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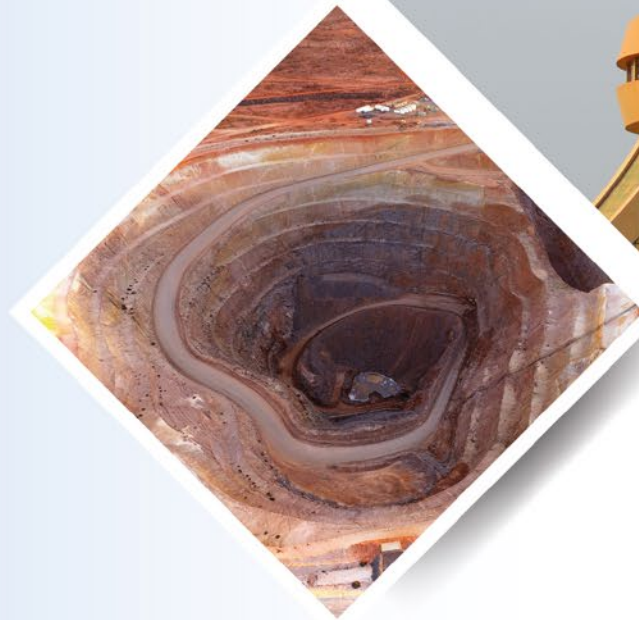
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INFORMATION NOTE



Burkina
Faso



Presentation of Sovereign issuers of
West African Monetary Union

August 2021

Quality review by **Deloitte.**



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ACDP-SME/SMI	: Support Project for the Creation and Development of Small and Medium Enterprises and Small and Medium Industries
ADF	: African Development Fund
AED	: United Arab Emirates Dirham
AFD	: French Development Agency
AGOA	: African Growth and Opportunity Act
ANPE	: National Employment Agency
AQIM	: Al Qaeda in the Islamic Maghreb
BADEA	: Arab Bank for Economic Development in Africa
BCEAO	: Central Bank of West African States
BID	: Islamic Development Bank
BOABF	: Bank of Africa Burkina Faso
BOAD	: West African Development Bank
BRVM	: Regional Stock Exchange
BTP	: Building and Civil Engineering
CBI	: Coris Bank International
CFAF	: Franc of the African Financial Community
CHR	: Regional Hospital Centers
CHU	: University Hospitals
CIA	: Central Intelligence Agency
CM	: Medical Centers
CMA	: Medical Center with Surgical Branch
CNDP	: National Public Debt Committee
CNLS-IST	: National Council for the Fight against AIDS and Sexually Transmitted Infections
CNY	: Chinese Yuan
CPIA	: National Policy and Institutional Assessment Note
CSPS	: Health and Social Promotion Centre
DSA	: Debt Sustainability Analysis
DSF-LICs	: Debt Sustainability Framework for Low-Income Countries
EIB	: European Investment Bank
ERI-ESI	: Integrated Regional Survey on Employment and the Informal Sector
EUR	: Euro
FAARF	: Support Fund for Women's Income Generating Activities
FAFPA	: Support Program for Vocational Training and Apprenticeship
FAIJ	: Youth Initiatives Support Fund
FAPE	: Support Fund for the Promotion of Employment
FASI	: Support Fund for the Informal Sector
FCPB	: Faitières des Caisses Populaires du Burkina
FDN	: Nordic Development Fund
FEC	: Extended Credit Facility
FIDA	: International Fund for Agricultural Development
FRDC	: ECOWAS Fund
GATT	: General Agreement on Tariffs and Trade
GBP	: British Pound Sterling

GDP	: Gross Domestic Product
HDI	: Human Development Index
HIV-AIDS	: Human Immunodeficiency Virus-Acquired Immunodeficiency Syndrome
IC	: Composite Index
ICES	: Institute for Health Sciences Research
IDA	: Association for International Development
IDE	: Foreign Direct Investment
ILO	: International Labour Office
ILO	: International Labour Organization
IMF	: International Monetary Fund
INSD	: National Institute of Statistics and Demography
IPT	: Intermittent Preventive Treatment
KWD	: Kuwaiti Dinar
LAL	: Anti-Larvae Fighting
LDCs	: Least Developed Countries
LOLF	: Organic Law on Finance Laws
MILDA	: Long-lasting Insecticide-Treated Mosquito Nets
MINEFID	: Ministry of the Economy, Finance and Development
NP/TPET	: National Policy on Technical and Vocational Education and Training
NPCS	: National Youth Policies
OFID	: OPEC Fund for International Development
ONATEL	: Burkina Faso National Telecommunications Office
ONEF	: National Employment and Training Observatory
PAPS/EFTP	: Support Program for the Sectoral Policy of Technical and Vocational Education and Training
PCA	: Complementary Activity Package
PCSC	: Convergence, Stability, Growth and Solidarity Pact
PEJDC	: Youth Employment and Skills Development Project
PEJEN	: Youth Employment Program for the National Education
PIAF-BF	: Integrated Program for the Empowerment of Women in Burkina Faso
PID	: Intra Home Spraying
PIPHE-SA	: Project for the creation and implementation of an incubator and business center in the agri-food sector
PMA	: Minimum Activity Package
PNADES	: National Action Plan for the Development of Higher Education
PNDES	: National Economic and Social Development Plan
PNE	: National Employment Policies
PNLP	: National Malaria Control Program
PPP	: Public-Private Partnerships
PSCE/JF	: Special Job Creation Program for Youth and Women
PSR	: Strategic Plan for the Reform of the National Armed Forces
PV	: Present Value
RAV	: Village Administrative Officers
S&P	: Standard & Poor
SAR	: Saudi riyal
SDMT	: Medium-Term Debt Management Strategy

SDR	: Special Drawing Rights
SFD	: Decentralized Financial Systems
SITC	: Standard International Trade Classification
SME	: Small and medium-sized enterprises
SONABHY	: Burkina Faso National Petroleum Company
STI	: Sexually Transmitted Infections
SYDONIA	: Automated Customs System
SYLVIE	: Virtual Linkage System for Import and Export Operations
T-bond	: Treasury Bond
TPA	: Employer's Apprenticeship Tax
TVET	: Technical and Vocational Education and Training
UCC	: United Community Coin
US	: United States
USA	: United States of America
USD	: United States Dollar
VAT	: Value Added Tax
WAEMU	: West African Economic and Monetary Union
WAMU	: West African Monetary Union
WHO	: World Health Organization
WTO	: World Trade Organization



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
Officier de l'Ordre de l'Étalon



Burkina Faso is located in the heart of West Africa and covers an area of 274,200 km². It is a landlocked country. 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 neighboring Côte d'Ivoire, Togo, Benin and Ghana for its import and export needs.

The population of Burkina Faso was estimated at 21,510,181 in 2020 according to projections by the National Institute of Statistics and Demography (INSD). The 2020 Human Development Index ranks Burkina Faso 182nd out of 189 countries in the world with a low HDI of 0.452. In Africa, Burkina Faso is ranked 46th out of 53 countries. Between 2015 and 2020, Burkina Faso's gross domestic product rose from 6,119.6 to 10,121.9 billion CFA francs, i.e. about 4,002.3 billion CFA francs more wealth was created over the period. This economic dynamic is expected to continue until 2021, when GDP will reach 10 808.2 billion CFA francs.

Burkina Faso experienced steady economic growth between 2015 and 2020. After a decelerating growth rate in 2015 (3.9% after 4.3% in 2014), the real GDP growth rate witnessed a sustained level by rising from 5.9% in 2016 to 6.3% in 2017 and 6.8% in 2018. In 2019, the GDP growth rate stood at 5.7% before slowing to 2.5% in 2020 due to the Covid-19 pandemic. However, for 2021, Burkina Faso's economic growth rate is expected to accelerate to 7.0% according to the projections of the Ministry of economy.

According to estimates by the Ministry of economy (March 2021), growth in 2020 was driven mainly by the secondary (+7.7%) and primary (+5.7%) sectors, with the tertiary sector experiencing a recession (-2.5%). Taking into account the international context marked by the Covid-19 pandemic and in view of a gradual recovery in global economic activity, the performance of the Burkina Faso economy should improve in 2021. The secondary and tertiary sectors are expected to grow by 7 percent and 8.3 percent in 2021. The primary sector, on the other hand, is expected to experience a slowdown in growth, which is projected at 3.5 percent.

According to BCEAO, the current account balance showed a deficit of 101.1 billion in 2020 against -306.9 billion in 2019, an improvement of 205.8 billion (+67.1%). This change in the current account balance reflects the decline in the goods and services balance deficit and the increase in the surplus of the secondary income account. The goods balance showed a surplus for the third consecutive year (CFAF 161.1 billion in 2018, CFAF 2 014.3 billion in 2019 and CFAF 436.2 billion in 2020), in connection with the dynamism in the mining sector.

The Doing business 2020 report ranks Burkina Faso 151st out of 190 countries with a score of 51.4. The country was at the same position in the 2019 Doing business ranking. 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 three consecutive years, a total of 5 places have been lost.

The rating agency Standard & Poor (S&P) has regularly rated Burkina Faso since 2004. In 2020, Burkina Faso's rating was B for long-term and short-term sovereign issues in foreign currency, with a stable outlook. This rating implies that the country will maintain its macroeconomic performance for another year, despite the prevailing insecurity. Standard & Poor's underlines that the country's rating remains unchanged in spite of the pandemic. According to the institution's analysis, Burkina Faso should be back on the path to growth by 2021. Its anchorage in WAEMU, its diversification and its gold production should offset the security risk.

According to the Ministry of economy, total State revenue, including grants, increased by 12.06% in 2020, or 221 billion CFA francs compared to 2019. Total revenue amounted to CFAF 2,053.56 billion for a forecast of CFAF 2,108.35 billion in 2020, representing a collection rate of 97.4%. Over the 2015-2020 period, total revenue rose from CFAF 1 286.2 billion to CFAF 2 053.56 billion with an average annual growth rate of about 7.6%. As for total expenditure and net loans in 2020, they stood at CFAF 2,424.9 billion out of a forecast of CFAF 2,532.8 billion, representing an achievement rate of 95.74%. Compared to 2019, total expenditure and net loans increased by about 11%.

The government debt-to-GDP ratio has been rising since 2016. It increased from 32.8% to 47.2% of GDP over the period 2015 and 2020. Although the country's debt ratio is increasing, it remains below the community standard of 70% of GDP. This ratio is expected to decline over the next three years as the budget deficit is reduced over the period.

Burkina Faso has a prudent public debt policy, covering most of its financing needs with concessional loans. To this end, the government has resolutely adopted a public debt management strategy that meets international and sub-regional standards and enables it to honor its commitments to creditors on time and maintain the quality of its signature with investors.

Burkina Faso



Area

274 200 km²



Population in 2020

21 510 181 Hbts



Capital

Ouagadougou



Political system

Presidential



Currency

CFAF



Official language

French



Nominal GDP in 2020

10 121.9 billions
of CFAF

(source : National services, BCEAO)

- ▶ Economy based on **agriculture**, **extractive industries**, and **services**
- ▶ Real GDP growth rate in 2020 : **2.5%**
- ▶ Fiscal deficit , including grants, in 2020 : **5.3%** of GDP
- ▶ Debt to GDP rate in 2020 : **47.2%**

1.1 Political system

Burkina Faso, literally the "country of upright men", is a democratic and secular republic located in West Africa with French as the official language. The country gained independence on 5 August 1960¹ under the name of Upper Volta before being renamed Burkina Faso on 4 August 1984 under the Sankarist revolution. After a period of 7 years of emergency rule, Burkina Faso adopted a constitution on 2 June 1991, establishing the fourth republic. Burkina Faso's political system is a multiparty presidential system. The country planned to move to a fifth republic through the option of a new constitution by referendum in 2020. The main changes foreseen in the draft constitution are:

- **The limitation of the exercise of the presidency of Faso to two five-year terms, whether successive or not.** A provision locked by Article 192, according to which "*no project or proposal to revise the Constitution is admissible when it calls into question the number and duration of presidential terms*";
- **A better separation and rebalancing of powers.** For example, the Head of State will be able to be impeached by the Constitutional Court. Another example is that he will be able to appoint only four of the twenty-three members of the Supreme Council of the Judiciary;
- **Repeal of the death penalty ;**
- **The inclusion of certain essential human rights, such as access to drinking water, health and housing, in the Constitution.**

However, the new constitution is still awaiting adoption but the death penalty was abolished in 2018.

1.1.1 The Executive Branch

According to article 37 of the current Constitution

(4th Republic), the President of Faso is elected by universal suffrage for a five-year term, renewable once. No one may serve more than two terms as President of Faso consecutively or intermittently. The President of Faso is both Head of State and Chairman of the Council of Ministers. The Prime Minister, Head of Government, is appointed by the Head of State. He or she 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 that the laws passed are implemented.

According to article 43 of the Constitution, in the event of a vacancy in the office of the President of Faso for any reason whatsoever, or in the event of an absolute or definitive impediment established by the Constitutional Council, referred to it by the Government, the functions of the President of Faso are exercised by the Speaker of the National Assembly. A new President is elected for a new five-year term. The election of the new President shall take place at least sixty (60) days and at most ninety (90) days after the vacancy or the definitive nature of the impediment is officially established.

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 November 1 to 21, 2014; Michel Kafando from November 21, 2014 to December 29, 2015; Roch Marc Christian Kaboré since November 29, 2015. Roch Marc Christian Kaboré was re-elected for a second presidential term on 22 November 2020.

1.1.2 The Legislative Branch

The Burkinabe parliament has a single chamber called the National Assembly. There are 127 members of the National Assembly in the current legislature from 13 political parties (Table 1).

¹ Although the country gained independence on 5 August, Independence Day is celebrated on 11 December, which corresponds to the proclamation of the Republic (11 December 1958).

Table 1. Breakdown of Members of the 2020-2025 Legislature by Political Party

Political party	Number of Members of Parliament
People's Movement for Progress (MPP)	56
Congress for Democracy and Progress (CDP)	20
New Era for Democracy (NTD)	13
Union for Progress and Change (UPC)	12
Union for the Renaissance/Sankarist Party (UNIR/PS)	5
Movement for the Future Burkina (MBF)	4
Alliance for Democracy and Federation / African Democratic Rally (ADF/RDA)	3
Party for Development and Change (PDC)	3
Patriotic Rally for Integrity (RPI)	3
National Progressive Convention (NPC)	2
Movement Agir Ensemble pour le Burkina Faso (AGIR ENSEMBLE)	2
Pan-African Alliance for Refoundation - Tiligré (APR - Tiligré)	1
Convergence for Progress and Solidarity/Generation 3 (CPS/G3)	1
Party for Democracy and Socialism (PDS)	1
Progressives United for Renewal (PUR)	1

Source: National Assembly

The National Assembly has six (06) parliamentary groups which are :

- The "MPP Parliamentary Group" composed of MPs elected under the banner of the People's Movement for Progress (MPP);
- The "UPC Parliamentary Group", composed of MPs from the Union for Progress and Change (UPC);
- The "CDP Parliamentary Group" composed of elected members of the Congress for Democracy and Progress (CDP);
- The "NTD Parliamentary Group" composed of the elected members of the New Era for Democracy (NTD);
- The "Parliamentary Group Rally for Democracy and Justice (RDJ)" composed of MPs from 9 political parties: the Union for the Renaissance/Sankarist Party (UNIR/PS), the Movement for the Burkina of the Future (MBF), the Patriotic Rally for Integrity (RPI),

the Party for Development and Change (PDC), the National Convention for Progress (CNP), the Convergence for Progress and Solidarity/Generation 3 (CPS/G3), the Progressives United for Renewal (PUR), the Pan-African Alliance for Refoundation - Tiligré (APR - Tiligré) and the Party for Democracy and Socialism (PDS);

- The "Parliamentary Group for Peace, Justice and National Reconciliation (PJRN)" composed of MPs from the Alliance for Democracy and Federation/African Democratic Rally (ADF/RDA), the Movement Agir Ensemble pour le Burkina Faso (AGIR ENSEMBLE) and the CDP.

According to article 80 of the Constitution, MPs are elected by direct, equal and secret universal suffrage². They exercise legislative power. The National Assembly votes on the laws governing the political, economic, social and cultural organization of the country. It thus sets the rules that govern Burkinabe society. It also controls government action.

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

Bills are discussed in the Council of Ministers before being tabled in the National Assembly. A bill is initiated by the Government, while a draft law is initiated by an MP or a group of MPs, or by a petition with at least 15,000 signatories. Bills and/or proposals are then forwarded 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 plenary session before being adopted by a vote of the Members.

1.1.3 The Judiciary

Judicial power is entrusted to judges; it is exercised throughout the territory of Burkina Faso by the jurisdictions of the judicial order and the administrative order determined by law. According to Law No. 015-2019/AN of 2 May 2019 on the organization of the judiciary in Burkina Faso, the jurisdictions of the judicial order in Burkina Faso are:

- The Court of Cassation;
- Courts of Appeal ;
- High courts ;
- Commercial courts ;
- Departmental courts ;
- The district courts ;
- Labor courts.

In addition to these ordinary courts, there are exceptional courts which are

- The military tribunal ;
- The High Court of Justice.

The courts of the administrative order are :

- The State Board;
- The Administrative Court of Appeal ;
- The Administrative Court.

The Administrative Court of Appeal was recently created 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 superior jurisdiction of the administrative order. The Court of Auditors is the superior jurisdiction of public finance control. The Court of Conflicts is the jurisdiction for settling conflicts of jurisdiction between courts.

1.2 Administrative organization

Burkina Faso is organized into the following administrative districts

- Region;
- Province;
- Department.

There are a total of 13 regions, each headed by a regional governor. Each region is made up of a set of provinces headed by high commissioners. There are 45 provinces subdivided into departments, each headed by a prefect. A department is made up of a group of villages headed by village chiefs, who are now assisted by village administrative officers (RAV) who are like State representatives in the villages.

Within the framework of decentralization, Burkina Faso created local authorities, namely the regions and the communes. There are three types of communes: rural communes, urban communes and communes 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 Geographic location

Burkina Faso is located in the heart of West Africa and covers an area of 274,200 km². It is a landlocked country. 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 neighboring Côte d'Ivoire, Togo, Benin and Ghana for its import and export needs. There is a railway that connects the city of Ouagadougou to Abidjan (Côte d'Ivoire) 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 (03) 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, the last vestiges of a Precambrian massif. It is a rather monotonous landscape, with a soil most often colored in ochre by laterite. It has a flat relief which does not retain much water, hence the lack of water in some areas;
- The southwestern part of the country forms a sandstone massif. The highest point of the country is located there: 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 extreme 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 southwest) with two very contrasting seasons: the rainy season, with rainfall ranging from 300 mm to 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 winter season of 3 to 4 months (June to September) and a dry season of 8 to 9 months (October to June). The temperature varies from 16 to 45°C. The average annual evaporation is estimated at 3,000 mm and the annual recharge of the groundwater at 40 mm.

In the Sahelian climatic zone, which is the driest, the vegetation belongs to the shrubby steppe type with thorns and annual grasses. The Sudano-Sahelian zone has a flora known as tiger bush. The south of this region is characterized by the savannah, composed of trees and shrubs. The Sudano-Guinean zone has more varied vegetation due to the more abundant rainfall, consisting of savannahs, forest galleries and tropical dry forests.

1.4 Population

According to the preliminary results of the 5th general population and housing census (RGPH) of Burkina Faso, conducted in 2019, the total resident population of Burkina Faso was 20,487,979. According to projections by the National Institute of Statistics and Demography (INSD) based on the 2006 general population census, the population of Burkina Faso is estimated to be 21,510,181 in 2020 (Table 2). Men accounted for 48.3 per cent of the population and women for 51.7 per cent. The average annual population growth rate was 3.2 percent from 2010 to 2020. Between 2019 and 2020, Burkina Faso's population grew by 3.1 percent. Burkina Faso has a very young population, with the 0-14 age group accounting for 46.5 per cent of the total population. The United Nations estimates Burkina Faso's average population growth rate over the period 2018-2023 to be about 3%. According to World Bank data, the proportion of Burkina Faso's urban population increased by 6.36 percentage points over the period 2007-2018, from 23% to 29.36%. According to CIA estimates, in 2010 Burkina Faso was 61.5 per cent Muslim, 23.3 per cent Catholic, 6.5 per cent Protestant and about 8.7 per cent animist.

Table 2. Statistics on the population of Burkina Faso

Description	Indicator
Population in 2020	21,510,181 inhabitants
Male	48.3%
Woman	51.7%
Average annual population growth rate from 2010-2020	3.2%
Population growth rate in 2020	3.1%
Projected average annual population growth rate from 2018-2023	3%
Population by age group in 2020	
0-14	46.2%
15-64	51.0%
65 and over	2.8%
Urban-rural population ratio 2009-2019	
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%
2018	41.55%
2019	35.77%
2020	
Religion	
Muslim	61.5%
Catholic	23.3%
Protestant	6.5%
Animist	8.7%

Source : INSD

1.5 Education

1.5.1 Organization of school cycles

The Burkinabe education system is organized into two sub-systems with few links 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 is for children aged 3 to 6 years old at least. It comprises a single cycle lasting three (3) years. Primary education is for children aged 6 years and over and the normal duration 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 includes general education and technical and vocational education. General education is organized in two (02) cycles: the first cycle lasts four (4) years and ends with the diploma of the first cycle and the second cycle lasts three (3) years and ends with the High school diploma known as Baccalaureate (BAC).

Technical and vocational education has three (03) cycles: the short cycle which lasts three to four years after the CEP, depending on the field of training, and at the end of the cycle, the Certificate of Vocational Aptitude (CAP) is awarded; the medium cycle which lasts two years after the BEPC and leads to the Brevet d'Etudes Professionnelles (BEP); and the long cycle which lasts three years after the BEPC and leads to the Baccalaureate.

Higher education is the last link in the formal education system. It is provided by universities, colleges and public and private institutes. Higher education comprises three cycles (03) according to the branches of education and training, a diploma, a degree or a certificate can be awarded.

1.5.2 Education Development Plan

The education system in Burkina Faso is general in nature, does not provide much in the way of professional training and does not meet the needs of the labor market. Despite the various reforms undertaken, the quality of basic education is declining. Technical and vocational education and training (TVET) remains qualitatively and quantitatively weak and disorganized, with 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 ;
- The reform of primary, post-primary, secondary and higher education to adapt them to the needs of the structural transformation of the economy;
- Building human and material capacity ;
- Improving access to and the 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 Statistics by cycle

According to data from the 2019/2020 statistical yearbook of the Ministry of National Education, Literacy and Promotion of National Languages (MENAPLN) presented in Table 3, the gross enrolment rate in primary school rose from 83% in 2013 (including 82.8% for boys and 83.2% for girls) to 86.6% in 2020 (85.8% for boys and 87.5% for girls). The number of students per teacher was about 49.6 in 2020 compared to 51.3 in 2013. The number of students per class decreased from 51.4 in 2013 to 48.5 in 2020. The number of public and private primary schools in Burkina Faso in 2020 was estimated at 14,863 with a total of 66,870 classes. The primary school completion rate was 60.3 percent for the 2019/2020 school year (including 56 percent for boys and 64.9 percent for girls). Compared to the year 2019, these statistics show a slight decline in the performance of the primary cycle and this could be explained by the security crisis which led to the closure of thousands of schools mainly in the Sahel, Centre - North and East regions of the country but also by the COVID - 19 pandemic.

Table 3. Performance indicator for the primary cycle

Indicator	2013	2020
Gross enrolment rate	83%	86.6%
Boy	82.8 %	85.8 %
Girl	83.2 %	87.5 %
Number of students per teacher	51.3	49.6
Number of students per class	51.4	48.5
Number of schools	12 394	14 863
Number of classes	47 709	66 870
Completion rate	57.6%	60.3 %
Boy	55.7%	56 %
Girl	59.7%	64.9%

Source : MENAPLN, INSD

The post-primary and secondary gross enrolment ratio presented in table 4, increased from 29.5 per cent in 2013 (including 31.9 per cent for boys and 27 per cent for girls) to 38.3 per cent in 2020 (including 36.9 per cent for boys and 39.9 per cent for girls). Specifically, the gross enrolment rate for post-primary education was 49.3 per cent in 2020 (including 45.3 per cent for boys and 53.6 per cent for girls) and that for secondary education was 21.9 per cent (including 24 per cent for boys and 19.8 per cent for girls). The completion rate for post-primary education was 39 per cent in 2020 (35.5 per cent for boys and 42.6 per cent for girls) and 17.5 per

cent for secondary education (19.8 per cent for boys and 15.1 per cent for girls). The number of students per teacher was 67.7 in 2013 in post-primary and general secondary education, compared with 47.6 in 2020. At the technical education level, the ratio increased from 11.1 to 12.5 over the same period. These improvements are the result of the vast teacher recruitment program launched by the State in recent years. The number of students per class in post-primary and general secondary education has decreased from 71 in 2013 to 54 in 2020. This ratio was 55 pupils per class in post-primary in 2020 against 43 pupils per class in secondary.

