, World Bank and regional development banks.

Credit to the economy (CE): all loans granted to the economy by banks (refinanced or not), financial institutions (partly financed by the Central Bank) and the Treasury (through the acceptance of customs drafts). Domestic credit=Credit to the economy + Government Net position (see GNP)

Disbursement: payment of all or part of the amount contracted under a loan.

Budget deficit: Difference between total revenue, total expenditure and net lending.

Current account deficit: current account deficit balance of the balance of payments.

Primary deficit: negative difference between revenue and expenditure, excluding interest payments.

External public debt: central government loans from non-residents.

Domestic public debt: central government loans from residents.

Non-concessional debt: debt issued on market conditions

Economic data:

-Achievements: economic data for past years, calculated based on comprehensive economic information collected on the economic activity by national administrations. They should correspond more or less to the data in the final accounts for year N-3;

-Estimates: correspond to the semi-final or provisional accounts, drawn up based on the economic information for a given year. They are generally non-exhaustive and/or not fully validated;

-Projections or economic forecasts: correspond to economic data calculated based on assumptions made about the future development of the economic activity. These projections may partially cover certain

accounts for which only provisional and/or partial data are available.

Donation element: difference between the nominal value (NV) and the present value (PV) of the debt servicing expressed as a percentage of the nominal value of the loan $((NV-PV)/NV)$.

Concessional borrowing: Loans and credits that have a long amortization period and/or below-market interest rates, such that they have a grant element of at least 35%.

Eurobond: dollar-denominated bond on the London financial market.

Inflation: generalized increase in consumer prices. This results in a loss in the purchasing power of the currency.

Multilateral Debt Relief Initiative (MDRI): initiative launched in June 2005 to accelerate progress towards the Millennium Development Goals (MDGs).

HIPC Initiative: framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of Heavily Indebted Poor Countries (HIPC), which aims to provide comprehensive debt relief sufficient to achieve debt sustainability.

Money supply (MS): all claims held by the rest of the economy on monetary institutions.

It comprises monetary (currency in circulation + overnight deposits) and quasi-monetary (savings accounts and fixed-term deposits) balances.

Treasury bond: medium- and long-term government securities issued through auctions or public offerings.

Conditional liabilities: debt incurred by other public entities except for central government (local authorities and the quasi-public sector).

Government Net Position (GNP): net claims or net liabilities of the Treasury vis-à-vis the rest of the economy.

The government's net position is made up of the difference between the Treasury's debt and its

claims on the Central Bank, banks and individuals and companies.

By convention, a credit GNP is preceded by a minus sign (-) and a debit GNP is preceded by a plus sign (+).

Tax burden: the ratio of tax revenue to GDP

Refinancing risk: risk associated with the renewal of maturing debt. It may relate to the cost of refinancing or the impossibility of obtaining the desired amounts.

Interest rate risk: Interest rate risk refers to the vulnerability of the debt portfolio and the cost of the Government's debt to high market interest rates, to the point where maturing fixed-rate and floating-rate debt are revalued.

Foreign exchange risks: Risks associated with fluctuations in exchange rates.

Debt service: Any payment required to be made on the principal, interest and fees on a loan.

Primary balance: (see primary deficit)

Basic primary balance: total revenue excluding grants - current expenditure + interest on public debt - capital expenditure on own resources.

Stock of Public Debt: amount at a given date of disbursements of debts that have not yet been repaid

Exchange rate: price of one currency in terms of another.

Debt ratio: ratio of the stock of public debt to GDP.

Investment rate of a country's economy: a ratio that indicates the gross fixed capital formation of all economic agents (governments, businesses, households) expressed as a percentage of GDP. For a country, GFCF is the sum of hardware and software investments made during one year in that country.

The terms of trade: expresses for a country the ratio between the price of exports and the price of imports. They are usually calculated from price indexes and indicate a change from a reference year ($T = [ex-$

port price index/import price index] x 100).

The terms of trade improve over time ($T > 100$) if an economy exports a smaller quantity of goods to purchase the same quantity of imported goods (in other words, the same quantities exported buy more imported goods): export revenues improve in this case.

In contrast, the terms of trade deteriorate.

This price ratio thus translates the evolution of the purchasing power of exports into imports, for a given volume of trade (the structure of trade is fixed): it reflects the price competitiveness of a country (independently of the quantity effect).



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