Table 4. Performance indicators for post-primary, secondary and technical education

Indicator	2013	2020
Post - primary and secondary		
Gross enrolment rate	29.5 %	38.3 %
Boy	31.9 %	36.9 %
Girl	27%	39.9 %
Number of students per teacher	67.7	47.6
Number of students per class	71	54
Number of schools	1 598	4 322

Number of classes	11 832	26 176
Post-primary completion rate	24.3%	39 %
Boy	26.4%	35.5 %
Girl	22.3%	42.6 %
Secondary completion rate	8.9%	17.5 %
Boy	11.0%	19.8 %
Girl	6.8%	15.1 %
Technical education		
Number of students per teacher	11.1	12.5
Number of students per class	31	33
Number of schools	140	161
Number of classes	906	1 103

Source : INSD, MENAPLN

With regard to technical education, this ratio rose from 31 to 33 over the same period. The number of post-primary and general secondary schools in Burkina Faso was estimated at 4,322 with 26,176 classes in 2020 (including 25,073 classes in general education). In technical education, the figure was 161 establishments with 1,103 classes in 2020.

According to the 2018/2019 statistical yearbook of the Ministry of Higher Education, Scientific Research and Innovation (MESRSI), the transition rate from secondary to higher education was estimated at 81.7% in 2019 with 71.1% for girls and 88.9% for boys. The number of students was estimated at 132 569 (35.3% of whom were girls) in 2019 for 7 132 teachers (8.8% of whom were women and 1 688 permanent teachers), i.e. 1 permanent teacher for 79 students. In 2019, Burkina Faso had 169 higher education institutions, including 120 private institutions.

Government expenditure on education increased from CFAF 175 billion to CFAF 582.1 billion from 2010 to 2019. These amounts represented 3.9% and 6.8% of GDP in 2010 and 2019 respectively.

1.6 Health

1.6.1 Health system architecture

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

- The first level of the pyramid is made up of the health districts and comprises two levels. The first level of care is the Health and Social Promotion Centre (CSPS) and the second level of care in the health district is the Medical Centre with Surgical Antenna (CMA). The CSPS are the basic structures of the health system within which the Minimum Package of Activities (PMA) defined by the Ministry of Health is provided. The CMA serves as a reference for the district health facilities because it is at this level of the system that the Complementary Package of Activities (PCA) is delivered. In 2019, Burkina Faso had 1,948 CSPSs, 45 CMAs, and 71 medical centers (Table 5) ;

- The second level is represented by the Regional Hospitals (RHC). They serve as reference and recourse to the CMAs. In 2019, there were 9 RHCs in Burkina Faso;
- The third level is made up of the National Hospitals (CHN) and the University Hospitals

(CHU). The NHCs and UHCs represent the highest level of reference for specialized care. There are six of them, including one CHN, and they also serve as training and research centers for various categories of personnel.

Table 5. Breakdown of health infrastructure in 2019

Type of infrastructure	Workforce
Primary Care	2 064
CSPS	1 948
CMA	45
Medical Center	71
Secondary care	9
CHR	9
Tertiary care	6
CHU	5
CHN	1

Source : INSD

In addition to these public health facilities, the country had 533 private health facilities and 629 private dispensaries and warehouses in 2017. Traditional medicine also plays an important role in the Burkinabe health system. The breakdown of health personnel in the public sector as of December 31, 2019 presented in Table 6 reveals that the country had 884 specialist doctors (i.e. 1 specialist doctor for every 23,177 inhabitants), 1,026

general practitioners (i.e. 1 general practitioner for every 19,969 inhabitants), 313 pharmacists (i.e. one pharmacist for every 65,457 inhabitants) and 11,569 nurses (health attaché, state-registered nurse and registered nurse), i.e. one nurse for every 1,771 inhabitants, and 4,320 state-registered midwives (one state-registered midwife for every 4,743 inhabitants).

Table 6. Breakdown of health personnel in the public sector as of December 31, 2019

Type of staff	Workforce	Population/person ratio
Medical specialist	884	23 177
General practitioner	1 026	19 969
Nurse	11 569	1 771
Midwife/State midwife	4 320	4 743

Source: INSD

1.6.2 General statistics indicating the health status of populations

Life expectancy at birth improved by 10 years in Burkina Faso between 2000 and 2020, from 50 to 61 years (Table 7). The country ranks well in terms of life expectancy compared to the West African average

of 57.3 years. The mother and child are the most vulnerable groups. According to WHO and the UN, between 2010 and 2020, the infant mortality rate at birth decreased from 66 to 54 per 1,000 live births and the under-five mortality rate decreased from 116.1 to 84 per 1,000 live births. Maternal mortality was estimated at 320 per 100,000 births in 2018.

Table 7. General statistics on the health status of populations in Burkina Faso

	2000	2010	2018	2020*
Life expectancy at birth (Male/Female)	50 (49/52)	57 (56/58)	60 (60/61)	60.9 (60.1/61.6)
Infant mortality (per 1000 births)				
At birth	108.53	66	54.7	54
Before 5 years		116.1	76	84

Source : World Bank, 2020; WHO, 2020. World Population Prospect 2019 estimate (UN).

1.6.3 Disease prevalence

The epidemiological profile of the country is marked by the persistence of a high burden of disease due to endemic epidemics and by the progressive increase in non-communicable diseases. The main diseases of public health importance are malaria, acute respiratory infections, HIV-AIDS, STIs, tuberculosis, leprosy, etc. In addition, Burkina Faso is regularly confronted with meningitis epidemics. According to the World Bank, the incidence of malaria (per 1,000 inhabitants at risk) rose from 589.326 in 2000 to 552.029 in 2010 to 398.734 in 2018. The National Malaria Control Program (PNLP) estimated 4000 malaria-related deaths in 2016 in Burkina Faso. In 2018, malaria accounted for 16.4% of the main reasons for death in district health facilities, or 3,646 deaths.

According to WHO data, the HIV-AIDS prevalence rate (population aged 15-49 years) decreased from 2.7% in 1990 to 0.7% in 2019. The number of people living with AIDS was estimated at 100,000 and the number of people newly infected with HIV was 2,700 in 2019. In total, there were 3,100 AIDS deaths in 2019 compared to 5,000 in 2010, a decrease of 38% since 2010. The rate of people living with HIV having access to antiretroviral drugs was 67% in 2019. In contrast, only 28% of children aged 0-14 years have access to antiretroviral drugs. Among pregnant women living with HIV, 92 per cent have access to

treatment to prevent transmission of the virus to their children. All health districts are covered by programs to prevent mother-to-child transmission of HIV. According to the results of the Demographic Survey IV (DHS IV) carried out in 2010, we note that the prevalence of the general population shows disparities according to gender. Indeed, women have a prevalence of 1.2% against 0.8% among men, hence a male/female ratio of 1.5.

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

- 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: promotion of the use of long-lasting insecticide-treated nets (LLINs), indoor residual spraying (IRS), larval control (LAL) and environmental sanitation;
- The control of malaria epidemics in the context of integrated disease surveillance and response ;

- Support strategies: behavior change communication, operations research, monitoring and evaluation, and institutional strengthening/partnership.

With regard to the reduction of HIV-AIDS, the National Council to Combat 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. According to the CNLS-IST, as of 31 December 2018, the number of people living with AIDS was estimated at about 94,000, 82.03% of whom knew their HIV status. Of the people living with HIV who know their HIV status, 86.9% have access to antiretroviral drugs and 18.36% of people on treatment have an undetectable viral load.

The first cases of the 2019 coronavirus (Covid-19) in Burkina Faso were confirmed on March 9, 2020, making Burkina Faso the fourth affected country in West Africa after Nigeria, Senegal, and Togo. As of March 29, 2021, the pandemic had 12,692 confirmed cases, 12,350 cured and 145 deaths. A coordination of the response to the pandemic has been put in place and the Burkinabe authorities have announced the development of a preparedness and response plan from the beginning of the pandemic. The measures undertaken include:

- The banning of all national and international events on the territory;
- The closure of all educational institutions from 16 March 2020;
- Suspension of all gatherings and mass prayers by the religious authorities;
- The introduction of a nationwide curfew from 7 p.m. to 5 a.m. as of March 21, as well as measures to restrict the use of public places such as markets, restaurants, drinking establishments, cinemas, gaming halls and entertainment venues. The curfew has been extended from 9 p.m. to 4 a.m. as of April 20, 2020 ;
- The closure of air, land and rail borders, except for cargo and military flights;

- The closure of large markets and yaars in the city of Ouagadougou as of March 26, 2020;
- Quarantine all stocks of chloroquine in pharmaceutical warehouses and restart of production of paracetamol and chloroquine in the Pharmaceutical Unit (U-PHARMA) at the Institute of Research in Health Sciences (IRSS) in Ouagadougou;
- Quarantine of all cities with at least one case of Covid-19;
- The launch of two clinical trials against Covid-19; the first is called Chloraz, a study of the effectiveness of the Chloroquine-Azithromycin combination against Covid-19. The second clinical trial concerns an antiretroviral phytomedicine, Apivirine, initially developed against HIV by the Beninese pharmaceutical company API-Benin International ;
- CFAF 394 billion needed to deal with the crisis in the country. This sum covers the response plan against Covid-19, which is 178 billion, and the rest for measures to support the population and economic and social activities, over the period from April to June 2020;
- The wearing of masks became compulsory throughout the country as of April 27, 2020.

The gradual easing of Covid-19 measures began on April 20, 2020 with the reopening of the large market in Ouagadougou, followed by the lifting of the quarantine on towns with confirmed cases on May 5, 2020. The curfew was lifted on June 3, 2020 and the reopening of higher education institutions was effective on May 16, 2020. For primary, post-primary and secondary schools, only examination classes (primary and secondary) were allowed to reopen and the school year started for these classes on June 1st, 2020.

1.7 Employment

1.7.1 Working population

The World Bank estimates Burkina Faso's

potential working population³ at 7,620,386 in 2020 (Table 8). Men constitute more than half of the active population (55.4 percent). 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 per cent to 44.7 per cent, before beginning a slight decline from 2015 to 2019. Between 2015 and 2020, Burkina Faso's working population increased by 1,033,749 people, or 13.6 percent. The share of the active population is higher in rural areas. Indeed, according to ILO estimates, 72.7 per cent of the working population lived in rural areas and 27.3 per cent in urban areas in 2019.

According to the 2018 Integrated Regional Employment and Informal Sector Survey (IRE-IS), employed persons (aged 15 years or older) accounted for 76.0% at the national level. Employed persons in the 35-64 age group accounted for 47.7 percent, those in the 25-34 age group accounted for 32.5 percent, and 16.3 percent for the 15-24 age group. In urban areas, employed persons in the 35-64 age group accounted for the largest proportion (49.2%). In Ouagadougou, people aged 35-64 accounted for 49.3 percent of employed persons in 2018.

Table 8. Breakdown of the labor force

Indicator	Indicator value
Working population in 2020	7 620 386
Male	55.4%
Woman	44.6%
Residency in 2019	
Urban	27.3%
Rural	72.7%
Proportion of working population by age group in 2018	
15 - 24 years old	16.3%
25 - 34 years old	32.5%
35 - 64 years old	47.7%

Source: ILO, INSD

1.7.2 Unemployment rate

According to the ILO, the unemployment rate⁴ in Burkina Faso fell from 6.7 percent to 4.96 percent between 2015 and 2020 (Table 9). The unemployment rate for women was estimated at 9.2 percent in 2019 compared to 3.9 percent for men. In 2019, the ILO estimated the unemployment rate in urban areas at 6.9 per cent compared to 6 per cent in rural areas. According to the 2018 ERI-ESI, the unemployment rate was estimated at 4.7 percent in Burkina Faso, with 4.8 percent among men and 4.6 percent among

women. The average duration of unemployment is 4.5 years. It is higher among the uneducated. According to the National Employment and Training Observatory (ONEF), the number of jobseekers registered with the national employment agency (ANPE) fell between 2016 and 2018, from 20,459 to 16,619. In 2019, this number was 14,820 (of which 6,383 were women), a decrease of 10.8% over the 2018 - 2019 period. In 2018, the ERI-ESI estimated that 37.6% of the unemployed were between the ages of 25 and 34 and 34.3% were in the 35-64 age group.

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

⁴ The ILO unemployment rate is the ratio (in percentage) of the population unemployed divided by the labour force (Active + Unemployed).

Table 9. Unemployment in Burkina Faso

Indicator	Indicator value
Unemployment rate	4.96 % (2020)
Male	3.90 % (2019)
Woman	9.20 % (2019)
Unemployment rate by background	
Urban	6.90 % (2019)
Rural	6.0 % (2019)
Average duration of unemployment	4.5 years

Source: ILO, INSD

1.7.3 Underemployment rate

Underemployment includes employed persons as defined by the ILO who meet one of the following conditions: (i) they are working part-time, wish to work more and are available to do so, whether or not they are actively seeking work; (ii) they are working part-time or full-time, but have worked less than usual during a reference week due to short-time working (technical unemployment) or bad weather.

According to ILO estimates (2019), the visible underemployment rate ⁵(related to working hours) is 16.4 percent in Burkina Faso. This rate was 19.2 percent in 2018 according to the ERI-ESI. This means that nearly one in six employed persons works less than 40 hours and wants to work more. Among young people aged 15 to 24, this rate was estimated at 19.2% in 2019 according to the ILO. The breakdown of the underemployment rate by location shows that the visible underemployment rate in urban areas was 15.1% compared to 16.8% in rural areas in 2019.

The rate of visible underemployment is higher for women. Among working women, 19.8% are visibly underemployed compared to 13.6% for men. These rates were 19.2% in 2018 according to the ERI-ESI, with 16.9% and 22% among men. The ERI-ESI results also show that the labor underutilization

rate was 35.6 percent in 2018 nationally, including 29.6 percent among men and 41.9 percent among women.

1.7.4 Formal and informal employment

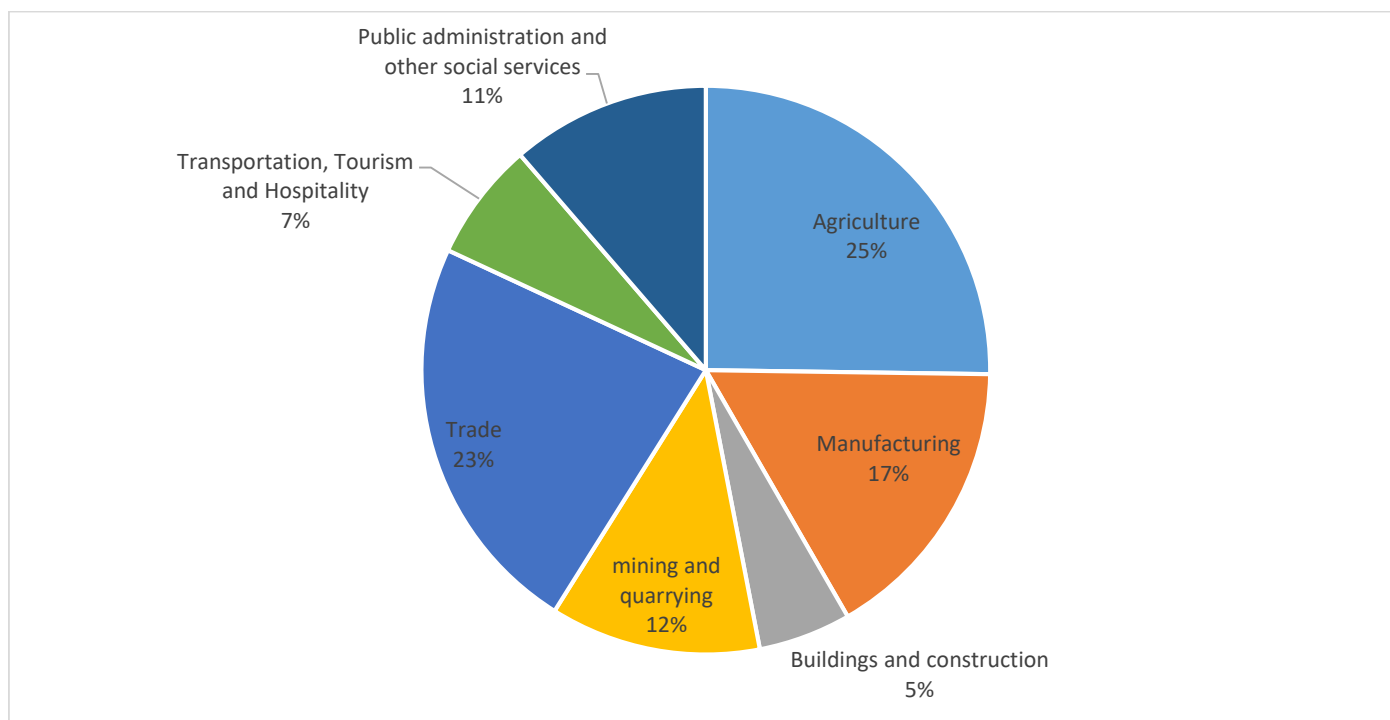
According to the ERI-ESI in 2018, the employment rate⁶ was estimated at 76% at the national level. Considering the active population aged 15 to 64, the employment rate is 96.6% at the national level according to the same survey. The employment rate also covers disparities by gender. It is higher for women (97.1%) than for men (96.6%). According to ILO estimates, the proportion of informal employment in 2018 was 95.4 per cent. The proportion of employment outside the formal sector was estimated at 87.5 per cent in the same year.

In 2019, the proportion of employment in the agriculture sector according to the ILO was 25.2 per cent compared to 33.7 per cent in the industrial sector and 41.1 per cent in the service sector. Specifically, Figure 1 shows that in 2019 the agriculture sector accounted for 25 per cent of employment, followed by trade (23 per cent), manufacturing (17 per cent), mining and quarrying (12 per cent) and public administration (11 per cent). Transport, hotels and restaurants accounted for about 7% of jobs and building and construction for about 5%.

⁵ Time-related underemployment characterizes a person in employment who meets the following three criteria: i) Involuntarily working 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 The employment rate is the percentage of the working age population (15 years or older) with a job.

Figure 1: Breakdown of jobs in Burkina Faso in 2019



Source: ILO 2019

1.7.5 Employment policy

To tackle the problem of youth unemployment, the government of Burkina Faso adopted a development benchmark, the National Economic and Social Development Plan (PNDES). The overall objective of the PNDES is to structurally transform the Burkinabe economy for strong, sustainable, resilient and inclusive growth, creating decent jobs for all and improving social welfare. This plan aims to create at least 50,000 decent jobs per year over the period 2016-2020. Before the PNDES, sectoral policies were adopted in 2008. These were the National Youth Policy (PNJ), the Technical and Vocational Education and Training Policy (PN/EFTP) and the Employment Policy (PNE).

With regard to the issue of employment, the NCB is the reference framework. Its main objective is "to increase decent employment opportunities in order to contribute to the fight against poverty in Burkina Faso". The PNE aims to strengthen the coherence and coordination of employment promotion activities in Burkina Faso. It has four strategic objectives:

- Strengthen the link between the NCB and other national policies ;
- Strengthen job creation ;
- Improve employability ;
- Improve the organization and functioning of the labor market.

For the operationalization of the NCB, an action plan was adopted, national funds were set up, and later on, a Special Program for the Creation of Jobs for Youth and Women (PSCE/JF) and a Support Program for the Technical and Vocational Education and Training Sectoral Policy (PAPS/EFTP) were set up 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. In 2018, the number of projects financed was 12,702 for a total cost of 12.19 billion CFA francs.

1.7.6 Employment dynamics

The PSCE/JF was designed in 2011 and implemented over three years covering the period 2012-2014. According to the ministry in charge of employment

promotion, the program created 100,401 jobs in the 2012-2013 period and 49,465 jobs in 2014, i.e. nearly 150,000 direct and indirect jobs⁷ for the three years of the program. In 2018, 1,370 registered positions at the ANPE out of 1,400 planned were filled for 959 men and 411 women. Similarly, 8,859 agents were recruited in 2018 for the benefit of the Public Administration under direct competitions with and without training. According to the 2019 PNDES annual performance report, 10,537 agents were recruited for the benefit of the public administration in 2019. The number of positions to be filled in the civil service in 2020 was 5,884 positions.

The Youth Employment and Skills Development Project (PEJDC), launched in 2014 with the support of the World Bank and endowed with a budget of 25 billion CFA francs over five years covering the period 2014-2018, has created thousands of direct jobs. As of April 10, 2019, satisfactory results have been recorded under the project according to the World Bank supervision team. 2,917 young people, including 1,350 girls benefiting from apprenticeship training in the fields of cutting and sewing, hairdressing, mechanics, electricity-building, welding, carpentry, etc. The results show that 97 per cent of the young people who completed the training are now ready for the world of work, either by setting up their own

workshops or by being employed in craft enterprises. It was found that 97% of the learners were satisfied with the training they received under the project.

1.8 Main aggregates

1.8.1 Level of development

The 2020 Human Development Index ranks Burkina Faso 182nd out of 189 countries in the world with a low HDI of 0.452. At the African level, Burkina Faso is ranked 46th out of 53 countries. The country retains its rank from the 2019 ranking. Between 2016 and 2019, Burkina Faso's HDI rose from 0.412 to 0.452 and the country was ranked 185th and 182nd respectively in the global ranking. Burkina Faso's low HDI is due to the low level of education provision and low income of the people.

With a Gini index of 35.3 percent in 2014, Burkina Faso recorded a decrease in inequality compared to 2009, when the rate was 39.8 percent. Burkina Faso's GDP per capita increased from \$1,549 in 2012 to \$2,203 in 2020 (Table 10). According to BCEAO data, Burkina Faso's GDP per capita was 451,712.1 CFA francs in 2020.

Table 10. GDP/head in PPP

Year	GDP per capita (ppa) in USD	GDP/head (constant CFAF)
2012	1 549.5	344 004.8
2013	1 616.8	345 720.1
2014	1 666.9	385 029.0
2015	1 699.9	379 139.5
2016	1 771.2	399 546.3
2017	1 869.7	417 239.1
2018	1 984.9	440 643.5
2019	2 077*	448 929.6
2020	2 203*	336 538.1**

Source: World Bank, INSD, *Knoema, ** Calculated from BCEAO data

1.8.2 Summary table

Table 11 summarizes Burkina Faso's main macroeconomic indicators over the 2014-2020 period. Burkina Faso's GDP is estimated at CFAF 10 121.9 billion in 2020 against CFAF 9 369.19 billion in 2019, representing a real GDP growth rate of 2.5 percent. Inflation and investment rates are estimated at 1.9% and 21.07% respectively in 2020 against -3.2% and 21.89% respectively in 2019.

The country's current account remains structurally in deficit and the deficit is estimated at CFAF 211 billion in 2020. The budget deficit widened in 2020 to CFAF 226.9 billion from CFAF 201.3 billion in 2019. The budget balance/GDP ratio in 2020 was 4.9 percent. Public debt increased from CFAF 3,787.51 billion to CFAF 4,672.0 billion between 2019 and 2020. The domestic debt/GDP ratio increased from 19.86% to 22.4% between 2019 and 2020.

Table 11. Main macroeconomic indicators between 2014 and 2020 in Burkina Faso

In billions of CFAF	2016	2017	2018	2019	2020* (estimate)
National economy					
Nominal GDP	7 605.1	8 191.3	8 920.4	9 369.2	10 121.9
Real GDP growth (%)	6.0	6.2	6.7	5.7	2.5
Investment rate (%)	20.8	22.1	22.7	21.9	24.8
Inflation rate (%)	- 0.2	2.9	1.9	- 3.2	1.9
Balance of payments					
CAF Exports	1 676.4	1 887.3	2 196.4	2 301.3	2 503.5
CAF Imports	1 676.7	1 890.4	2 035.2	2 087.0	2 067.3
Balance	- 0.4	- 3.1	161.1	214.3	436.2
Current balance	- 462.4	- 520.4	- 369.3	- 292.0	- 101.1

Public Finance					
Receipts and grants	1 409.9	1 583.6	1 699.9	1 832.1	2 053.6
Expenses	1 629.8	2 146.5	2 127.6	2 184.6	2 424.9
Balance	- 219.9	- 562.9	- 427.7	- 352.5	- 371.3
Public debt	2 497.1	2 767.2	3 366.0	3 967.5	4 777.7
Domestic debt	731.0	1 024.2	1 456.4	1 779.0	2 313.4
External debt	1 766.1	1 743.0	1 909.6	2 188.6	2 464.3
Domestic debt as % of nominal GDP	9.6	12.5	16.3	19.0	22.9
Budget deficit (basic primary balance)					
In value	161.2	430.3	690.7	293.0	553.0
As a percentage of nominal GDP (%)	2.4	5.8	8.8	3.1	5.4

Source: BCEAO, INSD, IMF, * DGEP of MINEFID (March 2021)

2.1 Evaluation of the gross domestic product

2.1.1 Level of GDP

Between 2015 and 2020, Burkina Faso's gross domestic product rose from 6,119.6 to 10,121.9 billion CFA francs, i.e. about 4,002.3 billion CFA

francs more wealth created over the period. This economic dynamic is expected to continue until 2021, when GDP will reach 11 726.5 billion CFA francs.

Table 12. Level of GDP between 2015 and 2020

Year	2015	2016	2017	2018	2019	2020 (estimate)	2021* (Projection)	2022* (Projection)	2023* (Projection)
Nominal GDP (In billions of CFAF)	6 119.6	6 443.8	7 177.3	7 841.1	9 369.2	10 121.9	10 808.2	11 726.5	12 551.7

Source: INSD, IMF, *MINEFID DGEP projection (March, 2021)

2.1.2 Real GDP growth

Burkina Faso experienced steady economic growth between 2015 and 2020 (Table 13). Indeed, after a deceleration of its growth rate in 2015 (3.9 percent after 4.3 percent in 2014), the real GDP growth rate showed a sustained level by rising from 5.9 percent in 2016 to 6.3 percent in 2017 and 6.8 percent in 2018. In 2019, the GDP growth rate stood at 5.7 percent. This performance observed over the period is due to the return to the constitutional order in 2016, favorable rainfall and the return of investor confidence. The deceleration recorded in 2015 was attributable mainly to the effects of the 2014 popular insurrection, the avian flu epizootic, the failed coup of September 16, 2015 and a difficult agricultural season.

However, for 2020, Burkina Faso's economic growth rate will fall sharply due to the Covid-19 pandemic. Based on the latest DGEP estimates (March 2021), economic activity recorded a deceleration in its growth rate in 2020. Indeed, the real GDP growth rate came out at 2.5 percent in 2020 compared to 5.7 percent in 2019. Growth in 2020 was driven mainly by the secondary (+7.7%) and primary (+5.7%) sectors, as the tertiary sector experienced a recession (-2.5%). Nominal GDP stood at CFAF 10,121.9 billion in 2020 against CFAF 9,369.2 billion in 2019.

According to the latest DGEP estimates (March 2021), the primary sector recorded growth of 5.7% in 2020, after 3.8% in 2019. This development is mainly due to the dynamism of the agricultural sub-sector (+6.5%), particularly cash crops (+14.2%), thanks to the 2.1% increase in cotton production, but especially to the increase in groundnut (+59.2%) and sesame (+2.6%) production. As for food crop agriculture, its value added increased by 4.6% in 2020 compared to 2019. Cereal production was 5.179 million tons⁸ in the 2020/2021 crop year, up 4.8% on the previous year. The livestock and forestry, fishing and hunting branches also recorded an increase in value added of 2.3 percent and 1.8 percent, respectively. The primary sector contributed 1.2 percentage points to economic growth in 2020.

The value added of the secondary sector grew by 7.7% in 2020 after a 5.6% increase in 2019. This growth rate is mainly driven by the dynamism of mining and quarrying (16.7%). However, the value added of the construction, installation and finishing works sub-sector fell by 3.5% in 2020. As for the extractive subsector, its value added rose by 16.7% in 2020. This rebound compared with 2019 can be explained by the start of production at the Sambrado mine (SOMISA) and the use of non-monetary gold as a safe haven in times of crisis, increasing industrial gold production from 50.3 tons in 2019 to 62.138 tons in 2020 (+23.5%). As for the construction, installation

⁸ Final results for the 2020-2021 crop year.

and finishing works sub-sector, its value added fell by 3.5%. This decline is mainly due to the slowdown in building construction work in the private sector, in connection with the effects of Covid-19. Overall, the contribution of the secondary sector to GDP growth was 2.0 percentage points in 2020.

Regarding the tertiary sector, its value added fell by 2.6% in 2020 after an increase of 6.9% in 2019. This performance results from the collapse of the "accommodation and catering" sub-sector (-28.8%). The activity of the tertiary sector has been hard hit by the consequences of the measures taken to limit the spread of the Covid-19 pandemic. The activities that were heavily affected included accommodation and catering, passenger transport and the organization

of events (cancellation of the SIAO, SNC, Tour du Faso, SAMAO and other major events). In sum, the contribution of the tertiary sector (including taxes) to GDP growth is estimated at -0.7 percentage points in 2020.

Taking into account the international context marked by the Covid-19 pandemic and in view of a gradual recovery in global economic activity, the performance of the Burkina Faso economy should improve in 2021. The secondary and tertiary sectors are expected to grow by 8.3 percent and 7.9 percent in 2021. The primary sector, on the other hand, is expected to experience a slowdown in growth, which is projected at 3.5 percent.

Table 13. GDP growth rate and components between 2015 and 2020 (Constant prices in 1999)

Burkina Faso	2015	2016	2017	2018	2019	2020 (estimate)	2021 (Projection)
Total GDP	3.9	5.9	6.3	6.8	5.7	2.5	7.0
Primary sector	-3.5	3.4	-4.0	9.9	3.8	5.7	3.5
Secondary sector	9.6	2.9	9.9	3.6	5.6	7.7	8.3
Tertiary sector	4.4	7.3	7.2	6.7	6.9	-2.56	7.9
Of which non-market GDP	11.0	9.5	11.9	9.4	7.4	-2.1*	-
Duties and taxes	3.9	5.9	6.3	8.1	7.6	4.1	6.6

Source : INSD, 2018, DGEP (for 2019, 2020, and 2021 data) *Calculated from BCEAO data

2.1.3 GDP breakdown by 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 alone accounts for more than 40 percent of GDP. Between 2019 and 2020, the share of the tertiary sector in the formation of Burkina Faso's GDP declined slightly from 45.1% to 42.7%. The secondary sector has become the second largest source of wealth creation, with a contribution to GDP formation of 26.9 percent in 2020

compared to 19 percent in 2015. The contribution of the secondary sector to GDP formation was relatively stable until 2019 (about 18%) before rising sharply in 2020. The primary sector is the third largest source of wealth creation in the country, with a contribution of 20.9 percent to GDP formation in 2020. The share of the primary sector in Burkina Faso's GDP has been declining steadily since 2015. According to DGEP projections, the same trends should be observed in GDP formation in 2021.

Table 14. Structural breakdown of GDP between 2015 and 2020 (nominal GDP at current prices)

Burkina Faso	2015	2016	2017	2018	2019	2020 (Estimate)	2021 (Projection)
Total GDP	100	100	100	100	100	100	100
Primary sector	30.3	28.7	28.2	28.2	27.4	20.9	19.4
Secondary sector	19.0	18.7	18.2	17.4	18.9	26.9	29.7
Tertiary sector	40.4	41.5	41.9	42.4	45.1	42.4	41.5
Of which non-market GDP	20.6	21.9	23.0	23.9	25.6	20.3*	-
Duties and taxes	10.3	11.1	11.6	11.5	10.3	10.0	9.4

Source : INSD, DGEP, *Calculated from BCEAO data

2.2 Gross domestic product details

2.2.1 GDP by value, by sector

A detailed analysis of the various sectors of the Burkinabe economy shows that the value added of the primary sector was CFAF 2,035.5 billion in 2020 compared with CFAF 1,866 billion in 2015. Agriculture is the main source of wealth creation in the primary sector with more than half of the wealth created (CFAF 1,521.6 billion in 2020). Livestock farming is the second largest source of wealth creation with CFAF 330.3 billion in 2020. The forestry, fishing and hunting sector comes last with an estimated 183.6 billion CFA francs of wealth creation in the primary sector in 2020.

Wealth creation in the secondary sector is estimated at CFAF 2,969.7 billion in 2020 against CFAF

1,170.6 billion in 2015. This sector is dominated by mining with CFAF 1 652.9 billion of wealth created in 2020 against CFAF 1 042.3 billion in 2019. The manufacturing industry and construction occupy the second and third positions respectively with CFAF 317.5 and CFAF 301.9 billion CFAF in 2020.

The value added of the tertiary sector rose from CFAF 2 491.9 billion in 2015 to CFAF 4 164.9 billion in 2020. This sector is driven by non-market services, whose value added was estimated at CFAF 2 037.6 billion in 2020 against CFAF 1 271.1 billion in 2015. Trade ranks second in this sector with a value added of CFAF 831.3 billion in 2020 against CFAF 690.6 billion in 2015. The value added in the telecommunications sector is estimated at CFAF 249.3 billion in 2020 against CFAF 189.8 billion in 2015.

Table 15. GDP in value and by sector details, 2015-2020

In billions of CFAF	2015	2016	2017	2018	2019	2020 (Estimate)	2021 (Projection)
Primary sector	1 866.0	1 847.0	2 027.0	2 248.8	2 341.6	2 035.5	2 115.6
Agriculture	946.7	970.9	1 102.7	1 271.4	1 235.9	1 521.6	1 585.8
Livestock	690.9	662.7	724.6	791.0	844.1	330.3	341.4
Forestry, fishing and hunting	227.9	213.1	199.2	186.3	261.5	183.6	188.4

Secondary sector	1 170.6	1 204.3	1 308.2	1 368.9	1 618.0	2 969.7	3 033.7
Mines	455.8	513.1	608.9	659.8	1 042.3	1 652.9	1 627.1
Agri-food* industry	234.9	244.6	248.5	255.6	266.0	447.9	659.2
Energy	78.9	71.4	83.8	87.9	76.2	105.5	94.7
Construction	228.0	198.6	193.1	199.5	201.5	301.9	312.2
Manufacturing industry	408.1	421.1	422.4	421.7	298.0	317.5	340.3
Tertiary sector	2 491.9	2 676.1	3 010.1	3 325.2	3 851.3	4 164.9	4 595.1
Transport	78.4	78.4	82.3	87.7	79.2	148.3	165.7
Telecommunications	189.8	198.3	199.6	192.9	208.0	249.3	267.1
Trade	690.6	696.5	740.7	799.9	875.7	831.3	908.7
Other services	357.9	400.8	459.7	306.2	503.7	377.7	423.6
Duties and taxes	634.5	716.7	832.5	906.2	880.1	951.9	1 063.9
Merchant/Non Merchant							
Non-market GDP	1 271.1	1 410	1 649.6	1 877.1	2 184.8	2 037.6**	-
Market GDP	4 848.5	5 033.8	5 527.7	5 972.0	6 362.4	-	-
Public Administration	1 172.2	1 308.9	1 546.3	1 771.5	*2 064.1	1 051.2	1 107.4
GDP Total	6 163.0	6 444.1	7 177.8	7 849.1	8 547.2	10 121.9	10 808.2

* The 2019 National Accounts (First estimates from NTAs)

** BCEAO

Source : INSD, DGEF (for 2019, 2020 and 2021 data)

2.2.2 Compositional GDP

Burkina Faso's GDP is made up of 79.1 percent market GDP and 20.1 percent non-market GDP. An analysis of the components of the various sectors of the economy in the market GDP shows that mining is in first place with a contribution of 16.3 per cent to the formation of GDP in 2020. Agriculture is in

second place with a contribution of 15% to GDP in 2020. Trade comes in third place with a contribution of 8.2% to the formation of GDP in 2020. Non-market GDP accounted for 20.9 per cent of GDP in 2020 compared to 20.6 per cent in 2015. According to DGEF projections, the same trends will continue in 2021.

Table 16. Components of the various sectors from 2015 to 2020

As a % of GDP	2015	2016	2017	2018	2019	2020	2021
Primary sector	30.3	28.7	28.2	28.7	27.4	20.1	19.6
Agriculture	15.4	15.1	15.4	16.2	14.5	15.0	14.7
Livestock	11.2	10.3	10.1	10.1	9.9	3.3	3.2
Forestry, fishing and hunting	3.7	3.3	2.8	2.4	3.1	1.8	1.7
Secondary sector	19.0	18.7	18.2	17.4	18.9	29.3	28.1
Mines	7.4	8.0	8.5	8.4	12.2	16.3	15.1
Agri-food	3.8	3.8	3.5	3.3	3.1	4.4	6.1
Energy	1.3	1.1	1.2	1.1	0.9	1.0	0.9
Construction	3.7	3.1	2.7	2.5	2.4	3.0	2.9
Manufacturing industry	6.6	6.5	5.9	5.4	3.5	3.1	3.1
Tertiary sector	40.4	41.5	41.9	42.4	45.1	41.1	42.5
Of which Transport	1.3	1.2	1.1	1.1	0.9	1.5	1.5
Of which Telecommunications	3.1	3.1	2.8	2.5	2.4	2.5	2.5
Of which Trade	11.2	10.8	10.3	10.2	10.2	8.2	8.4
Of which Other services	5.8	6.2	6.4	3.9	5.9	3.7	3.9
Duties and taxes	10.3	11.1	11.6	11.5	10.3	9.4	9.8
Non-market GDP	20.6	21.9	23.0	23.9	25.6	20.9	-
Market GDP	78.7	78.1	77.0	76.1	74.4	79.1	-
Public Administration	19.0	20.3	21.5	22.6	24.1	10.4	10.2
Total GDP	100	100	100	100	100	100	100

Source : INSD, DGEP (for 2019, 2020 and 2021 data)

2.2.3 GDP by component

On the demand side, economic growth is sustained mainly by domestic demand, which was estimated at CFAF 9,622.1 billion in 2020 against CFAF 6,815.8 billion in 2016. Net external demand was estimated at CFAF 181 billion in 2020 against CFAF 631.1 billion in 2015. An analysis of the components of

domestic demand shows that it is essentially driven by final consumption, which was estimated at XAF 6 022.8 billion in 2020, against CFAF 1 772.2 billion for investment. Between 2019 and 2020, although investment recorded a slight decline (-2.6, %), domestic demand increased by 1.7 % thanks to the dynamism of consumption (2.8 %).

Table 17. GDP breakdown by component from 2015 to 2020

In billions of CFAF	2015	2016*	2017*	2018*	2019	2020
1. Internal demand	6 815.8	7 233.2	7 870.6	8 478.4	9 457.1	9 622.1
Final consumption	5 294.3	5 552.4	6 028.3	6 647.4	7 637.9	7 849.9
Private	3 865.1	3 954.2	4 233.2	4 638.4	5 856.0	6 022.8
Public	1 429.2	1 598.2	1 795.2	2 009.0	1 781.9	1 827.1
Total investments	1 521.5	1 680.8	1 842.3	1 831.0	1 819.2	1 772.2
Private	804.3	910.0	958.9	1 011.5	-	-
Public	717.2	770.7	883.4	819.5	-	-
2. Total external demand	- 631.1	- 334.6	- 445.4	- 470.9	- 319.2	- 181
3. Change in inventories	- 22.2	-108.3	72.3	18.1	231.3	275.3

Source : BCEAO

The national development reference 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 completions

3.1.1 Overview of PNDES

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

The overall objective of PNDES is to structurally transform the Burkinabe economy, for strong, sustainable, resilient and inclusive growth, creating decent jobs for all and improving social welfare. PNDES is divided into three strategic areas (i) Axis 1: reform institutions and modernize the administration, (ii) Axis 2: develop human capital, and (iii) Axis 3: boost sectors that are conducive to the economy and employment.

Based on the overall objective, the expected impacts of PNDES are :

- (i) Improving the efficiency of political, administrative, economic, local and environmental governance;
- (ii) The emergence of a modern economy based on an evolving, 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) Reducing the incidence of poverty to below 35% by 2020;

- (iv) Controlling annual population growth to 2.7% by 2020;
- (v) Accelerating the level of human capital development and ;
- (vi) The change in production and consumption patterns within a sustainable development perspective.

The overall cost of implementing the PNDES is CFAF 15,395.4 billion, or an average annual cost of CFAF 3,079.1 billion. The share devoted to investment expenditure (including capital transfers) is 54.6 per cent, corresponding to an overall budget of CFAF 8,408.2 billion over the period, or CFAF 1,681.6 billion per year. Of the total cost, 63.8 per cent is financed by own resources (CFAF 9,825.2 billion).

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

3.1.2 Recent structural reforms related to the development plan

The assessment of the implementation in 2017 of the strategic reforms and structuring investments of PNDES highlights significant achievements. In total, about 183,635 formal jobs were created during the two years of PNDES implementation, including 87,515 decent jobs per year. The share of formal private employment in total employment increased between 2016 and 2017 from 5.81% to 6.43%. The

implementation of the Youth Employment Program for National Education (PEJEN) enabled 1,659 young university graduates to be recruited in 2018. In addition, several achievements were recorded in improving the employability of youth and women in 2018. These include: (i) the ongoing training of 110 young beneficiaries in mining trades (blasting and mineral processing); (ii) entrepreneurship training for thousands of young people and women; (iii) the placement of more than 3,000 jobseekers on work experience placements; (iv) the placement of 507 young graduates or qualified young people on pre-employment placements (i.e., 264 women and 243 men); (v) the recruitment of several cohorts of national volunteers; and (vi) the placement of young people and women on apprenticeships with master craftsmen.

In terms of institutional reform and modernization of the administration (axis 1), the main results achieved 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 with a view to optimizing the implementation of the Strategic Plan for the Reform of the National Armed Forces (PSR 2018-2022), the pursuit of public finance reforms with the switch to Program budgeting and the improvement of performance in collecting own-source revenue. According to the results of the mid-term PNDES evaluation carried out in 2020, all ministries have been applying the Program budget since 2016 and the tax pressure rate rose from 17% to 18% between 2015 and 2020. The share of the State budget transferred to local authorities rose from 3% to 10% between 2015 and 2020. The rate of coverage of the national territory by operational security services increased from 57% to 71.87% between 2015 and 2020. The ratio of security agents to the population also improved over the period, going from 1 per 800 inhabitants to 1 per 666 inhabitants.

In the area of human capital development (axis 2), the continuation of the policy of free care for pregnant women and children under 5 years of age has made it possible to carry out 16,920,917 free interventions for this target group. In addition to the free care measure, 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 transformation 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.

In 2018, on behalf of the project to transform the CSPSs of the chief towns of rural communes into CMs, 23 CMs were received, 23 others are awaiting completion and 10 CSPSs have begun their first phase. In total, 93 CSPSs were built in 2018. The reform of the family planning service, to make its access free of charge, was implemented in 2018 with, in particular, the adoption of a decree making family planning completely free of charge in the Council of Ministers of 26/12/2018. The results of the mid-term PNDES evaluation show that the infant and child mortality quotient per 1000 live births fell from 81.6 in 2015 to 54.7 in 2020. The lethality rate of severe malaria in children under 5 years of age has decreased from 1.4% to 1.1% between 2015 and 2020. The maternal in-hospital mortality rate per 1000 parturients decreased from 134.6 to 119.6 between 2016 and 2020.

In education, efforts to improve the supply of education were sustained with the construction of infrastructure, the recruitment of staff at all levels of education, particularly at the post-primary level, and the opening of two scientific 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 colleges were built in 2017. As of December 31, 2018, 86 classrooms have been built solely from transferred resources, i.e. 54 rooms for primary and 32 rooms for secondary. Construction work on 9 out of 10 high schools started during November 2018. The efforts of the State and other stakeholders have increased the number of primary schools to 15,756, including 3,985 for the private sector in 2017-2018 against 14,655 including 3,363 for the private sector in 2015-2016, an increase of 7.5% thus promoting an increase in primary school enrolment from 2,873,049 in 2015-2016 to 3,206,060 in 2017-2018, an increase of 11.6%.

In the area of revitalizing sectors that are conducive to the economy and employment (axis 3), the major achievements recorded in 2017 focused on

opening up the country internally and externally with a significant increase in the proportion of rural roads developed, the development of urban roads, the asphaltting of new roads and the continuation and start of the construction of other new roads. The proportion of rural tracks developed has been increased from 27.5% in 2015 to 32.6% in 2020. The results of the mid-term PNDES evaluation show that the number of direct and indirect jobs created by the mining sector has increased from 6,696 in 2016 to 51,631 in 2020. The cumulative number of new dams built has been from 5 to 11 over the period 2016 - 2020. The rate of credit to the economy and the rate of banking increased from 29% to 34% and 30% to 41% respectively between 2015 and 2020.

Under the Integrated Program for the Empowerment of Women in Burkina Faso (PIAF-BF), in 2018: (i) 675 informal businesses were registered out of a forecast of 8,550 enabling the number of formal women's businesses to be increased from 200 to 875 out of a forecast target of 25,000 businesses to be registered by 2020; (ii) 1,770, out of a target of 1,960, women were trained in entrepreneurship; (iii) 300 women's associations and groups have been provided with technology; and (iv) 150,300 women out of a projected 150,000 have received credit for their income-generating activities (IGAs) through the Women's Income-generating Activities Support Fund (FAARF), either for small loans ranging from CFAF 500,000 to CFAF 1,500,000 or for microcredits ranging from CFAF 1,500,000 to CFAF 15,000,000.

Installed electrical power has increased, several localities in the country have been connected to the national electricity grid and several villages and socio-economic infrastructures are supplied with photovoltaic solar energy. Regarding the improvement of Internet access, bandwidth capacity has increased significantly with an estimated speed of 16 Gbps in 2017 (PNDES Implementation Monitoring Report), thanks to the completion of work to deploy 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 effectiveness of the G-CLOUD project. In 2019, the country also launched 4G to catch up with its continental counterparts in terms of connectivity.

In sum, the mid-term evaluation report of PNDES shows that, in terms of effectiveness, the overall

achievement rate, calculated on the basis of available data, is 65.67%. This result reflects (i) the good performance of Axis 1, with an achievement rate of 71.32%, (ii) the average performance of Axis 2 "developing human capital", with an achievement rate of 47.81%, and (iii) the good performance of Axis 3 "boosting sectors that are conducive to the economy and employment", with an achievement rate of 77.88%.

3.1.3 Performance of the national development plan in 2019

According to the 2019 PNDES performance report, the main results of public action are as follows:

- In the agro-sylvo-pastoral, fisheries and wildlife sector, for an annual target of 28,000 tons, fish production increased to 28,952 tons from 27,700 tons in 2018. The coverage rate of livestock feed requirements was 95%, far exceeding the annual target of 75%. In addition, the protection of animals against some diseases improved as evidenced by the change in the vaccination rate against NCD which increased to 53.7% from 52.78% in 2018. The most important effect of the action in this sector undoubtedly relates to the creation of jobs in the primary sector which amounts to 120,294 salaried jobs in 2019 for a target of 80,000 ;
- In terms of support for workforce employability, 13,000 of the 13,000 planned brigadiers were recruited for labor-intensive work in urban areas and 7,500 other brigadiers for labor-intensive work in rural areas. In addition, 44,988 young people and women have benefited from measures to improve their employability, including introductory vocational training and pre-employment courses, volunteer work on development sites, placement in workshops with master craftsmen for apprenticeship training, and training in entrepreneurship;
- With regard to the reduction of social and gender inequalities and the promotion of women as dynamic actors in development, the main results concern: (i) the targeting and

sensitization of 45,625 people in communities to violence against children; (ii) the removal of 1,302 children and young people (including 62 girls) from the streets; (iii) the placement of 146 children in specialized training centers; and (iv) the integrated care of 9,081 orphans and other vulnerable children, including 8,143 girl children. In addition, the promotion of women's economic empowerment has been strengthened with the registration of 19,362 women's businesses, the training of 8,400 women and girls in entrepreneurship and the granting of financing to 133,093 women by FAARF for the development of their IGAs;

- In terms of development financing, performance in terms of tax revenue collection (17.8%) is improving and the private finance sector is deepening with the entry into service of new financial institutions (the Agricultural Bank of Faso, the Caisse de dépôts et consignations). The mobilization and disbursement rates of official development assistance were also very considerable in 2019;
- With regard to development planning and management, all (100%) of the development frameworks and Programs drawn up are validated by the CNPD. Similarly, 100% of ministerial departments apply the Program budget;
- In terms of industrial and artisanal development, the clearest progress in terms of the effects of public action relates to the increase in the industry's value added share in GDP, which was raised to 20.53% in 2019 against 19.7% in 2018 for a target set at 21.5%. This performance is explained by the increase in the share in value added of extractive industries in GDP which was 13.13% in 2019 for a 2018 target set at 9.5% ;
- In the quest to promote trade and the expansion of high value-added service industries with the aim of creating decent jobs, the main achievements recorded in 2019 in terms of the effects of public action relate to the increased formalization of the economy with the share of the informal sector adding value to the tertiary sector rising to 17.2% in 2019 against a target of 15% in 2018. Similarly, with a rate of credit to the economy of 34.45% against 33.1% in 2018 and a target of 35% in 2020, access to modern financial services has increased, especially since the expanded rate of banking was 42.28% in 2018 for a target of 35% in 2020. An important result of PNDES was also recorded in the diversification of the country's exports, since the share of the first two export products in total exports rose from 80.4% in 2018 to 80% in 2019;
- In terms of access to quality energy services and guaranteeing energy efficiency, despite efforts to set up production and distribution infrastructure, the national electrification rate was 38.7% for a target of 52.3%, while the national electrification rate was raised from 21.4% in 2018 to 22.8% in 2019 against an annual target of 40%. In the field of energy, the installed capacity recorded an increase from 359.5 MW in 2018 to 410 MW in 2019, as did the share of renewable energy in total production, which was raised to 18.36% from 16.87% in 2018. The commissioning of the 50 MW Agrecco thermal power plant and the output of the solar power plants in operation combined with the increase in energy imported from Ghana and Côte d'Ivoire have led to this performance;
- In terms of road infrastructure, despite the security context and the operational difficulties of some companies, the proportion of asphalted roads increased from 25.61% in 2018 to 26.72% in 2019 for a target of 26.10% and the proportion of rural tracks developed to 33.11% in 2019 against 32.6% in 2018 for a target of 36.5% in 2019, the total length of roads under asphaltting or reinforcement work is 860.52 km of which 148 km have been completed. As for rural tracks, 198.33 km of rural tracks were completed in 2019. In addition, significant progress has been made in the development of urban roads with the completion of 117.6 km and 151.01 km underway in 2019;

- With regard to railway infrastructure, notable achievements include the effective start of the feasibility study for the Burkina Faso-Ghana railway interconnection project, with an execution level of 50%, and the selection of four potential investors for the construction of the infrastructure;
 - In terms of improving Internet access, results are more tangible as bandwidth capacity increased in 2019, the speed of which reached 44.3 Gbps compared with 39.3 Gbps in 2018, and the Internet penetration rate estimated at 30.41% in 2019 compared with 29.18% in 2018. This progress was possible thanks to the efforts of networking the territory in optical fiber, including 861.8km deployed through the combined efforts of the public administration and telephone operators ;
 - On defense and security, the main achievements relate to the development of a national security policy, the strengthening of the operational capacities of the defense and security forces through an increase in the number of personnel, the acquisition of high-performance equipment and the construction and/or completion of CPDs and gendarmerie BTs. These achievements have enabled the SDF to successfully carry out numerous operations on the front lines of the fight against terrorism.
- (iii) Primary sector employment productivity from CFAF 475,000 in 2019 to CFAF 535,000 in 2020;
 - (iv) The marketing rate of agricultural products to 28% in 2019 and then to 37.5% in 2020 ;
 - (v) The rate of increase in agribusiness supply from 35% in 2019 to 50% by 2020 ;
 - (vi) The amount of fish produced from 28,000 tons in 2019 to 30,000 tons in 2020 ;
 - (vii) The coverage rate of feed requirements of livestock at 75% in 2019 and 80% two years later;
 - (viii) Newcastle disease vaccination coverage from 66% in 2019 to 70% in 2020 ;
 - (ix) The number of jobs created in the primary sector to 80,000 in 2019 and 110,000 in 2020.

Over the 2019-2020 period, this involved carrying:

- (i) National electricity coverage from 52.3% in 2019 to 80% in 2020;
- (ii) National electrification rate from 40% in 2019 to 45% in 2020;
- (iii) Urban electrification rate from 70% in 2019 to 75% in 2020;
- (iv) The rural electrification rate from 12.6% in 2019 to 19% in 2020 and
- (v) The share of renewable energy in total production from 25% in 2019 to 30% in 2020.

On industry, actions will be directed towards improving the competitiveness of industrial enterprises, 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 agri-food sector (PIPHE-SA), the implementation of

3.2 Upcoming projects

For the medium-term outlook (2018-2020), the continuation of the actions initiated since the PNDES implementation should accelerate the agro-sylvo-pastoral production sector and contribute to the structural transformation of the economy. These efforts would, among other things, narrow the focus on:

- (i) The share of irrigated production in total production to 22% in 2019 and 25% in 2020;
- (ii) Grain requirement coverage of 140% in 2019 and 2020 ;

the Support Project for the creation and development of small and medium-sized enterprises and small and medium-sized industries (PACD-PME/PMI).

With regard to the technical implementation of development planning, this will involve: (i) adopting the draft law on development steering and management; (ii) adapting existing software to the

organic law on finance laws (LOLF) and acquiring a production infrastructure and migrating the integrated public finance management system under the JAVA platform; (iii) rereading Law 020-2013 of 23 May 2013 and the implementing texts, developing tender documents and model contracts as well as good practice guides for public-private partnerships.

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 November 23, 1972 monetary cooperation agreement between member States of the issuing zone of the Bank of Central African States and France, as well as in the December 4, 1973 cooperation agreement between member States of the West African Monetary Union and France.

The 4 main principles of the Franc zone are:

- **A guarantee from the French Treasury for unlimited convertibility of the Central Bank currency:** currencies issued by the issuing institutions of the franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-zones, an operating account is opened with the French Treasury by each Central Bank of the zone, and on which the Central Banks have an unlimited right to draw 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 zone's currency with the euro is fixed and defined for each subzone. The currencies of the zone are convertible among themselves, at fixed parities, without limitation of amounts. The switch to euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at equivalent parity, i.e., CFAF 655.957 = 1 euro (the parity being identical for the West and Central Africa sub-zones).
- **Free and unlimited transfer of reserves:** Transfers are, in principle, free within the Zone.
- **Centralization of reserves:** governments 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 portion of their net external assets (foreign exchange reserves) with the French Treasury in an operating account opened in the name of each of them. Since the September 2005 reform, BCEAO has had to deposit 50% of its external assets in its operating account.

A new monetary agreement was signed in December 2019 by WAEMU member States and France to reform the West African CFA franc (CFAF). It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. In order to enable WAEMU economies to prepare for ECO, the monetary cooperation agreements linking the member States of the zone to France were thoroughly revised. Three decisions were taken:

- Name change of the currency from CFA Franc to ECO, when WAEMU countries will integrate the new ECO zone of ECOWAS;
- End the centralization of foreign exchange reserves at the French Treasury, closing the operations account and transferring available resources into BCEAO's account;
- Withdrawal of all French representatives from the decision-making and management bodies of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key pillars of monetary stability have been retained:

- Maintaining the fixed exchange rate against the euro (which ensures the current parity) ;
- The guarantee of unlimited convertibility of the currency by France.

In May 2020, the bill ratifying the end of the CFA franc was adopted by the French Council of Ministers. It validates the transformation of the CFA franc, which will become the ECO, by maintaining a fixed parity

with the euro as well as the end of the centralization of foreign exchange reserves of West African States at the French Treasury.

4.1.2 Description of the 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, the BCEAO contributes to the achievement of the Treaty's objectives.

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 organs of the Central Bank are: the Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, and the National Credit Councils, one in each WAMU member State.

Operation

The Central Bank, its organs, any member of its organs or staff may not seek or receive orders or instructions from community institutions or organs, from any government of WAEMU Member States, from any other organization or from any other person. Community institutions and bodies and the governments of WAEMU member States undertake to respect this principle.

The primary objective of the Central Bank's monetary policy is to ensure price stability. Without prejudice to this objective, the Central Bank supports the economic policies of the West African Economic and Monetary Union (WAEMU), with a view to achieving sound and sustainable growth.

Role

The Central Bank has the following fundamental missions:

- Define and implement monetary policy within WAEMU;
- Ensure the stability of WAEMU banking and financial system;
- Promote proper functioning and ensure the supervision and security of payment systems in WAMU;
- Implement the WAEMU 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 may conduct, with due regard for monetary equilibrium, specific missions or projects that contribute to the improvement of the monetary policy environment, diversification and strengthening of 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. As such, it defines the monetary policy to keep the currency's external coverage rate at a satisfactory level, and to support the economic activity of member countries without inflationary pressure⁹.

BCEAO oversees the monetary policy of each member country by setting money supply and credit targets on an annual basis. Statutory advances to member States' national treasuries were suspended in 2001 and abolished as of 2010.

To conduct its common monetary policy, the BCEAO relies on market mechanisms and indirect liquidity regulation instruments, in particular interest rate management and the reserve requirement system.

4.1.3 Monetary Policy

BCEAO has the exclusive privilege of issuing money for all the member States of the West African Monetary Union. It issues monetary signs, banknotes and coins, which are legal tender with discharging effect in all the member States of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

⁹ The BCEAO Monetary Policy Committee, at its first meeting held on September 14, 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%, over a twenty-four (24) month horizon.

The Central Bank's management of member States monetary policy consists in adjusting the global liquidity of the economy according to economic trends, in order to ensure price stability, on the one hand, and to promote economic growth, on the other hand.

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

The functioning of BCEAO is based on:

- Open market operations: seven-day and twenty-eight-day refinancing (weekly and monthly, respectively, for banks subject to reserve requirements) allotted at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently¹⁰ 2.0%). Planned auctions are generally calibrated according to BCEAO's forecast of liquidity needs over the maturity of operations;
- Standing loan windows: refinancing from 1 to 7 days or 90 to 360 days against government

securities and credit requests with maturities ranging from 5 to 20 years, at the request of banks (marginal lending window). Rates at these windows are 200 basis points above the policy rate. As of June 2017, the use of the lending window was capped at two times the counterparty's equity.

The minimum bidding rate for open market operations (tenders) and the interest rate applicable to the marginal lending window (repo rate), whose levels are set by the Monetary Policy Committee, are 2% and 4% respectively, and constitute BCEAO's two main key rates.

Money supply

The money supply consolidated between 2015 and 2020 in Burkina Faso, increasing from 2,490.1 to 4,779.2 billion CFA francs (Table 18). In 2020, Burkina Faso's money supply was composed of CFAF 1,983.7 billion in net foreign assets and CFAF 3,380.8 billion in domestic assets.

Table 18. Money supply in Burkina Faso

In billions of CFAF	2015	2016	2017	2018	2019	2020
Foreign assets	737.8	1 052.8	1 330.1	1 443.5	1 508.5	1 983.7
Central Bank	- 136.1	- 136.6	- 1.0	310.5	76.7	205.5
In the banks	873.8	1 189.4	1 331.1	1 133.0	1 431.8	1 778.2
Domestic assets	2 036.1	2 055.8	2 436.3	2 721.9	3 068.0	3 380.8
To the credit of the State	17.9	- 88.5	66.1	57.2	151.8	192.4
Central Bank	- 14.1	- 149.8	- 55.7	- 66.7	- 41.7	21.4
In the banks	32.0	61.3	121.8	124.0	193.6	170.9
To the credit of the economy	2 018.3	2 144.3	2 370.2	2 664.7	2 916.2	3 188.5
Other	283.8	328.0	399.7	447.1	520.1	585.3
Money supply (M2)	2 490.1	2 780.6	3 366.7	3 718.3	4 056.4	4 779.2
Currency in circulation	299.2	280.6	447.9	577.8	655.9	697.7
Deposit	2 191.0	2 500.0	2 918.8	3 140.5	3 400.5	4 081.5

¹⁰ BCEAO lowered its main policy rates by 50 basis points. Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.00% and the interest rate for the marginal lending window was reduced from 4.50% to 4.00%. This decision became effective on June 24, 2020.

Increase observed as at 31						
Net foreign assets	62.1	42.7	26.3	8.5	4.5	31.5
Net domestic assets	8.7	1.0	18.5	11.7	12.7	10.2
Credit to the State	- 59.7	- 595.1	- 174.7	- 13.4	165.3	26.7
Central Bank	- 18.2	963.4	- 62.8	19.7	- 37.5	- 151.4
Banks	- 48.1	91.8	98.7	1.8	56.2	- 11.7
Credit to the economy	10.3	6.2	10.5	12.4	9.4	9.3
Money supply (M2)	19.4	11.7	21.1	10.4	9.1	17.8

Source : BCEAO

4.2 Banking system and financial market

4.2.1 The banking environment

The banking environment in Burkina Faso is composed of traditional banks and credit institutions and microfinance institutions.

According to the WAMU Banking Commission, the country had 19 licensed credit institutions in 2019 (15 banks and 4 licensed banking-type financial institutions) compared to 17 in 2016. Table 19 shows the balance sheet of licensed banks and

banking-type financial institutions over the period 2014-2019.

Between 2014 and 2019, the assets of banks increased from CFA 3,216 billion to CFA 5,764 billion. There was an increase in the assets of licensed banks and financial institutions of a banking nature of 9.4% in 2018-2019. According to the banking commission, in 2019, the Burkinabe banking landscape was composed of 7 large banks (balance sheet >200 billion CFA francs), 5 medium-sized banks (balance sheet between 100 and 200 billion CFA francs) and 7 small banks (balance sheet <100 billion CFA francs).

Table 19. Changes in the balance sheet of authorized credit institutions

BALANCE SHEET (In millions of CFAF for 19 establishments)	2014	2015	2016	2017	2018	2019*
Treasury and interbank transactions	321 276	464 915	592 438	726 459	721 984	691 389
Customer transaction	1 940 472	2 071 315	2 235 682	2 633 821	2 878 779	3 221 271
Securities and other transactions	781 915	987 976	1 360 117	1 623 64	1 512 920	1 649 442
Property value	168 358	242 490	271 494	167 096	186 677	201 576
Shareholder or Partners	1 500	0	0	0	542	542
TOTAL ASSETS	3 216 521	3 766 696	4 459 731	5 151 024	5 300 902	5 764 220
Treasury and interbank transactions	791 145	947 519	1 202 761	1 291 110	1 145 409	1 143 103

Customer transaction	2 054 593	2 416 133	2 758 622	3 284 863	3 520 800	3 874 130
Securities and other transactions	80 508	83 465	106 246	150 408	154 353	173 968
Outstanding payments on financial assets	3	3	3	3	3	3
Provisions, equity and similar	290 272	319 576	392 099	424 639	480 337	573 016
TOTAL LIABILITIES	3 216 521	3 766 696	4 459 731	5 151 024	5 300 902	5 764 220

Source: BCEAO, * Provisional data

The WAMU Banking Commission reports that the jobs of the Burkinabe banking system increased in 2019 by 10.9% to 5,072.3 billion at the end of December 2019. Their structure remains dominated by customer loans at 63.5% and investment securities for 26.2%, while the shares of investment securities and other fixed assets stood at 3.3% and 3.2% respectively. Loans to customers increased by 11.6% in 2019 to CFAF 3,221.3 billion. They are mainly composed of short-term loans (42%), medium-term loans (52.6%), long-term loans (2.7%) and overdue loans (1.6%).

Short-term credits amounted to CFAF 1,354.7 billion in 2019. They recorded an increase of 4.3% between 2018 and 2019. As for medium-term credits, amounting to 1,694.6 billion, they posted a 19.9% increase over the same period. Long-term credits were 85.9 billion in 2019, an increase of 5.8% compared to the previous year. As for outstanding loans, they stood, in net terms, at 81.3 billion, a decrease of 11.3% between 2018 and 2019.

Leasing liabilities, for their part, recorded a 288.6% increase over the same period, reaching an amount of 4.7 billion. Investment securities stood at 1,332.3 billion at the end of 2019, a decrease of 11%. As for investment securities and other fixed assets, they posted 169.5 billion and 163.2 billion, up 12.2% and 5.5% respectively between 2018 and 2019.

As of December 31, 2019, the gross deterioration rate of the customer portfolio was 7.6%. Taking into account provisions, the net client portfolio deterioration rate was 2.5% in 2019. This ratio is down 0.6% compared to 2018.

In 2019, the interest rate on loans ranged from 5.48% to 7.38% across banks compared to 4.07% to 6.22% on savings. The average lending rate was 7.27% in 2019 compared to 7.44% in 2018, a drop of 17 basis points. According to BCEAO, the decline in lending rates continued in 2020 with an average lending rate estimated at 7.11%.

Table 20. Lending and deposit rates (short, medium and long term)

Lending rate according to the duration of the loan (in %)	2015	2016	2017	2018	2019	2020
less than or equal to 1 month	8.36	7.87	7.22	7.51	7.46	5.87
more than 1 month and less than or equal to 3 months	6.94	6.87	6.46	6.40	6.62	5.66
more than 3 months and less than or equal to 6 months	8.40	7.49	7.58	7.39	6.95	6.51
more than 6 months and less than or equal to 1 year	8.83	8.04	7.61	8.32	7.99	7.21
more than 1 year and less than or equal to 2 years	7.49	7.94	6.71	7.57	7.12	7.11
more than 2 years and less or equal to 5 years	8.10	7.84	7.95	7.70	7.47	7.38
more than 5 years and less than or equal to 10 years	7.44	7.24	7.10	7.12	6.99	6.67
More than 10 years	5.22	4.35	5.13	6.21	5.48	4.28
Total	7.97	7.54	7.21	7.44	7.27	6.63
Lending rates by type of deposit (%)						
less than or equal to 1 month	2.92	4.02	5.25	5.00	5.80	5.22
more than 1 month and less than or equal to 3 months	5.68	5.81	5.64	5.61	5.68	5.99
more than 3 months and less than or equal to 6 months	6.04	5.88	5.77	5.99	6.09	6.06
more than 6 months and less than or equal to 1 year	5.36	5.66	5.58	5.21	5.86	5.63
more than 1 year and less than or equal to 2 years	5.72	5.76	5.55	5.64	5.68	5.46
more than 2 years and less or equal to 5 years	5.77	5.94	5.98	6.14	5.96	6.07
more than 5 years and less than or equal to 10 years	5.26	5.32	5.97	6.17	6.21	6.22
More than 10 years	5.75	3.93	2.85	6.22	4.07	5.56
Total	4.70	5.40	5.67	5.70	5.87	5.79

Source : BCEAO

The microfinance sector plays an important role in the economy of Burkina Faso. According to the BCEAO's annual report on the state of microfinance, in 2020, Burkina Faso had 78 decentralized financial systems (DFS) with 606 service points and 1,387,290 clients. Total deposits amounted to CFAF 265.122 billion and outstanding loans amounted to CFAF 186.872 billion. Between 2019 and 2020, the amount of deposits collected increased by 18.7% and outstanding loans also increased by 9.7% over the period. The amount of outstanding loans was estimated at CFAF 10.773 billion and the portfolio deterioration rate was 5.8%. A total of 3 DFS were in difficulty in 2020.

4.2.2 Financial markets

WAEMU financial market is structured around the

debt securities market (public and private bonds) and the equity market. The regional public securities market has two (2) components: the auction market and the syndication market.

The market for public securities by auction is organized and regulated by BCEAO through UMOA-Titres, while public securities by syndication, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (CREPMF) and organized by the Regional Securities Exchange (BRVM) and the Central Depository/Settlement Bank (DC/BR).

Regional Stock Exchange (BRVM): Presentation and roles

The Regional Stock Exchange (BRVM) is a specialized

financial institution created on December 18, 1996, pursuant 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. This stock exchange is common to the 8 countries of West Africa. BRVM/DC/BR started its activities on September 16, 1998 in Abidjan. Its main missions are the following:

- The organization of the stock market ;
- Publication of stock market transactions;
- Dissemination of information on the stock market;
- Promotion and market development.

Evolution of BRVM bonds and equity market

Since 2016, the underperformance of the WAEMU stock market (BRVM) shows that it has not fully resisted the general downward movement that has gripped the world's financial markets. The decline in 2018 of BRVM was particularly marked. Preferred stocks in 2015, focused on food and beverage sector as well as agribusiness, consumer, automotive and equipment and banking, have experienced a decline.

The drop in prices on BRVM could be explained on the one hand, by the profit taking of several large investors who had made significant capital gains on their investment. It also comes from the readjustment

(rectification) after four (4) years of intensive rise that the market experienced (2012 to 2015) and on the other hand, the misunderstanding of the various splits made on the market. New investors are speculating and most of the listed companies have not reacted to the fall in their capitalization.

The year 2020 has negatively impacted BRVM, like all financial markets, following the outbreak of the coronavirus. The regional market recorded its largest quarterly decline (-15.79% in the first quarter of 2020) in the last 10 years. However, investors showed continued confidence in the potential of BRVM, which posted one of the best balances since 2016, despite the pandemic and the presidential election in Côte d'Ivoire. More than 35% of listed companies ended the year in the green.

During the 2020 trading year, the BRVM Composite Index fell from 159.2 on 12/31/2019 to 145.37 on 12/31/2020. The market capitalization of the equity market fell from CFAF 4,741 billion at the end of 2019 to CFAF 4,368 billion at the end of 2020, a decline of 7.9%.

The market capitalization of bonds stood at CFAF 6,051 billion as at December 31, 2020, compared with CFAF 4,233 billion the previous year, an increase of 43%. This increase is linked to the need for States to support their respective economies in the context of the pandemic.

Table 21. BRVM financial market trends

	2014	2015	2016	2017	2018	2019	2020
BRVM 10 Indexes	268	290	262	220	154	149	131
BRVM composite Indexes	258	304	292	243	172	159	145
Composite market capitalization (stocks and bonds) in billions of CFA francs	7 459	9 079	10 216	9 806	8 289	8 973	10 418
Equity Market	6 320	7 500	7 706	6 836	4 845	4 741	4 368
Bond market	1 139	1 579	2 509	2 970	3 444	4 233	6 051
Number of listed companies	38	39	43	45	45	46	46

Source: BRVM

The equity market

In 2020, there were three companies listed on the Burkina Faso stock exchange. These are Coris Bank International (CBI), Bank of Africa Burkina Faso (BOABF) and the Office National des Télécommunications du Burkina Faso (ONATEL). On April 1, 2021, CBI had a total capitalization of 243.2.28 billion CFA francs with a volume of 32 million shares. BOABF had a global capitalization of 83.6 billion CFA francs, with a volume of 22 million shares and ONATEL had a global capitalization of 232.56 billion CFA francs with a volume of 68 million shares. On April 1, 2021, ONATEL and BOABF were the only Burkinabe companies to be listed on the BRVM 10.

Bond market

According to UMAO-Titres, the Burkinabe government, through the Treasury, organized fourteen (15) issues of treasury bills and eight (14)

issues of treasury bonds in 2020. A total of CFAF 926 billion was mobilized in 2020 on the sub-regional financial market against CFAF 530 billion in 2019, representing an increase of 74.7%. Still in 2020, a total amount of CFAF 486 billion was mobilized through treasury bills issues against CFAF 335 billion in 2019, an increase of 45.07%. As for bonds, a total amount of 440 billion was mobilized in 2020 through issues on the sub-regional market against 195 billion in 2019, an increase of 125.6%. Interest rates in 2020 varied between 4.25% and 6.25% depending on the maturity of the securities, i.e. 6 months or 6 years.

Between January and March 2021, the Burkinabe Treasury organized twelve (3) issues of treasury bills and five (2) issues of treasury bonds. A total of CFAF 150 billion was mobilized over the period, of which CFAF 90 billion via treasury bills.

Table 22. Burkina Faso's issues since 2020

Instrument	Date of operation	Value date	Maturity	Amount (million CFA F)
T-bill	24/03/2021	25/03/2021	23/03/2022	30 000
T-bill	17/02/2021	18/02/2021	18/08/2021	30 000
T-bond	03/02/2021	04/02/2021	04/02/2026	30 000
T-bond	20/01/2021	21/01/2021	21/01/2024	30 000
T-bill	06/01/2021	07/01/2021	05/01/2022	30 000
T-bond ES	18/11/2020	19/11/2020	19/11/2023	50 000
T-bond ES	18/11/2020	19/11/2020	19/11/2025	50 000
T-bond	04/11/2020	05/11/2020	05/11/2027	40 000
T-bond	21/10/2020	22/10/2020	22/10/2027	20 000
T-bill	07/10/2020	08/10/2020	06/10/2021	25 000
T-bill	16/09/2020	17/09/2020	15/09/2021	25 000
T-bond	01/09/2020	02/09/2020	02/09/2023	20 000

T -bill	19/08/2020	20/08/2020	18/08/2021	25 000
T -bond	11/08/2020	12/08/2020	12/08/2023	25 000
T -bill	29/07/2020	03/08/2020	01/11/2020	50 000
T -bill	15/07/2020	16/07/2020	14/07/2021	25 000
T -bond	06/07/2020	07/07/2020	07/07/2023	25 000
T -bond ES	29/06/2020	30/06/2020	13/02/2023	35 000
T -bond ES	29/06/2020	30/06/2020	09/04/2025	35 000
T -bill	17/06/2020	18/06/2020	16/12/2020	25 000
T -bill	03/06/2020	04/06/2020	02/06/2021	25 000
T -bill	20/05/2020	22/05/2020	20/05/2021	35 000
T -bond	20/05/2020	22/05/2020	22/05/2023	35 000
T -bill	30/04/2020	04/05/2020	02/08/2020	76 000
T -bill	16/04/2020	17/04/2020	15/04/2021	35 000
T -bond	16/04/2020	17/04/2020	17/04/2025	35 000
T -bill	08/04/2020	09/04/2020	08/07/2020	30 000
T -bond	08/04/2020	09/04/2020	09/04/2025	30 000
T -bill	25/03/2020	26/03/2020	24/03/2021	25 000
T -bill	26/02/2020	27/02/2020	26/08/2020	30 000
T -bond	12/02/2020	13/02/2020	13/02/2023	20 000
T -bond	22/01/2020	23/01/2020	23/01/2023	20 000
T -bill	08/01/2020	09/01/2020	06/01/2021	25 000

Source : UMOA Titres

4.2.3 Debt subscription mechanisms

Any investor based inside or outside WAEMU can invest in public securities issued by way of auction or syndication. Orders are placed through authorized market participants: investment syndicate or any brokerage firms operating within the Union as part

of issues by syndication, and credit institutions established in the Union or brokerage firms having an account in the books of the Central Bank as regards issues by auction. Transactions on the BRVM's stock market are made by stock exchange intermediaries, notably brokerage firms.

Organization of market by auction

The auction market is a segment of the public securities market, in which WAEMU member States issue Treasury bills and bonds through an auction procedure in order to finance their budgets.

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

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it issues the applicable provisions, intervenes in the organization of auctions of public securities, ensures the function of Central Depository / Settlement Bank, the clearing, settlement and delivery of transactions among participants with an account in its books, through its electronic platform SAGETIL-UMOA¹¹;
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- UMOA-Titres, the regional agency in charge of issuing and managing public debt securities, physically organizes issues and provides assistance to member States in mobilizing resources on the capital markets and managing their debt;
- Investors, which are credit institutions, MFIs and regional financial organizations with a settlement account in the books of the Central Bank¹²;
- Primary dealers (SVTs), which are credit institutions and SGIs 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 States' Treasuries in operations on public debt securities issued on the regional market.¹³

Securities issued at auction are traded on the

secondary market, following an over-the-counter procedure.

Organization of market by syndication

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public pole made up of the Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF) (Regional Council for Public Savings and Financial Markets) and a private pole comprising, on the one hand, central agencies such as the Bourse Régionale des Valeurs Mobilières (BRVM) (Regional Stock Market) and the Central Depository/Settlement Bank (DC/BR), and, on the other hand, the market participants.

CREPMF is the regulator of the WAEMU regional financial market. Its missions are, among others, to:

- Ensure the authorization and control of public offering procedures;
- Empower market management agencies and accrediting market participants;
- Approve commercial stakeholder rates;
- Regulate market operation;
- Monitor the regularity of stock market transactions.

BRVM is organized in a central site based in Abidjan (Côte d'Ivoire) and represented in each member State by a National Stock Exchange (ANB). The main attributions of the BRVM are:

- Authorization of stock market participants to carry out their activities;
- Management of the market, in particular the centralization of buy or sell orders, listing management, dissemination of market information, as well as the promotion and popularization of the financial culture within WAEMU;

¹¹ Automated Securities and Liquidity Management System of the West African Monetary Union

¹² All other investors wishing to participate will have to go through the approved stakeholders.

¹³ The operationalization of primary dealers within WAEMU started on March 1, 2016.

- Management of unsettled transactions.

The Central Depository/Settlement Bank (CD/BR) is a financial institution, whose role is:

- To proceed with the clearance of the applicants for the function of account holder ;
- To ensure the settlement of negotiations and the management of the financial service of the securities;
- To ensure the maintenance of current accounts of securities opened by primary dealers (SGI) in its books;
- To ensure the safekeeping and the scriptural circulation of securities;
- To make cash payments, as settlement bank, of the balances of stock exchange transactions.

As part of organizing issues by syndication, States entrust the securities placement process to a placement syndicate, whose members are made up of primary dealers approved by the CREPMF. In addition, the issuer chooses a lead manager from

among the members of the syndicate, who is in charge of specific missions in the issue process.

Since its inception, the main products on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk debt securitization funds) have been introduced. Securities issued through syndication are traded on the secondary market on the BRVM's electronic trading platform.

4.3 Inflation rate

The inflation rate is estimated at 1.9% in 2020 in Burkina Faso, compared with -3.2% in 2019. Over the 2014-2020 period, Burkina met the WAEMU community standard on the inflation rate ($\leq 3\%$) with an inflation rate that ranged between -0.3% and 1.9%. The good performance of the 2018/2019 agricultural season and the continuation of government measures to combat high living costs (the sale of cereals at social prices in deficit areas, price controls on consumer goods, the opening of cereal sales outlets at subsidized prices) have helped to control inflation. The expected inflation rate in 2021 is estimated at 1.8 percent, taking into account the impact of Covid-19.

Table 23. Inflation rate

Year	2014	2015	2016	2017	2018	2019	2020	2021
Inflation rate (%)	-0.3	0.9	-0.2	2.9	1.9	-3.2	1.9	1.8

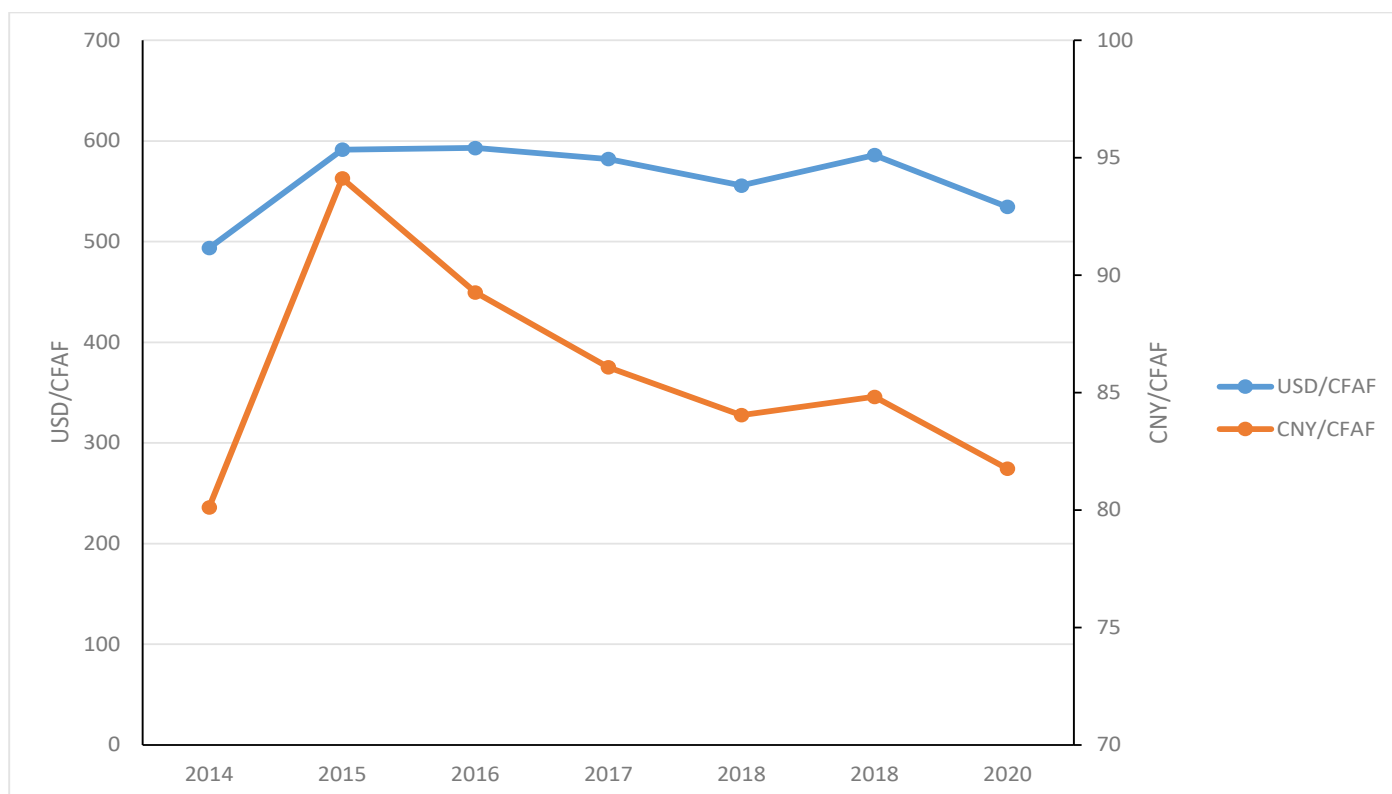
Source : BCEAO

4.4 Exchange rates

The exchange rate between the US dollar and the CFA franc fell slightly between 2015 and 2020, from 1 USD for 591 CFA francs to 1 USD for 534.56 CFA francs (Figure 2). The exchange rate between the

Chinese Yuan and the CFA franc fell from 1 CNY for 94 CFA francs in 2015 to 1 CNY for 81.76 CFA francs in 2020. The CFA franc appreciated slightly against these two currencies, which are particularly important for financing the country's economy, during the 2015-2020 period.

Figure 2: USD/CFAF and CNY/CFAF exchange rates



Source : BCEAO

4.5 Foreign reserves

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

Burkina Faso's reserves are centralized at the BCEAO in accordance with Franc zone principles. Table 24 shows that Burkina Faso's reserves increased from CFAF 349.9 billion to CFAF 1031.9 billion from 2014 to 2019, and amounted to CFAF 970.2 billion in 2020.

Table 24. Changes in foreign reserves

External assets Billions of CFA francs	2013	2014	2015	2016	2017	2018	2019	2020
Official reserve assets	40.4	47.0	40.6	33.3	22.0	24.1	31.3	134.1
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign currency	0.8	0.8	2.6	2.0	1.0	1.7	1.8	2.3
Deposits and securities included in the official reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserve position in the IMF	4.3	8.5	7.1	21.2	13.5	19.8	17.1	13.3
Special Drawing Rights (SDR) holdings	35.3	37.7	31.0	10.1	7.5	2.6	12.4	118.5
Other external assets	251.3	302.8	517.9	588.5	875.7	905.4	1 000.6	836.1
Total	291.6	349.9	558.5	621.8	897.8	929.5	1 031.9	970.2

Source : BCEAO

5.1 Balance of payments

According to BCEAO, the current account balance showed a deficit of 101.1 billion in 2020 against -306.9 billion in 2019, an improvement of 205.8 billion (+67.1%). This change in the current account balance reflects the decline in the deficit in the balance of goods and services and the increase in the surplus in the secondary income account. The deficit in the primary income account, however, widened. The deficit in trade in goods and services narrowed by 35.2% in 2020 compared to 2019, in line with the improvement in the trade balance (imports down by 0.9% and exports up by 8.8%), despite the widening deficit in trade in services (+19.8%). This deficit is linked in particular to the increase in the freight bill on imports of goods.

The balance of goods was in surplus for the third consecutive year (CFAF 161.1 billion in 2018, CFAF 214.3 billion in 2019 and CFAF 436.2 billion in 2020), in line with the dynamism of activity in the mining sector. On the other hand, the balance of services,

which is structurally in deficit, deteriorated by +19.9% from CFAF 539.8 billion in 2019 to CFAF -647.2 billion in 2020.

The structural deficit balance in the primary income account improved by 18.1 percent in 2020 to -245.2 billion. The surplus balance of the secondary income account increased from 318.0 billion to 355.1 billion between 2019 and 2020, an increase of 11.7 percent. This performance is attributable to the increase in transfers to the Government.

At the end of 2020, the capital account showed a surplus balance of 278.8 billion, a sharp increase of 152.8 billion compared to 2019, i.e. +121.4%. This increase is linked in particular to the rise in capital transfers in the form of project grants to the public administration. The balance of the financial account (net flow of financial assets and liabilities) recorded net inflows of 297.4 billion in 2020 against 252.9 billion in 2019, an increase of 44.5 billion.

Table 25. Burkina Faso's balance of payments between 2016 and 2020

In billions of CFAF	2016	2017	2018	2019	2020 (Estimates)	2021 (projections)
Current account balance	-462.4	-520.4	-369.3	-306.9	-101.1	-310.6
Trade balance in goods and services	-471.7	-521.6	-364.1	-325.5	-211.0	-325.2
Balance of Goods	-0.4	-3.1	161.1	214.3	436.2	352.4
Exports FOB	1 676.4	1 887.3	2 196.4	2 301.3	2 503.5	2 662.6
Of which cotton	198.4	253.3	250.4	206.1	153.7	189.1
Of which Gold	1 091.8	1 278.4	1 492.5	1 685.8	1 857.9	1 902.6
Imports FOB	-1 676.7	-1 890.4	-2 035.2	-2 087.0	-2 067.3	-2 310.2
Imports CIF	-1 983.5	-2 267.1	-2 436.0	-2 491.6	-2 474.4	-2 765.1
Of which oil	-425.7	-478.9	-420.5	-455.2	-358.8	-434.0
Of which food products	-175.6	-178.4	-182.5	-161.7	-209.5	-222.5

Services (net)	-471.4	-518.5	-525.3	-539.8	-647.2	-677.6
Primary income balance	-231.8	-230.4	-267.0	-299.5	-245.2	-246.4
Secondary (transfer) income balance	241.1	231.5	261.8	318.0	355.1	260.9
Capital account	150.1	172.8	175.8	125.9	278.8	277.7
Acquisition and sale of non-financial assets	0.2	0.2	0.2	0.1	0.2	0.2
Capital transfer	150.0	172.6	175.6	125.8	278.6	277.5
Financial account	-554.9	-599.1	-313.2	-252.9	-297.4	-216.2
Of which direct investments	-201.6	4.5	-111.5	-85.9	-72.8	-120.5
Of which Other investments	-345.4	-491.2	-51.5	-47.1	-73.8	-28.5
Statistical errors and omissions	-3.3	-4.5	1.2	-4.2	0.0	0.0
Overall balance	239.4	247.0	121.0	67.7	475.1	183.3
Revaluations and other non-transactional flows	75.6	30.4	-7.6	0.0	0.0	0.0
Change in net foreign assets	-315.0	-277.4	-113.4	-67.7	-475.1	-183.3

Source : BCEAO

5.2 Regional trade

5.2.1 Regional trade policies

West African countries are engaged in numerous trade negotiations at the regional (integration process), bilateral (Interim Economic Partnership Agreement - IEPA) and multilateral (World Trade Organization - WTO and regional EPA) levels.

Good coordination between the various negotiations at the regional and international levels (CET; EPA; WTO, AGOA, etc.) is essential to achieving the trade performance objectives of WAEMU member States.

National and regional trade policies in West Africa depend on various spaces. Indeed, the regional negotiation space is articulated around the following elements

- The finalization of the Common External Tariff (CET) at the ECOWAS level, and thus the constitution of a Customs Union;
- A space for bilateral negotiations, particularly between the West African region and the EU, regarding the EPA;
- A multilateral negotiating space, which refers to WTO rules, of which all West African States are members (with the exception of Liberia, which has observer status). It should be noted that each country negotiates individually and that WAEMU and ECOWAS only have ad hoc observer status in the WTO Trade and Development Commission.

With regard specifically to WAEMU, it has a common trade policy based in particular on:

- A common market set up on July 1, 1996 for local and unprocessed products (products of the Union from the animal, mineral and vegetable kingdoms) and traditional crafts, and until January 1, 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004;
- A customs union established on January 1, 2000, based on a CET applicable to all WAEMU member countries, which includes four categories of products, taxed from 0 to 20%, in force until January 1, 2015, when the WAEMU CET was replaced by the ECOWAS CET, which enshrines the expansion of the customs union to the 15 ECOWAS countries.
- Common rules of origin and competition, harmonization of VAT and excise duties, harmonization and mutual recognition of standards, common safeguards and protections (Degressive Protection Tax (DPT), short-term export tax (STT), reference values and anti-dumping duty).
- Make essential adjustments and take into account other business needs.

The needs and priorities were identified on the basis of the Regional Economic Program (REP), which is the reference framework for the WAEMU integration process, as well as existing capacity building programs in the States.

• **The Common External Tariff**

Rules in force at the ECOWAS borders in terms of customs policy are those laid down by the ECOWAS Common External Tariff (CET). The applicable rules of origin are defined by the Trade Liberalization Scheme (TLS).

The CET aims to harmonize tariffs and taxes in order to deepen economic integration through the establishment of a customs union; provide a platform for building the common trade policy and regional trade negotiations such as the EPA; stimulate regional production and investment capacity; and consolidate the regional market.

The CET is organized around an architecture including:

- (i) A Tariff and Statistical Nomenclature (TSN), i.e. a common customs nomenclature based on the Harmonized Commodity Description and Coding System (HS) of the World Customs Organization (WCO) adopted by the Community;
- (ii) A table of duties and taxes applicable to imported products which includes: the customs duty (DD), the statistical fee (RS) and the ECOWAS community levy (PC ECOWAS);
- (iii) Trade defense measures or supplementary protective measures, if any, which may generate duties that may affect the final price of products imported into the Community from third countries;
- (iv) The statistical royalty rate is set at 1% and applies equally to all imported products, whether exempt or not;

WAEMU also has a regional trade promotion program, "a regional strategy and a logical framework for the implementation of the WAEMU aid-for-trade program".

The overall objective of the aid for trade strategy is to enable member States to increase their exports of goods. The logical framework serves as the basis for an agenda for international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of aid for trade:

- Ensure ownership and control of trade policies and regulations by experts from member States and the Commission;
- To develop intra-regional and international trade of the member States;
- Strengthen trade-related infrastructure in the sub-region;
- Diversify and increase the production capacities of member States;

- (v) The tax base for the application of the common external tariff is ad valorem. The tariff structure of the CET is presented in the following table:

Category	Description	Rates
0	Essential social goods	0 %
1	Basic raw materials and capital goods	5 %
2	Intermediate products	10 %
3	Final consumer goods	20 %
4	Specific assets for economic development	35 %

The CET was established in accordance with the requirements of the World Customs Organization's Harmonized System and the World Trade Organization's Regional Trade Agreements (Article 24 of GATT).

- **Specific rules applicable to ECOWAS countries' foreign trade of goods**

Several trade regimes are in place within ECOWAS. The following table presents the existing regimes according to the trading partners.

PARTNERS	SPECIFIC SCHEMES
European Union (EU)	APEI, SPG, SPG+, TSA
ECOWAS	TEC, SLE
Rest of AFRICA	Bilateral agreements
USA	AGOA
ASIA	Bilateral Agreements
Other industrialized countries	Generalized System of Preferences (GSP)
Rest of the world	Bilateral agreements, GSP

Pending the implementation of the EPA, different tariff regimes apply depending on the status of countries in the framework of trade between ECOWAS and the EU:

- **Côte d'Ivoire and Ghana** ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been provisionally applied since September 4, 2016, and Ghana's EPA has been applied since December 15, 2016. These interim

EPAs guarantee both countries full access to the European market and provide for eventual liberalization of 80% of tariff lines by Côte d'Ivoire and Ghana, spread over a period of 15 years¹⁴;

- Under the GSP, **Nigeria** benefits from a reduction in European customs duties on approximately 1/3 of tariff lines and a total exemption from customs duties on 1/3 of additional tariff lines;

¹⁴ Over 11 years (2019-2029) currently for Côte d'Ivoire.

- **Cape Verde** benefits from the GSP+ which grants an exemption from European customs duties on about 2/3 of the tariff lines;
- **The other twelve** countries (including the seven WAEMU countries besides of Côte d'Ivoire), because of their LDC status, benefit from the Everything But Arms GSP, which grants them access to the European market for all their exports to the EU without duty or quota.

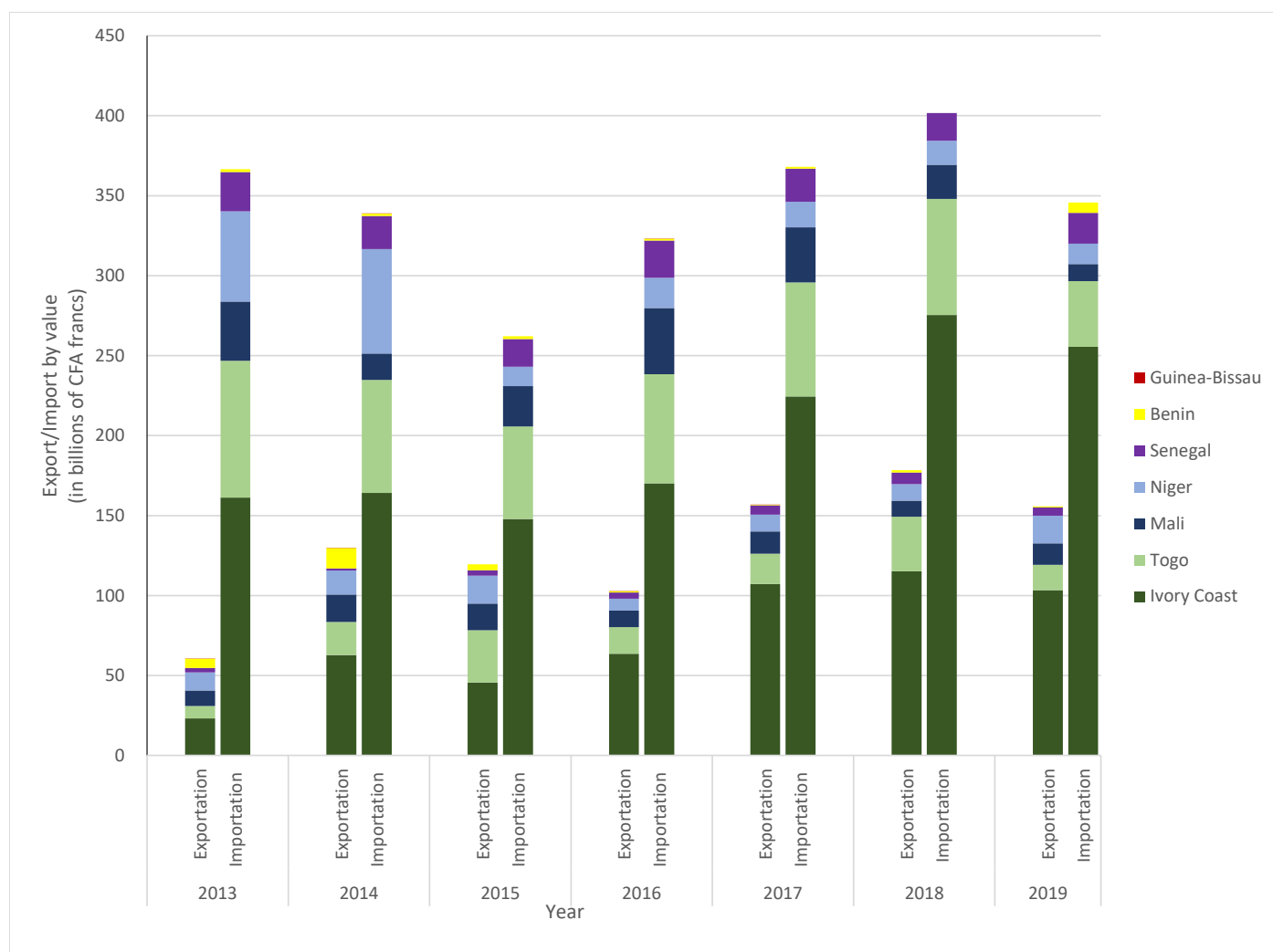
Regarding imports, Burkina Faso's suppliers in 2019 in the WAEMU area, in order of importance, were Côte d'Ivoire with 255.47 billion CFA francs (73.9%), Togo 41,04 billion CFA francs (11.9%), Niger with 12.65 billion CFA francs (3.7%), Senegal with 19.32 billion CFA francs (5.6%), Mali with 10.8 billion CFA francs (3.1%) and Benin with 6.42 billion CFA francs (1.9%). Côte d'Ivoire thus remains Burkina Faso's main client and supplier in the WAEMU area, accounting for more than 60% of the country's exports and imports.

5.2.2 Regional trade in value

Burkina Faso's regional trade with the rest of the seven (7) WAEMU countries between 2014 and 2019 shows that the country has a deficit intra-zone trade balance over the entire period (Figure 3). Burkina Faso's exports in 2019 to other WAEMU countries reached CFAF 155.7 billion broken-down in increasing order of importance as follows: Côte d'Ivoire with CFAF 103.45 billion (66.4%), Togo with CFAF 15.76 billion (10.18%), Mali with CFAF 13.41 billion (8.6%), Niger with CFAF 17.20 billion (11%), Senegal with CFAF 5.2 billion (3.4%) and Benin with CFAF 0.68 billion (0.4%). There were almost no exports to Guinea-Bissau.

In 2019, Burkina Faso's intra-WAEMU imports were about 2.21 times its exports to the zone. In 2018, this ratio was 2.26 compared to 2.6 in 2014. In general, there has been a decline in the import-to-export ratio over the 2014-2019 period, indicating an improvement in Burkina Faso's ability to export to the rest of the region. The degree of openness of the Burkinabe economy vis-à-vis other WAEMU countries nevertheless remains low. In 2018, it stood at around 34.2%, compared with 34.6% in 2017. On average, over the 2014-2018 period, this indicator stood at 32.9%. According to the BCEAO, the degree of openness of the Burkinabe economy, measured by the ratio between the sum of imports and exports of goods and services, and twice the GDP, stood at 29.7 percent in 2019, against 30.1 percent in 2018.

Figure 3: Exports and imports between Burkina Faso and other WAEMU countries from 2014 to 2019



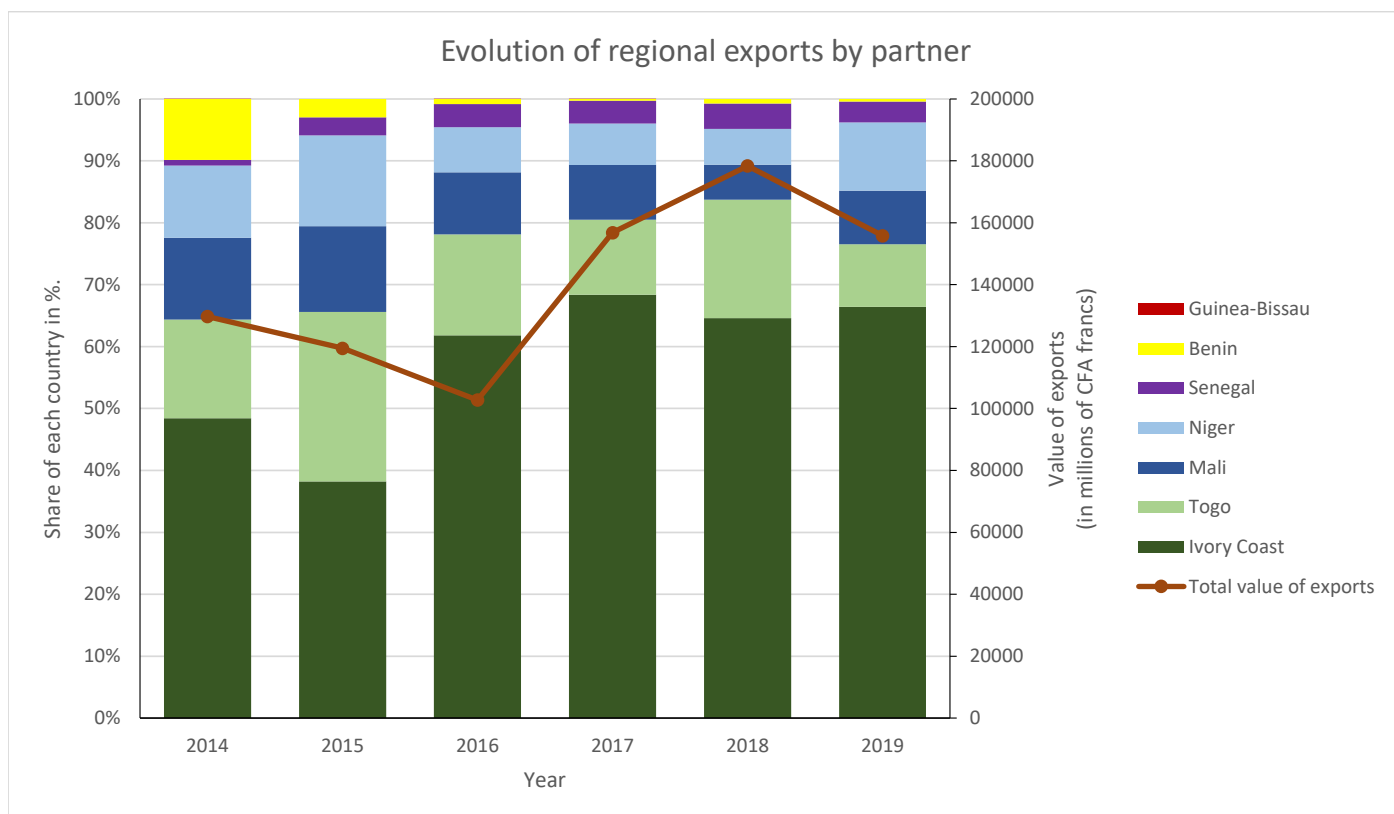
Source: Ministry of Trade, INSD, BCEAO

5.2.3 Regional exchanges by partner

Burkina Faso's regional trade shows a certain stability in the structure of trade with the seven (7) other countries of the WAEMU zone. Côte d'Ivoire is thus the leading export partner. Its weight in exports rose from 48.5 percent to 66.4 percent between 2014 and 2019 (Figure 4). Niger, Togo and Mali come next respectively in 2nd, 3rd and 4th position as key export partners in 2019 and this order has

been the same since 2014 with just a change in position between Togo and Niger in 2019. These three partners accounted for shares of 11%, 10.1% and 8.6% respectively in 2019 with variations of a few points in previous years. Finally, Senegal, Benin and Guinea-Bissau are respectively 5th, 6th and 7th in the order of export partner countries in 2019 representing respectively 3.4%, 0.4% and less than 0.01% of export value in 2019.

Figure 4 : Structure of exports by destination for exports to the seven other countries of the WAEMU zone between 2014 and 2019

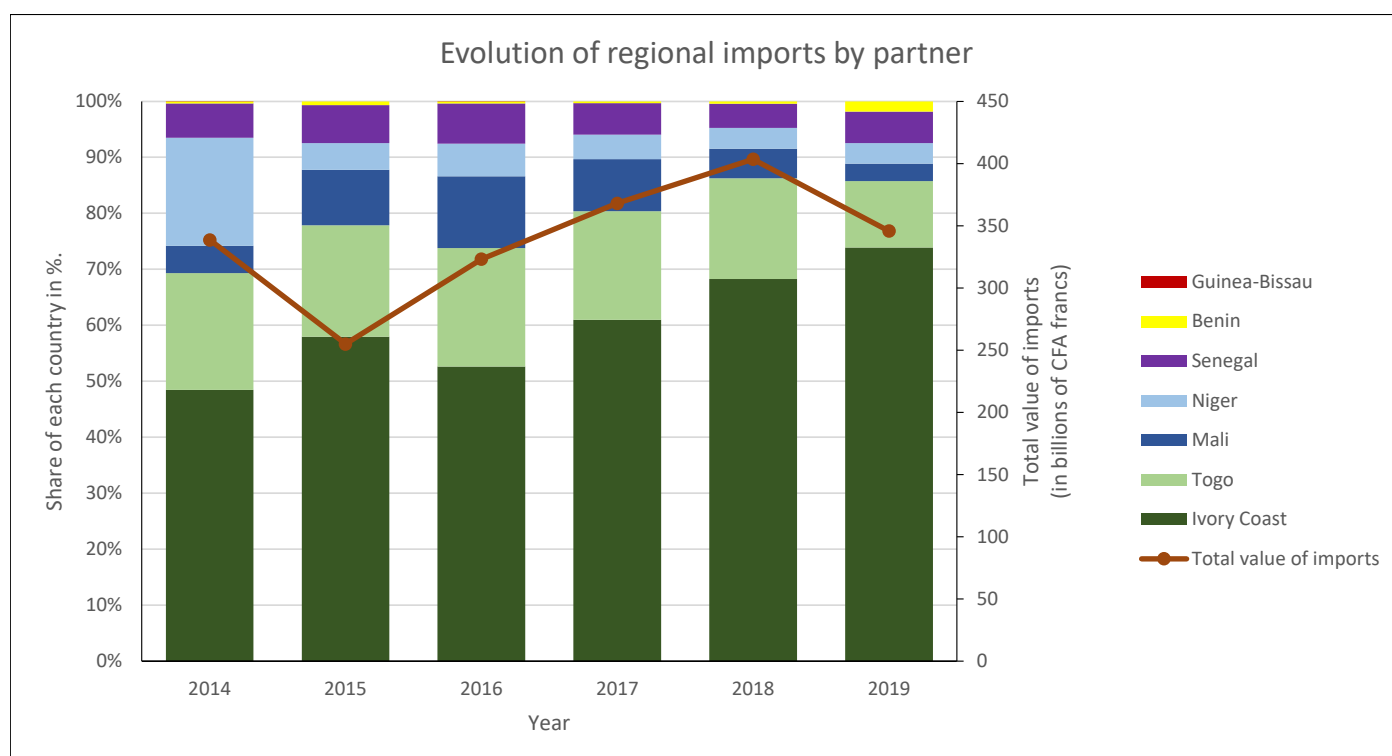


Source: Ministry of Trade, INSD, BCEAO

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 was 73.9 percent in 2019 compared to 68.2 percent in 2018 (Figure 5). Togo is the country's second largest supplier with 11.9 percent in 2019 compared to 18.1 percent in 2018 of imports. Senegal, Niger and Mali

occupy the third, fourth and fifth place respectively with 5.6%, 3.7% and 3.1% of total imports in 2019 with variations of a few points in previous years. Benin and Guinea-Bissau come sixth and seventh with 1.9% and less than 0.01% of Burkina Faso's intra-WAEMU imports in 2019, respectively.

Figure 5 : Structure of imports by supplier for imports from the seven other countries of the WAEMU zone between 2014 and 2019



Source : Ministry of Trade, INSD, BCEAO

5.2.4 Regional trade by product type

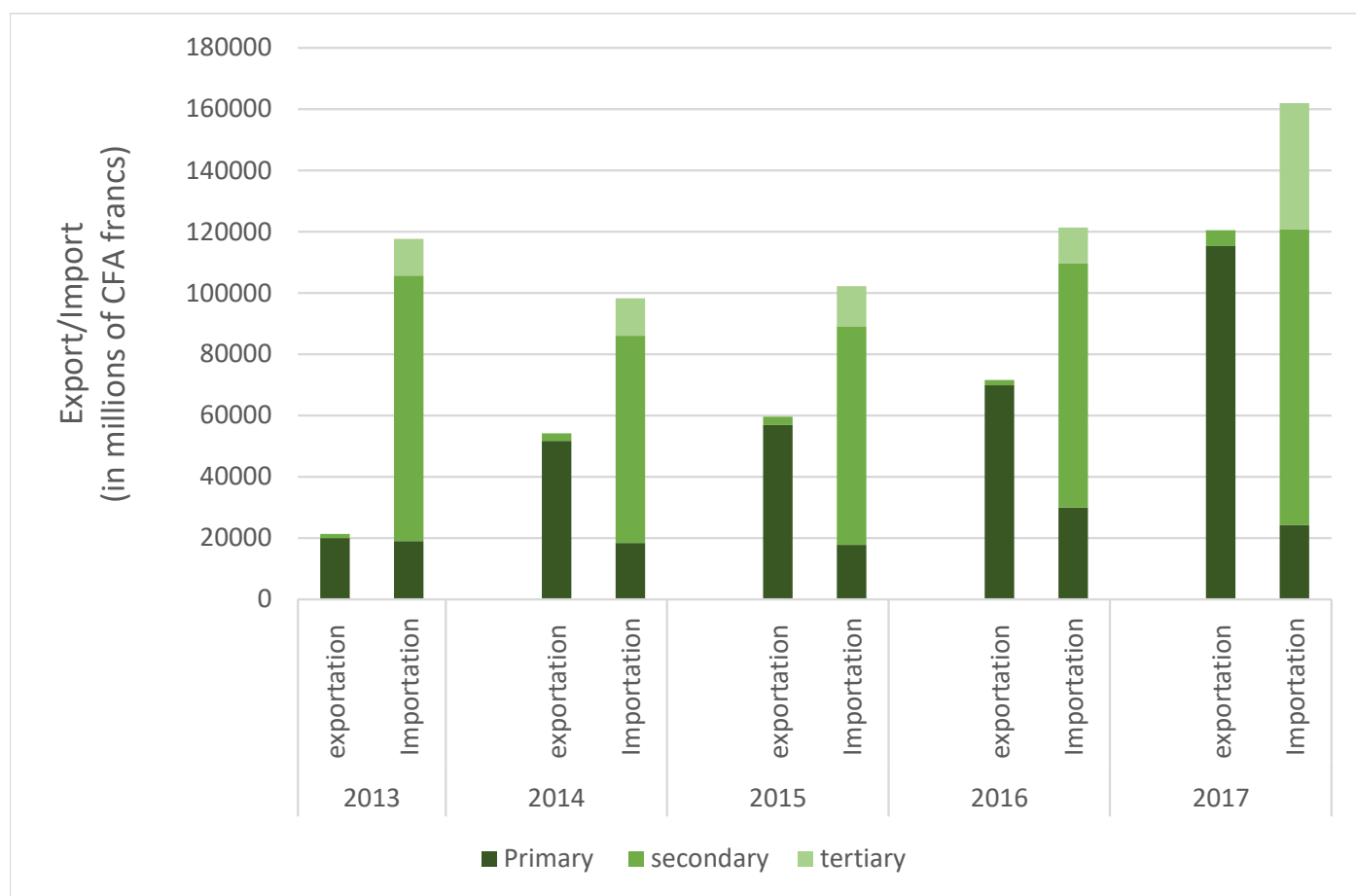
Burkina Faso's exports to WAEMU are mainly directed to Côte d'Ivoire and Togo. The products exported to these two countries are dominated by primary sector products consisting mainly of zinc in bulk form, sesame seeds, cashew nuts, oil seeds and fruits, and market garden products. The total amount of primary sector products exported to these two countries was about 115.3 billion CFA francs in 2017 compared to 20 billion CFA francs in 2013 (Figure 6). The total amount of secondary sector products exported to these two countries was 5.2 billion CFA F in 2017 against 1.2 billion CFA F in 2013. These products consist mainly of cotton twisted yarn or cable, self-propelled dumpers and automobile derricks for the survey. Burkina Faso has

almost no trade in services with these two countries. Zinc in bulk form accounted for about 79.5% of the country's total exports to Côte d'Ivoire and Togo.

Burkina Faso's imports in 2017 from these two countries were dominated by secondary sector products, followed by tertiary and primary sector products. Total imports from these two countries in 2017 were about CFAF 162 billion compared to CFAF 117.6 billion in 2013. The secondary sector products imported from Côte d'Ivoire and Togo include mainly petroleum oils¹⁵, hydraulic cement and rolled products. Primary sector products are mainly composed of palm oil and its fractions, milk and milk cream. As for the products of the tertiary sector, we note mainly electrical energy and clothing.

¹⁵ For Togo, it is petroleum products in transit.

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



Source : DGC, Ministry of Commerce

5.3 International trade

5.3.1 Commercial policy

The framework for the formulation and implementation of trade policies in Burkina Faso is constituted by trade-related laws and regulations. Burkina Faso's trade-related laws and regulations are seen mainly through the Constitution, the legislative and regulatory texts, the mining code and the investment code. The general objectives of Burkina Faso's trade policy can be summarized as follows:

- Creating the conditions for trade liberalization;
- To improve the regulatory conditions for the creation and exercise of private enterprise, both for nationals and for foreign investments through the creation of Business Formalities Centers;

- To promote business development within a framework of legal security in accordance with international standards;
- Pursue 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 implementing the WAEMU acts. These provisions are based on article 18 of the WAEMU customs code. The import and export regime is regulated by Ordinance No. 91-069 of November 25, 1991 and its implementing Decree No. 91-034 of November 27, 1991, as well as Act No. 15/94 of May 5, 1994 on the organization of competition and consumption, which was amended by Act No. 33-2001/AN of December 4, 2001. Burkina Faso's foreign trade measures do not derogate from Community principles.

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

Burkina Faso has instituted bilateral consultations with some of its partners. This dynamic of partnerships has enabled the country to initiate negotiations for the signing of several trade promotion and investment protection agreement protocols with bilateral partners. The country reestablished diplomatic relations with the People's Republic of China on May 28, 2018 with the signing of several Memoranda of Understanding on Trade Cooperation and Investment Protection.

In terms of preferential agreements, the African Growth and Opportunity Act (AGOA) is an integral part of the Trade and Development Act 2000. Declared eligible for AGOA on December 10, 2004, Burkina Faso has made every effort to comply with the requirements of this law and to obtain the textile visa in order to allow its economic operators to take advantage of AGOA. Under the WTO's special and differential treatment, the European Union has committed to granting market access to 97% of the tariff lines of the least developed countries. The generalized "Everything but Arms and Ammunition" preference system, which came into effect 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 26.

Table 26. Trade agreements between Burkina Faso and its main partners

Agreement governing the exchange 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
Marrakech 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

	<p>EUROPE : Turkey, Russia, France</p> <p>Switzerland, Netherlands, Denmark, United Kingdom, Turkey, Germany, Spain, Belgium, Luxembourg</p> <p>Italy, Sweden, Finland</p>
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 (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 double taxation agreement between Burkina Faso and Tunisia (Agreement ratified by Tunisia on 07-01-1993, law 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 (ratified on 22 April 2008)	South Korea
Agreement between Burkina Faso and the People's Republic of China (ratified on 28 May 2018)	People's Republic of China
	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 convention 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 by value and by destination

Burkina Faso exported about CFAF 2,301.3 billion in 2019 with its main partners (Table 27). There are essentially three groups of importance for exports by value. Europe is the leading partner, accounting for over 50.0 percent of exports in 2019. Asia and Africa are second and third respectively and

constitute the second group with 21.6% and 9.7% respectively. Finally, America is a fairly negligible partner, accounting for barely 0.7% of exports by value in 2019. Burkina Faso's exports are thus mainly directed towards Europe. In 2019, the total value of Burkina Faso's exports to this destination was about CFAF 1,172.7 billion compared to CFAF 759.8 billion in 2015.

Table 27. Main export destinations of Burkina Faso between 2015 and 2019

GEOGRAPHICAL AREAS	2015	2016	2017	2018	2019
EUROPE	759 761	1 007 343	1 099 453	1 098 212	1 172 705
EUROPEAN UNION	87 818	92 428	92 316	136 752	121 713
EURO ZONE	51 633	54 545	72 786	106 835	91 043
France	38 706	37 188	45 168	76 058	61 334
Germany	4 039	6 354	5 157	7 231	8 522
Italy	446	1 325	737	673	1 751
Netherlands	6 015	5 925	16 449	15 979	5 087
Belgium	1 107	2 162	4 210	6 213	8 676
Greece	0	0	0	1	4 004
Spain	220	491	987	585	1 529
OTHER COUNTRIES EUROPEAN UNION	26 110	31 417	19 530	29 917	30 669
United Kingdom	18 512	22 330	8 713	17 398	12 037
Denmark	7 598	9 087	10 576	12 064	18 448
OTHER EUROPEAN COUNTRIES	662 024	899 392	1 007 136	961 459	1 050 993
Switzerland	651 357	889 462	999 964	957 035	1 048 866
Russia	6	17	2	3	33
Turkey	10 661	9 913	7 164	4 415	2 066
AFRICA	225 408	230 937	218 780	245 115	223 218
WAEMU	93 094	64 630	69 220	81 054	106 188
Benin	5 133	1 433	2 759	2 819	2 890
Burkina	0	0	0	0	0
Côte d'Ivoire	14 351	11 550	14 644	13 750	28 958
Guinea-Bissau	0	13	2	26	6
Mali	26 042	13 016	18 029	11 314	34 256
Niger	20 380	10 299	12 936	12 489	17 993
Senegal	3 478	4 314	7 306	5 905	5 552
Togo	23 710	24 005	13 544	34 751	16 533

ECOWAS (excluding WAEMU)	46 248	40 846	31 273	59 497	54 255
Nigeria	286	123	36	26	48
Ghana	31 688	36 255	26 347	55 818	52 007
Guinea Conakry	1 061	1 946	4 797	2 892	1 920
Sierra Leone	0	0	11	14	244
CEMAC	892	627	348	268	406
Chad	0	0	19	57	282
Cameroon	445	425	204	19	54
Congo	0	0	43	40	31
Gabon	28	72	81	122	18
Central African Republic	0	0	1	5	14
Equatorial Guinea	0	0	0	24	8
OTHER AFRICAN COUNTRIES	97 254	124 833	117 940	104 295	9 323
South Africa	50 280	54 075	16 574	492	1 381
Morocco	259	537	647	1 350	704
Tunisia	63	89	172	393	272
Algeria	213	141	136	166	175
Libya	32	4	0	2	40
Egypt	164	0	0	61	397
Ethiopia	0	0	1 342	3 625	2 488
Mauritius	0	0	0	0	3 000
AMERICA	8 305	11 955	2 647	13 206	15 848
USA	1 022	1 273	1 938	4 340	4 403
Canada	7 146	10 623	516	8 172	1 231
Brazil	11	0	154	642	8 587
ASIA	331 816	335 359	368 410	459 233	498 057
Singapore	128 970	136 985	153 188	139 714	123 784
China	38 246	24 930	5 844	7 290	8 060
Japan	9 336	9 545	16 657	2 257	4 339
India	132 437	77 296	168 026	278 768	336 295
United Arab Emirates	6 887	1 144	1 058	5 734	5 493
Thailand	50	0	1	0	0
Malaysia	0	0	1 240	1 767	3 319
Vietnam	0	0	21 575	22 919	15 580
Other countries	72 405	90 768	306 345	380 601	391 496
Total	1 397 695	1 676 361	1 995 635	2 196 367	2 301 324

Source : BCEAO

In terms of imports, Europe remains Burkina Faso's leading supplier with CFAF 875.1 billion in 2019, or 35.1 percent of the country's total imports (Table 28). Asia and Africa come second and third with CFAF 690.0 billion and CFAF 639.0 billion respectively in

2019, representing 27.6 percent and 25.6 percent of Burkina Faso's total imports. America remains the country's fourth supplier with a total import value of CFAF 237.3 billion in 2019, or about 9.7%.

Table 28. Burkina Faso's import orientation between 2014 and 2019

GEOGRAPHICAL AREAS	2015	2016	2017	2018	2019
EUROPE	681 263	570 422	787 539	789 935	875 057
EUROPEAN UNION	606 283	507 576	671 759	589 076	615 336
EURO ZONE	51 633	54 545	611 182	517 517	516 100
France	161 004	160 367	193 335	176 699	183 104
Germany	51 151	59 498	88 288	83 050	71 397
Italy	40 109	33 359	34 243	38 205	50 415
Netherlands	141 774	88 654	153 202	76 110	55 479
Belgium	54 674	35 066	43 969	43 316	50 939
Greece	0	0	3 012	494	429
Spain	66 912	61 844	56 776	51 708	34 813
OTHER COUNTRIES EUROPEAN UNION	21 110	31 417	60 577	71 559	99 236
United Kingdom	31 221	24 799	23 731	30 054	45 594
Denmark	7 598	9 087	5 792	12 538	12 120
OTHER EUROPEAN COUNTRIES	53 311	58 092	115 780	200 859	259 721
Switzerland	3 565	3 036	25 808	10 562	4 162
Russia	36 777	44 989	50 267	131 894	196 777
Turkey	10 661	9 913	36 731	30 837	37 267
AFRICA	564 578	731 509	587 091	646 143	638 788
WAEMU	496 100	514 714	559 036	560 010	559 531
Benin	3 636	4 540	6 561	6 820	13 469
Burkina	0	0	0	0	0
Côte d'Ivoire	316 217	294 190	317 464	348 327	343 494
Guinea-Bissau	0	1	0	0	0
Mali	44 467	65 958	58 306	49 389	55 897
Niger	18 545	19 277	28 220	15 638	21 055
Senegal	27 074	32 970	34 663	39 156	39 081
Togo	86 161	97 778	113 822	100 680	86 534
ECOWAS (excluding WAEMU)	90 411	124 316	115 430	124 902	178 868
Nigeria	7 279	7 452	6 508	7 129	6 605
Ghana	67 659	99 063	108 717	116 611	171 719
Guinea Conakry	158	272	106	81	167
Sierra Leone		0	40	2	158
CEMAC	6 849	9 705	757	723	3 172
Chad			1	16	18
Cameroon	445	425	361	482	655
Congo		0	113	9	14
Gabon	28	72	61	9	5
Central African Republic		0	0	8	2
Equatorial Guinea	263	242	220	199	2 479

OTHER AFRICAN COUNTRIES	106 571	82 775	401 684	439 463	101 874
South Africa	46 800	34 657	42 897	47 066	37 411
Morocco	33 103	27 001	22 736	38 328	41 425
Tunisia	5 718	7 714	9 342	16 761	12 063
Algeria	6 214	402	161	5 599	1 347
Libya	3 554	566	1 247	1 357	12
Egypt	6 182	7 202	10 612	11 764	7 721
Ethiopia		0	193	121	93
Mauritius		0	147	377	38
AMERICA	188 938	224 764	219 005	205 112	239 746
USA	120 762	159 702	160 359	142 778	159 005
Canada	14 278	17 671	20 073	16 802	19 037
Brazil	25 599	10 143	14 522	15 653	50 425
ASIA	380 673	450 880	655 550	753 558	689 964
Singapore	221 431	291 067	2 087	2 695	8 534
China	46 640	48 932	331 139	309 148	305 105
Japan	61 909	103 150	71 005	67 300	67 838
India	4 083	1 770	101 834	132 130	140 777
United Arab Emirates	5 903	6 763	6 459	21 180	19 678
Thailand	37 023	42 845	38 923	39 906	31 903
Malaysia		0	9 625	9 560	5 565
Vietnam		0	6 185	7 921	9 658
Other countries	6 278	5 947	18 867	41 227	51 876
Total	1 821 729	1 983 523	2 268 053	2 435 975	2 495 431

Source : BCEAO

Between 2018 and 2019, imports from the European and American continents increased by 10.8% and 16.9% respectively. On the other hand, those from Africa and Asia saw decreases of 1.1% and 8.4% respectively.

5.3.3 International trade in value and by product

Mining and agricultural products remain the main export products in 2019 (Table 29). Non-monetary gold tops the list with a 73.3 percent share of total export value, followed by cotton in bulk (9.0 percent), zinc (3.9 percent), sesame seeds (3.5 percent), and cashew nuts (2.4 percent). Over the 2015 - 2019 period, Gold and Cotton remain Burkina Faso's two main export products.

Table 29. Burkina Faso's main export products over the period 2015-2019, in millions of CFA francs

Posts	2015	2016	2017	2018	2019	Share in 2019
Non-monetary gold	875 815	1 091 752	1 386 731	1 492 457	1 685 773	73.3%
Cotton in bulk	213 434	198 443	253 264	250 355	206 120	9.0%
Sesame seeds	99 875	67 415	59 024	71 069	80 318	3.5%
Cashew nuts	51 573	67 087	99 718	117 113	56 016	2.4%
Zinc	32 699	53 156	95 818	94 836	90 870	3.9%
Total exports of goods	1 397 695	1 676 361	1 995 635	2 196 367	2 301 324	100.0%

Source : BCEAO

The structure of imports presented in table 30 reveals, as in the last five (5) years, a predominance of capital goods (28.3%) and oil products (28.2%). The third group of imported goods is made up of raw

materials (13.2%) followed by chemical products (12.2%) and food products (10.1%). Other products accounted for 8.0% of exports in 2019.

Table 30. Burkina Faso's main import products over the period 2015-2019, in millions of CFA francs

Posts	2015	2016	2017	2018	2019	Share in 2019
Capital goods	478 405	534 583	598 733	617 040	705 318	28.3%
Energy products	454 656	425 722	478 937	651 495	704 882	28.2%
Raw materials	281 563	290 634	319 698	337 977	328 869	13.2%
Food products	207 480	231 422	249 935	236 846	251 119	10.1%
Chemical products	183 546	203 642	228 079	344 343	305 480	12.2%
Miscellaneous products	216 080	297 520	392 671	248 275	199 763	8.0%
Total imports of goods CIF	1 821 729	1 983 523	2 268 053	2 435 975	2 495 431	100.0%

Source : BCEAO

5.4 Foreign direct investment

Burkina Faso's foreign investments in 2019 resulted in net inflows of CFAF 85.9 billion. Between 2018 and 2019, Burkina Faso's foreign investment declined

from 111.5 billion in 2018 to 85.9 billion in 2019, a reduction of 23.0%. In 2014, net capital inflows were estimated at CFAF 141.6 billion before dropping to CFAF 128.8 billion in 2015 and rising to CFAF 201.6 billion in 2016.

Table 31. Changes in foreign direct investment between 2014 and 2019

Year	2014	2015	2016	2017	2018	2019
Foreign direct investment (In billions of CFA francs)	141.6	128.8	201.6	-4.5	111.5	85.9

Source : BCEAO

According to BCEAO, the balance of FDI transactions and FDI inflows in 2019 are explained exclusively by transactions in equity securities (130.206 million), with transactions in debt instruments resulting in a net capital outflow of 44.349 million. The increase in transactions in equity securities is linked to new acquisitions by non-residents for 78.582 million and reinvestment of profits in investment companies for 58.763 million. At the same time, resident players acquired new equity securities or reinvested their profits in non-resident companies for an amount of 7.138 million.

5.5 Regional integration

5.5.1 WAEMU convergence criteria

Multilateral surveillance of macroeconomic policies established within WAEMU is based on five criteria. The three (3) most important criteria are:

- The ratio of the overall budget balance, including grants, to nominal GDP should be greater than or equal to -3%;
- Average annual inflation rate: it should be maintained at a maximum of 3% per year;
- Ratio of outstanding domestic and external debt to nominal GDP: this should not exceed 70%.

There are two (2) secondary criteria:

- Payroll to tax revenue ratio: should not exceed 35%;
- Tax ratio: it should be at least 20% by the convergence horizon.

However, in the context of the health crisis, to enable Member States to have the necessary budgetary margin to cope with the effects of the Covid-19 pandemic, the Additional Act No. 01/2015/CCEG/UEMOA of January 19, 2015 instituting a Convergence, Stability, Growth and Solidarity Pact between the Member States of the Union was suspended by the Assembly of Heads of State and Government on April 27, 2020, with effect from the year 2020.

During the temporary suspension of the application of the Convergence Pact, multilateral surveillance shall continue in accordance with the modalities defined in Directive No. 01/96/CM of January 15, 1996 on the implementation of multilateral surveillance of macroeconomic policies within WAEMU Member States. To this end, the convergence criteria under the 2015 Convergence Pact do not apply pending the adoption of a new Convergence Pact.

In accordance with Recommendation N°02/2020/CM/UEMOA on the modalities for the exercise of multilateral surveillance in the Member States of the West African Monetary Union (WAEMU), all WAEMU Member States prepare and transmit to the Commission, monitoring reports on multilateral surveillance. Thus, for 2020, this involves monitoring the main macroeconomic indicators without strict application of the convergence criteria in accordance with the directive on multilateral surveillance of economic policies;

Table 32. Convergence criteria between 2014 and 2019 and of some macroeconomic indicators in 2020

Year	2014	2015	2016	2017	2018	2019*	2020*
First row							
Basic budget balance/nominal GDP (%)	-1.6	-1.9	-3.3	-6.9	-4.3	-3.2	-5.2
Average inflation rate (%)	-0.3	0.9	-0.2	2.9	1.9	-3.2	1.9
Total public debt outstanding in relation to nominal GDP (%)	31.6	30.9	32.3	33.4	37.3	42.2	46.8
Second row							
Wage bill/Tax revenue (%)	46.5	50.4	51.6	49.9	52.1	59.2	65.0
Tax burden (%)	15.4	15.2	15.8	16.6	17.3	15.1	13.5

Source : CNPE (August 2021)

Between 2014 and 2019, Burkina Faso met two (02) convergence criteria (Table 32). These are the criteria relating to the inflation rate and the stock of public debt. On the other hand, the budget balance as a percentage of GDP improved significantly and gradually between 2017 and 2019. In 2020, due to the Covid-19 -related health crisis, the decline in tax revenue combined with the increase in expenditure

to cope with the crisis, the budget balance widened further to -5.2% of GDP.

However, no second-tier criteria have been met between 2014 and 2019. The tax burden criterion has not yet been met by any of the 8 countries in the zone. This non-compliance is structural, as tax collection is still low.

- The estimated economic and financial situation of Burkina Faso for 2020 is as follows
 - The ratio of the overall fiscal balance, including grants, to nominal GDP came out at -5.2 percent in 2020 compared to -3.2 percent in 2019; ;
 - The average annual inflation rate came in at +1.9% in 2020 versus -3.2% in 2019 ;
 - The ratio of outstanding domestic and external debt to nominal GDP rose to 46.8 percent in 2020 from 42.2 percent in 2019;
 - The payroll to tax revenue ratio stood at 65.0% in 2020 compared to 59.2% in 2018 ;
 - The tax pressure rate stood at 13.5% in 2020 compared to 15.1% in 2019 ;
- convergence criteria, the convergence horizon was set at December 31, 2019.
- The objectives of WAEMU are :
- To strengthen the competitiveness of Member States' economic and financial activities in the context 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 Member States based on the free movement of persons, goods, services, capital and the right of establishment of self-employed or employed persons, as well as on a common external tariff and trade policy;
 - To establish coordination of national sectoral policies through the implementation of joint actions, and possibly joint policies, in particular in the following areas: human resources, regional planning, agriculture, energy, industry, mining, transport, infrastructure and telecommunications;
 - To harmonize, to the extent necessary for the proper functioning of the common market, the laws of the Member States, and in particular the tax system.

5.5.2 Taking stock of the regional integration

WAEMU was created by the Treaty of Dakar signed on January 10, 1994. The Treaty entered into force on August 1st, 1994, after ratification by the Member States. The Union was enlarged to eight Member States on May 2, 1997 with the accession of Guinea-Bissau. On December 8, 1999, an additional act to the WAEMU Treaty, on the Convergence, Stability, Growth and Solidarity Pact (CSGP) among WAEMU Member States, and a Community regulation dated December 21, 1999 on the implementation of the Convergence Pact, were adopted. The new approach to the integration of economies within WAEMU includes a Multilateral Surveillance Mechanism, the purpose of which is essentially to ensure the convergence of economies. With the adoption in 2015 of the Additional Act No. 01/2015/CCEG/UEMOA establishing new

The WAEMU common external tariff was introduced in 2000.

6.1 Business climate

The Doing business 2020 report ranks Burkina Faso 151st out of 190 countries with a score of 51.4. The country occupied the same rank in the 2019 Doing business ranking. 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 three consecutive years, a total of 5 places have been lost. The underperformance observed between 2017 and 2019 is due to the fact that the procedures related to "starting a business", "obtaining a building permit", "connecting to electricity", and "obtaining

loans" remain less flexible, if not complicated, for entrepreneurs.

Similarly, on criteria such as "protection of minority investors", "enforcement of contracts", "settlement of insolvency", "cross-border trade", "payment of taxes", and "transfer of ownership", the country has not worked in recent years to improve its performance (Table 33). In these areas, there has been no real action to remove red tape and other inconveniences in order to move towards international best practice.

Table 33. Burkina Faso's performance indicators in the Doing Business 2020 ranking

Starting a business					
Starting a business	Control	Average number of proceedings	Procedure time (days)	Dedicated cost (% of per capita income)	Minimum capital requirement (% of per capita income)
		Decree No. 2005-332/PRES/PM/MCPEA/MFB/MT EJ of 21 July 2005	3	13	42.8
Building Permits					
Building Permits	Control	Average number of proceedings	Procedure time (days)	Cost (% of construction value)	Construction Quality Control Index (0-15)
		Joint order N 2008-066/MHU/MATD/MEF/MID and circular N 10-01195/MID/SG/LNBTP	15	121	7.6
Access to electricity					
Access to electricity		Average number of proceedings	Procedure times (days)	Cost (% of per capita income)	Supply reliability and tariff transparency indicator (0-8)
			4	169	8 977.4

Property registration						
	Control		Average number of proceedings	Procedure times (days)	Cost (% of property value)	Land administration quality indicator (0-30)
Property registration	Decree N: 2008-164		4	67	11.9	12.8
Access to credit						
			Warranty Reliability Index (0- 12)	The index for the extent of credit information (0-8)	Credit register coverage (% adults)	Credit bureau coverage (% adults)
Access to credit			6	0	0.0	2.0
Average time to get paid						
Protection of minority investors						
Protection of minority investors	Index of information disclosure (0-10)	Index measuring management accountability (0-10)	Shareholder Suitability Index (0-10)	Shareholder Rights Index (0-6)	Holding and control index (0-7)	Company transparency index (0-7)
	7	1	5	4	2	2
Tax levels and facilities						
Level of taxes			Payments (number per year)	Time frame (hours per year)	Total payable (% of gross profit)	Post-tax index (0 - 100)
			45	270	41.3	49.31
Easy to pay taxes						

Ease of export							
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)	Time to 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)
75	261	84	86	102	265	96	197
Enforcing contract law							
			Time (days)		Cost (% of claim)	Quality of legal proceedings (0-18)	
Enforcing contract law			446		81.7	7.5	
Insolvency resolution							
			Recovery rate (cents of US dollars)	Time (years)	Cost (% of assets)	Index of the adequacy of the legal framework for insolvency (0-16)	
Insolvency resolution			23.6	4	21	9	
Bankruptcy Resolution							

Source : World Bank

6.2 Financial governance

In 2020, revenue collection was broadly in line with the target. According to the ministry in charge of the economy, the revenue forecasts under the amending finance law for the execution of the State budget, fiscal year 2020, amount to CFAF 2 057.8 billion. In total, budgetary revenue mobilization amounted to CFAF 2 053.56 billion, representing a collection rate of 93.52%. Despite an increase in revenue compared to 2019, the budget deficit stood at 5.4 percent of

GDP on a commitment basis, deteriorating by 2.2 points compared to 2019. This result is linked to the lower performance recorded in ordinary revenue mobilization (-9.6 percent) although total revenue increased thanks to grants (+124.7 percent).

Since March 2018, IMF has approved a new three-year Extended Credit Facility (ECF) arrangement for Burkina Faso in the amount of SDR 108.36 million (about \$157.6 million, or 90 percent 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; increasing domestic revenues and improving public expenditure. It aims to reduce the budget deficit to a sustainable level consistent with the country's WAEMU commitments, while protecting essential spending on social services and priority public investments.

Strengthened debt and public financial management, reforms of the customs and tax administrations, and improved selection and analysis of large infrastructure projects, including PPPs, are expected to reinforce the authorities' efforts to maximize the benefits of public spending while maintaining macroeconomic and debt stability. Under the third review of Burkina Faso's Extended Credit Facility arrangement, IMF approved in December 2019 a disbursement of SDR 18.6 million (about \$24.9 million), bringing total disbursements under the arrangement to SDR 72.24 million (about \$99.5 million).

IMF also approved, at the authorities' request, a waiver for noncompliance with the program completion criterion related to the government's net domestic financing ceiling, and the rescheduling of access for the fifth review to make the sixth disbursement available on November 13, 2020. In view of the corrective measures adopted by the authorities to ensure proper implementation of the program, staff supported the completion of the reviews, the release of the fifth and sixth disbursements under the ECF arrangement in the amount of SDR 36.12 million, and the advancement of the fifth review so that the sixth disbursement would be made available on November 13, 2020, given that the conditions for the completion of the review have already been met.

In addition, Burkina Faso received a second tranche of debt service relief from the IMF for the period October 14, 2020 to April 13, 2021 (SDR 10.3 million, or about \$14.52 million), in the form of a grant under the ARC Trust Fund. This relief follows that provided for debt service due between April 14 and October 13, 2020 (about \$12 million).

6.3 Financial ratings

The rating agency Standard & Poor (S&P) has been conducting a regular financial rating of Burkina Faso since 2004. In 2019, Burkina Faso's rating was B for long-term and short-term sovereign issues in foreign currency, with a stable outlook. This rating implies that the country will maintain its macroeconomic performance for another year, despite the prevailing insecurity. Standard & Poor's underlines that the country's rating remains unchanged despite the advent of the corona virus pandemic. According to the institution's analysis, Burkina Faso should be back on the path to growth by 2021. Its anchorage in the WAEMU, its diversification and its gold production should offset the security risk.

The stable outlook reflects political stability, gradual fiscal consolidation and continued strong economic growth over the next 12 months. The rating also takes into account the risks of a weaker economic and fiscal performance than the agency's current forecast, which expects more investment in infrastructure. The agricultural and mining sectors, the main drivers of Burkina Faso's economic growth, will support exports. The good performance of these two sectors, as well as public investment, will drive economic activity, partly under the impetus of the National Economic and Social Development Plan (PNDES). The history of Burkina Faso's ratings by the S&P rating agency is presented in Table 6.2.

Table 34. History of Burkina Faso's ratings by the S&P rating agency

Agency	Note	Perspective	Date
Standards and Poor's	B	Stable	May 2020
Standards and Poor's	B	Stable	November 2019
Standards and Poor's	B	Positive	May 26, 2017
Standards and Poor's	B-	Positive	May 2016
Standards and Poor's	B	Stable	December 2014
Standards and Poor's	B	Negative	November 03, 2014
Standards and Poor's	B	Stable	August 2008

Source : Standards and Poor's

7.1 Budget

7.1.1 Expenditure and revenue

According to the Ministry of economy, total revenue, including grants, increased by 12.06% in 2020, or 221 billion CFA francs compared to 2019. This increase is largely attributable to the increase in grants. Total revenue amounted to CFAF 2,053.56 billion against a forecast of CFAF 2,108.35 billion in 2020, representing a collection rate of 97.4%. Compared to 2019, total revenue, excluding grants, is down by 2.5%, representing 45.8 billion CFA francs. Over the period 2015-2020, total revenue rose from CFAF 1 286.2 billion to CFAF 2 053.56 billion, with an average annual growth rate of about 7.6%.

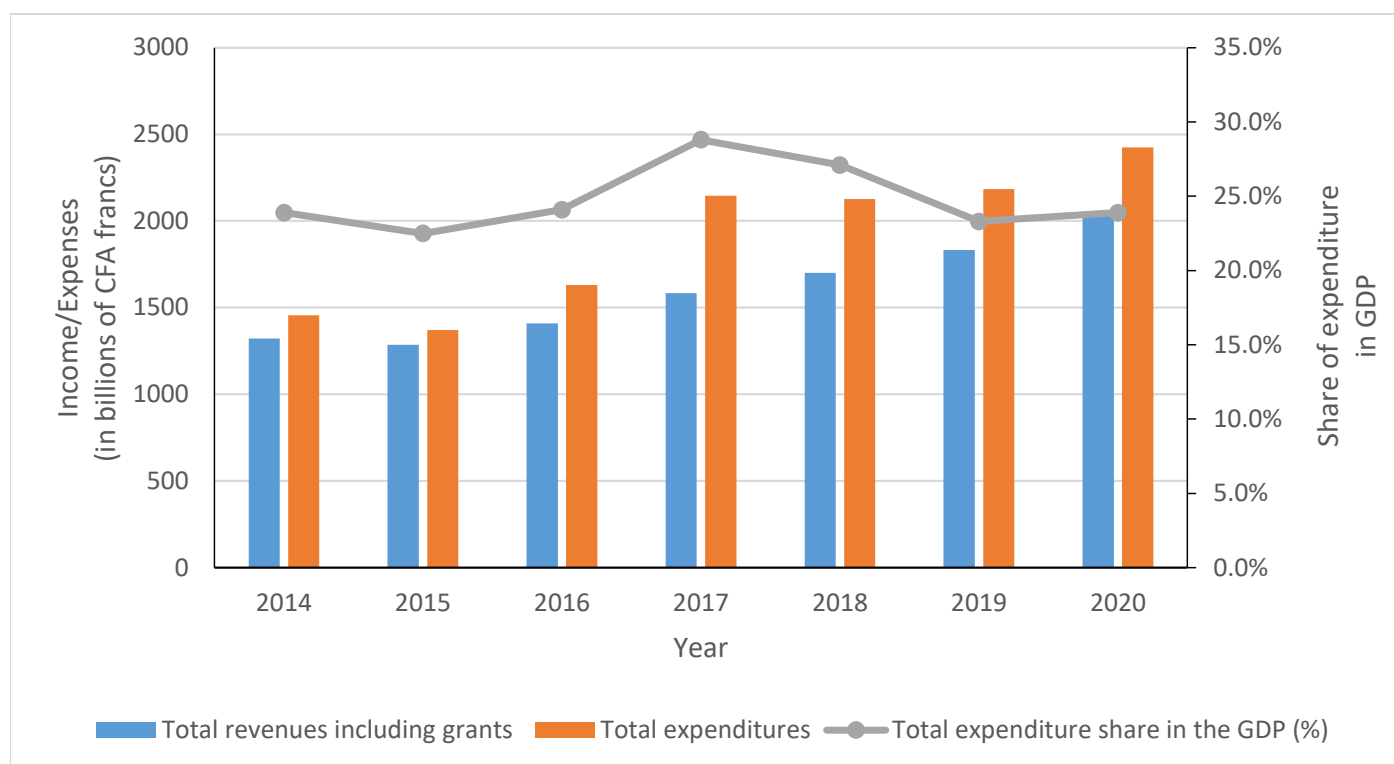
Total expenditure and net loans for 2020 stood at CFAF 2,424.9 billion out of a forecast of CFAF 2,532.8 billion, representing a 95.74% achievement rate. Compared to 2019, total expenditure and net loans increased by about 11%. Total ordinary expenditure was executed in 2020 at CFAF 1,665.9 billion out of a forecast of CFAF 1,682.9 billion, a rate of 99.04%.

Between the two budget years, 2019 and 2020, the level of execution of the said expenditure increased by 13.9 billion CFA francs. This increase is mainly attributable to the rise in staff expenditure (+51.3 billion CFA francs).

Compared to 2019, there was a 36.3% increase in capital expenditure. Indeed, this type of expenditure recorded an increase of 202.4 billion CFA francs to stand at 759 billion CFA francs at the end of December 2020. Between 2015 and 2020, total expenditure and net loans rose from CFAF 1,371.7 billion to CFAF 2,424.9 billion. Over the same period, the share of total expenditure and net loans in GDP rose from 22.5 percent to 23.9 percent.

The increase in revenue was 12.06% compared to 11% for expenditure between 2019 and 2020. The decrease in the gap is a result of the decrease in tax revenue of CFAF 45.8 billion and the increase in capital expenditure of CFAF 202.4 billion between the 2019 and 2020 budget years.

Figure 7 : Evolution of government finances between 2014 and 2020



Source: BCEAO, Ministry of Economy, IMF

7.1.2 Detailed presentation of expenditure and revenue

The increase in total revenue recorded between 2019 and 2020 is attributable mainly to a drop in tax revenue (-143.4 billion CFA francs) and the increase in non-tax revenue (+167.4 billion CFA francs).

Tax revenue in 2020 was mobilized to the tune of CFAF 1 331.5 billion out of a forecast of CFAF 1 439.6 billion, a collection rate of 92.5%. This shows a drop of 142 billion CFA francs (-9.64%) compared to 2019, when the recovery amounted to 1,474.9 billion CFA francs. This performance is mainly attributable to Value Added Tax (CFAF 568.1 billion or 106.2%), Corporate Tax (CFAF 225.8 billion or 96.3%) and customs duties (CFAF 144.1 billion or 90.6%).

At the end of December 2020, non-tax revenue amounted to CFAF 291.3 billion, out of a forecast of CFAF 229.9 billion. This is equivalent to an achievement rate of 126.7%. These revenues are down by 31.5 billion CFA francs compared to 2019.

Current expenditure was implemented to the tune of 2,424.9 billion CFA francs in 2020 out of a forecast of 2,532.7 billion CFA francs, a rate of 95.7%. Compared to 2019, there was an increase of 9.9%, representing an overall amount of 240.3 billion CFA francs. This increase is attributable to all its components.

In fact, at the end of December 2020, personnel expenditure stood at CFAF 897.2 billion out of a forecast of CFAF 898 billion, representing an implementation rate of 99.9%. Compared to 2019, there was an increase of 6.06% (+51.3 billion CFA francs) and this is mainly due to the impact of the measures taken by the government with social partners from 2016 to 2019, additional staff and to a lesser extent statutory promotions.

Compared to 2019, expenditure on the acquisition of goods and services fell by 11.7% in 2020 to stand at CFAF 174.8 billion out of a revised allocation of

CFAF 181.6 billion, i.e. an execution rate of 96.82% compared to 94.34% in 2019 analysis by ministry and institution shows that three (03) of them have an expenditure approval rate of less than 90%. These are the Ministry of Mines and Quarries (84.03%), Inter-Ministerial Common Expenditure (86.20%) and the Ministry of Water and Sanitation (89.45%).

At the end of December 2020, interest on the debt had been paid to the tune of CFAF 140 billion. A comparative analysis between the two budget years, 2019 and 2020, shows an increase in the level of authorization of the said expenditure of CFAF 22.1 billion explained mainly by recourse to more expensive domestic debt. Indeed, the financial burden of domestic debt rose from 80.4% in 2019 to 83.5% of all actual payments in 2020. Nevertheless, it should be noted that despite the growth in financial charges, the characteristic ratios of the public debt remain under control. Thus, as regards the external debt, the debt service ratio on own revenues would be 1.7% for a ceiling of 18%. For the total public debt, this ratio is 10.5%.

Capital expenditure was executed in 2020 to the tune of CFAF 759 billion out of a forecast of CFAF 850.76 billion, i.e. an execution rate of 89.21%. Compared to 2019 at the same period, the amount ordered for the said expenditure recorded an increase of 202.4 billion CFA francs. This increase is linked to the simultaneous increase in investments executed by the State (including grants and loans) of CFAF 166.82 billion and capital transfer expenditure of CFAF 60.39 billion.

The overall balance on a commitment basis, which represents the financing of current and capital expenditure excluding debt interest, stood at -371.3 billion CFA francs at the end of December 2020 against -252.7 billion CFA francs in 2019, up by 118.6 billion CFA francs. In 2020, this balance represented 3.6% of nominal GDP against 2.4% in 2019. The basic primary balance was -553 billion CFA francs in 2020 against -293 billion in 2019.

Table 35. Detailed presentation of Burkina Faso's expenditures and revenues between 2014 and 2020

	2014	2015	2016	2017	2018	2019	2020*
Total revenue and grants R1	1 321.2	1 286.2	1 409.9	1 583.6	1 699.9	1 832.1	2 053.6
Total revenue excluding grants R2	1 064.7	1 056.2	1 229.7	1 389.3	1 349.7	1 797.7	1 751.9
Current revenue R3	1 064.7	1 056.2	1 229.7	1 389.3	1 349.7	1 797.7	1 751.9
Tax revenues	940.7	937.7	1 074.6	1 238.2	1 354.3	1 474.9	1 331.5
Income and profit taxes	272.0	241.9	285.7	323.3	345.7	407.0	411.5
Taxes on goods and services	509.6	535.3	600.9	702.9	661.9	689.6	674.9
Of which VAT	386.9	393.1	439.9	511.9	561.9	586.7	568.1
Foreign trade tax	143.7	145.0	159.1	181.2	232.9	231.6	233.4
Other tax revenues	15.3	15.4	28.8	30.9	27.0	20.0	8.6
Non-tax revenues	124.0	118.5	155.1	151.0	176.6	322.8	291.3
Grants	256.4	230.0	180.2	194.3	215.1	134.2	301.6
Total expenditures and net loans D1	1 456.5	1 371.7	1 629.8	2 146.5	2 127.6	2 184.6	2 424.9
Total expenditure D2	1 462.6	1 384.3	1 638.5	2 150.0	2 117.5	2 160.8	2 420.5
Current expenditure D3	931.5	925.4	1 112.3	1 318.7	1 383.3	1 652.0	1 665.9
Wages and salaries	437.3	468.5	554.5	618.0	705.1	845.9	897.2
Transfers and grants	349.0	302.4	369.5	457.1	384.8	486.5	452.5
Other current expenses	101.3	110.3	128.5	174.1	NA	NA	NA
Interest on the public debt D4	44.0	44.1	59.8	69.5	97.2	117.9	140.0
Interest on domestic debt	29.3	28.6	43.2	49.4	74.1	94.8	117.0
Interest on foreign debt	14.7	15.5	16.6	20.2	23.1	23.0	23.5
Capital expenditures D5	523.9	454.2	519.2	814.8	754.3	556.6	759.0
From internal funding	308.2	302.6	338.4	570.4	447.0	419.0	411.9
From external financing	215.7	151.6	180.8	244.4	225.2	136.4	285.4
Capital transfers	7.1	4.7	7.0	16.5	82.2	1.3	61.7

Current balance (R3 - D3)	133.2	130.8	117.4	70.6	-33.6	145.7	86.0
Overall balance excluding grants (R2 - D1)	-391.8	-315.5	-400.1	-757.2	-596.7	-387.0	-673.0
Overall balance (R1 - D1)	-135.3	-85.5	-220.0	-562.9	-381.6	-252.7	-371.3
Current primary balance - (R3 - D3 + D4)	177.2	174.9	177.2	140.1	63.6	263.6	-226.0
Basic primary balance - (R2 - D3 + D4 - D5)	-131.1	-127.7	-161.2	-430.3	-690.7	-293.0	-553.0
Primary balance excluding grants (R2 - D2 + D4)	-353.9	-284.0	-349.0	-691.2	53.3	-305.8	-268.9
Financing requirements (overall cash balance)	101.8	198.3	134.4	426.1	478.3	302.1	500.4
External financing	51.4	90.4	102.9	74.3	75.9	98.0	152.4
Domestic financing	54.9	112.8	33.8	350.7	394.6	198.0	379.3
	As a percentage of GDP						
Budgetary revenues	21.6	20.9	20.8	21.2	21.7	19.6	20.3
Tax revenues	15.4	15.2	15.8	16.6	17.7	19.2	13.1
Total Expenditures	23.9	22.5	24.1	28.8	27.1	23.3	23.9
Current Expenses	15.2	15.0	16.4	17.7	17.6	17.6	16.4
Capital expenditures	8.6	7.4	7.6	10.9	9.6	5.9	7.5
Basic primary balance	-2.1	-2.1	-2.4	-5.8	-8.8	-3.1	-5.4

Source : Ministry of the Economy, BCEAO

Data from the quarterly report on the execution of the State budget and treasury, fiscal year 2020, as at 31 December 2020 and those from the BCEAO statistical yearbook

7.1.3 General presentation of the budget

The detailed presentation of the budget breakdown according to various ministries reveals the strategic choices that are made to finance the future of Burkina Faso. They are in line with the PNDES. Thus, the ministries with a social vocation are the first beneficiaries of the budget. The Ministry of National Education and Literacy received 18% of the budget in 2020 against 10.7% in 2015. The Ministry of Health comes second with about 13.6% of the budget against 7.3% in 2015.

The increase in the share of the budget received by these two ministries is a good indicator of the national priorities for the development of the country. The Ministry of Economy has seen its allocation decrease to 10.9% of the total budget in 2020 from 17.32% in 2015. The rest of the national budget is distributed among other ministries and specific institutions. The share of the national budget allocated to inter-ministerial common expenses was 8.9% in 2020 compared to 13.8% in 2015.

Table 36. Overall budgetary expenditure by ministry and institution excluding external financing

Year	2015	2016	2017	2018	2019	2020
Total budget in billions of CFA francs	1 453.3	1 606.4	1 871.0	1 947.5	2 108.0	2 502.0
Social Ministries (% of total budget)						
National Education and Literacy	10.70	16.57	17.46	19.80	14.70	18.00
Health	7.30	9.13	9.76	10.1	13.90	13.60
Higher Education, Scientific Research and Innovation	-	7.66	5.46	4.50	3.60	4.00
Regal Ministries (as % of total budget)						
Economy, Finance and Development	17.32	19.10	9.58	11.60	9.60	10.90
National Defense and Veterans Affairs	6.02	5.94	6.10	8.70	9.60	8.80
Territorial Administration and Decentralization	5.69	5.43	4.86	1.80	1.90	2.20
Transfer of resources to the local authorities	0.77	0.94	3.05	2.10	1.50	1.50
Presidency of Faso	1.03	1.19	1.47	1.10	2.20	1.70
Prime Minister's office	1.71	1.31	1.32	1.30	3.80	1.10
Justice, Human Rights and Civic Promotion	1.13	1.18	1.26	1.40	1.0	1.20
Security	2.72	-	1.12	3.70	3.90	4.10
Foreign Affairs, Cooperation and Burkinabe Abroad	2.52	2.20	2.03	1.80	1.60	1.90
Other strategically important departments (as % of total budget)						
Infrastructure	2.57	3.81	5.21	5.50	6.80	4.90
Water and Sanitation	-	1.57	4.09	2.60	2.50	1.90
Agriculture and Water Management	4.82	3.03	3.84	4.40	5.60	4.60
Common Interdepartmental Expenditures	24.63	13.32	14.20	9.00	7.00	8.90
Other departments and institutions	13.79	7.63	9.18	10.60	11.10	10.70

Source : INSD, MINEFID

7.2 Tax policy

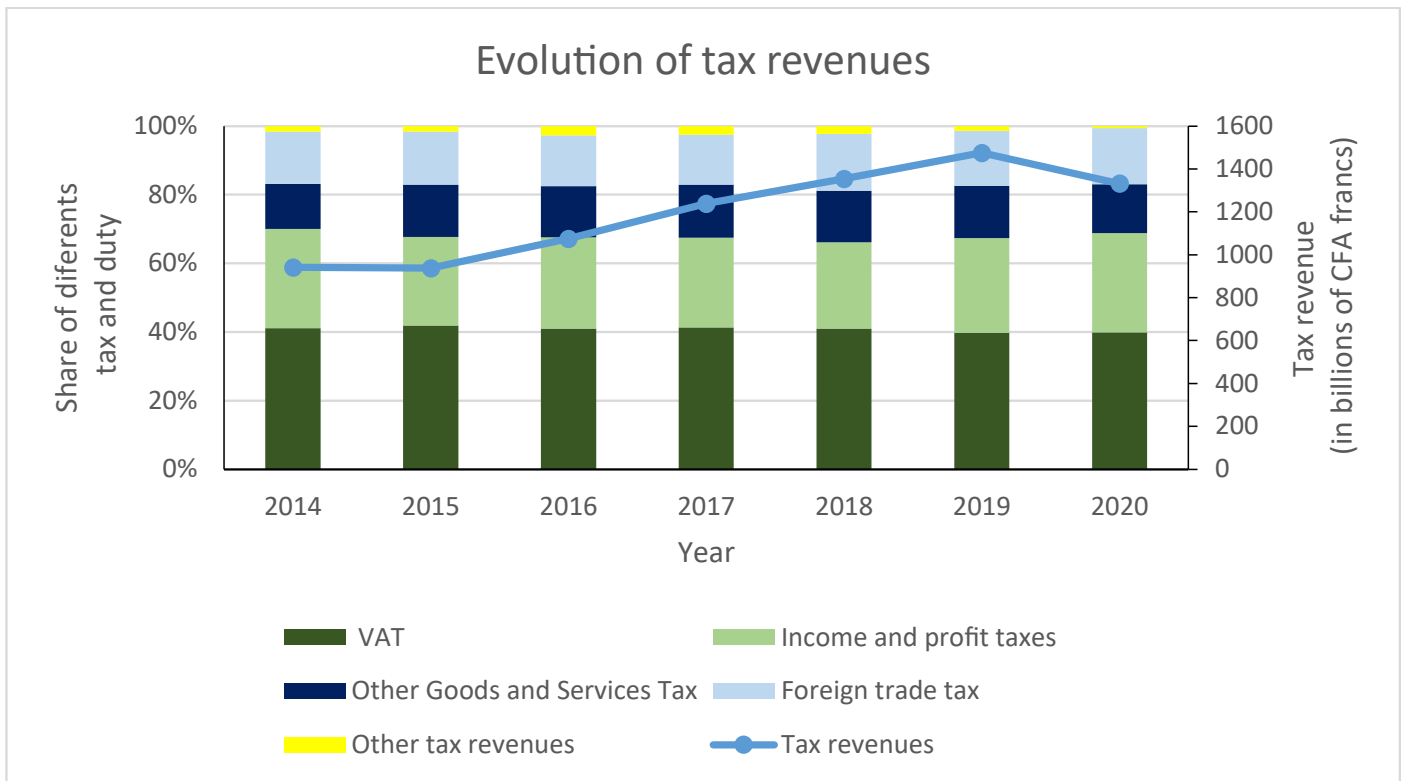
7.2.1 General budget revenue broken down by source

The structure of tax revenue remained fairly stable over the 2014-2020 period, rising from CFAF 940.7 billion to CFAF 1,331.5 billion. VAT, an indirect tax, is the most important source of tax revenue. It accounted for nearly 42.7% of tax revenue in 2020. Income and profit tax is the second largest source of tax revenue in Burkina Faso with a share of 30.9% in 2020.

The foreign trade tax is the third largest source of tax revenue, accounting for 17.5% of total tax revenue over the period. Other taxes on goods and services accounted for 15.2% of total tax revenue in 2020. Other tax revenues accounted for less than 1% of total tax revenues in 2020.

In summary, tax revenue mobilization has declined in 2019 and 2020. This decline could be explained by the effects of the Covid-19 pandemic on the Burkinabe economy.

Figure 8 : Tax revenues between 2014 and 2020



Source: MINEFID

7.2.2 Presentation of the new tax measures recently voted or under discussion and about to be voted

The main tax innovations proposed in the Finance Act 2021 are:

- As of January 1, 2021, taxpayers subject to the normal real tax regime (RNI) and those subject to withholding must file by the 15th of each month the following tax returns for the previous month's business:
 - The minimum flat rate of collection ;
 - Direct debits billed ;
 - Payroll deductions ;
 - Value Added Tax (VAT);
 - The specific tax on telecommunications companies ;
 - Beverage Tax;
 - Cigarette tax;
 - The tax on packaging and bags ;
- The requirement for a Statement of Tax Status (STS) and the change in the validity period of the STS for two new cases:

- The General Directorate of Taxes for requests for provisional and definitive transfers of land from real estate development companies;
- The services of the Ministry in charge of mines for the granting, renewal and transfer of mining titles and various authorizations;
- The introduction of the tax on financial activities (TAF). This tax replaces the VAT and applies to operations related to banking, financial activities and, in general, to trade in securities and money, with the exception of leasing operations. It should be noted that transactions subject to TAF are exempt from value added tax (VAT). The rate of the tax on financial activities (TA) is fixed at 17% but reduced to 15% for companies subject to the regime of normal real profit taxation (RNI) and for interbank refinancing;
- Renewal of the relief measures in terms of transfer of land for residential use. Article 49 of the Finance Act 2021 has renewed the favorable and special measure of transfer operation of real estate property for residential use in favor of natural persons for the year 2021. In this

regard, for real estate whose value does not exceed 20 million CFA francs, notwithstanding the provisions of articles 408, 409 and 410 of the General Tax Code, the following flat rates are due for registration fees.

7.3 Finance Act 2021

The guidelines that prevailed in the preparation of the 2021 budget are in line with the consolidation of 2020 budget objectives through the finalization of major projects implementation within the Presidential Program and the PNDES and the mitigation of the effects of Covid-19 on the economy. In order to improve the mobilization of own resources, the government will continue with the reforms underway at the level of revenue authorities. In this regard, several actions are envisaged, including

- Optimization of the mobilization of own resources through tele-procedures and a better organization of services for greater efficiency;
- Recovery of debts owed to taxpayers (outstanding debts) ;
- Acceleration of the implementation process of the tax cadaster (computerization of the land domain);
- The fight against tax fraud, forgery and corruption ;
- The continuation of actions undertaken at the level of the Customs aimed at lightening and securing the procedures of payment of customs duties and taxes through the implementation of remote declarations and remote payments.

The 2021 Finance Act sets the budget at CFAF 2,110.974 billion in revenue and CFAF 2,651.774 billion in expenditure. The own revenue forecasts amount to CFAF 1 799.518 billion in 2021 against CFAF 1 672.280 billion in 2020, i.e. an increase of

CFAF 127.238 billion in nominal value and 7.61% in relative value. They are essentially made up of tax revenues which represent 88.05% of the total in 2021. Own revenues accounted for 85.25% of total State budget revenues in 2021 against 81.27% in 2020. External resources amounted to CFAF 311.456 billion in 2021 against CFAF 385.518 billion in 2020, representing a drop of CFAF 74.063 billion in absolute value and 19.21% in relative value.

State budget expenditure forecasts amount to CFAF 2 651.774 billion in 2021 against CFAF 2 532.763 billion for 2020. They are made up of current expenditure amounting to CFAF 1 775.048 billion and capital expenditure amounting to CFAF 876.725 billion, corresponding to relative shares of 66.94% and 33.06%. These relative shares were 65.93% and 34.07% in 2020 and 69.23% and 30.77% in 2019.

The predominance of current expenditure in the 2021 budget is mainly explained by the evolution of personnel expenditure which rose from CFAF 845.900 billion in 2019 to CFAF 878.000 billion in 2020 and 950.000 billion in 2021. Their relative share of total expenditure is 35.83% in 2021 against 34.67% in 2020 and 35.74% in 2019. They absorb 52.79% of the State budget's own resources in 2021 against 52.50% in 2020. As a percentage of tax revenue, personnel costs accounted for 59.95% in 2021 compared to 60.99% in 2020.

Investment expenditure by the State will amount to CFAF 856.725 billion in 2021 against CFAF 797.978 billion in 2020, i.e. an increase of CFAF 58.746 billion. Investments financed from own resources amounted to CFAF 511.149 billion against CFAF 445.683 billion in 2020, i.e. an increase of CFAF 65.465 billion.

Budgetary savings stood at CFAF 24.469 billion in 2021 against CFAF 2.495 billion in 2020, an improvement of CFAF 21.974 billion. The budget deficit will amount to CFAF 540.800 billion in 2021 against CFAF 474.965 billion in 2020. It is expected to be covered by budget support announcements and bond issues. The deficit as a percentage of GDP is 5.5%.

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

8.1 Political and security risks

Since the fall of former president Blaise Compaoré in October 2014 followed by the election of the president, and a failed military coup in September 2015, the political climate has been fairly stable in the country, despite the growing threat of terrorist attacks in the capital and the border regions with neighboring Mali and Niger.

Mr. Roch Marc Christian Kaboré was re-elected president with 57.74% of the vote in late 2020. His party, the Movement for People and Progress (MPP), won the local legislative elections in 2020. However, due to the security crisis, voting could not take place in some communes of the country. A total of 1,619 villages and sectors (out of 9,299), including 22 communes, were not covered by the voter registration operation conducted from January 3 to July 17, 2020 due to insecurity, according to the Independent National Electoral Commission (CENI).

The Government has placed particular emphasis on securing the territory and its citizens through substantial allocations of resources to the ministries in charge of national defense and security. Indeed, the share of the State budget allocated to the defense and security sectors has increased from 12.49% in 2016 to 20.22% in 2021.

Despite government's efforts and the establishment of the G5 Sahel, the security situation in Burkina Faso is still very volatile although there was a respite at the beginning of the second half of 2020. The Sahel is the most affected region, and mainly the Soum province, which is plagued by the activism of Unidentified Armed Groups. The series of bloody attacks killing about 147 civilians in Solhan (in the Sahel region) on Friday night, June 5, 2021 is the

most violent and deadly in Burkina Faso since 2015. This led the President of the Institute for Prospective and Security in Europe (IPSE), Emmanuel Dupuy to state that "The security situation in Burkina Faso resembles that of Mali in 2012-2013".

8.2 Social risks

The number of incidents related to social unrest has increased over the 2016-2020 period. Public sector strikes and social tensions have affected revenue collection in the first half of 2019 and have driven up wages and transfers. These strikes are driven by wage and benefit inequalities within and across ministries, and have often led to ministry-specific wage agreements, which in turn have caused further strikes in other ministries.

The public wage bill was also affected by the 2016 reform (Law 081), which met a long-standing demand to incorporate contractual agents into the civil service and to harmonize remuneration for all civil servants and contractual agents. Reforms are currently being discussed under the aegis of the Ministry in charge of the civil service with a view to overhauling the remuneration system in order to reduce inequalities between civil servants. Such a system should help to calm the social climate. The year 2020 was marked by a calming of the social climate, although the beginning of the year was marred by demands following the extension of the single tax on salary (IUTS) to the premiums and allowances of public service workers.

8.3 Macroeconomic risks

According to IMF (November 2020), economic activity in Burkina Faso is expected to decline in 2020 and inflation to rebound. Growth will recover to about 4.1 percent in 2021, lower than the pre-pandemic level, and stabilize around 5.6 percent in the medium term as the effects of the pandemic and the security crisis persist.

The Burkinabe economy is dependent on agricultural production, gold and cotton exports. On the domestic

front, the main risks are the resurgence of Covid-19, new security problems and labor disputes that would further depress economic activity and hurt mining, cotton production, tourism and government revenues and expenditures. Externally, Burkina Faso would be adversely affected by the fallout from increased protectionism, disruptions in the global supply chain due to Covid-19 and a downward revision of global growth. Although the current account deficit is expected to narrow from 2019 to 3.5 percent of GDP in 2020, this improved outlook could be partly undermined by lower remittances and tourism receipts as well as disruptions to the gold production sector from security issues or Covid-19 related problems. Factors affecting the current account include volatility in key exports (gold, cotton) and imports (oil, fuel, machinery), widening imbalances in trade in services, and further deterioration in the security situation in the Sahel region. The current account balance is expected to deteriorate in the future, with a deficit averaging 5.1 percent over the projection period to the end of 2030, according to IMF.

8.4 Risks to the mobilization of public and private financial resources

The 2021 budget law remains subject to the outlook for Covid-19 and the security crisis, and relies on strong government efforts. Revenues and grants account for 21.5 percent of GDP, a 1.0 percent decrease from 2020, reflecting the fact that the increase in domestic revenues (0.5 percent of GDP) will only partially offset the decline in grants (-1.5 percent of GDP), which corresponds to a return to normal levels, following the exceptional support that external partners provided in 2020 to help the country fight the pandemic. Government revenues could decline, while expenditure needs will increase significantly, including Covid-19 and security expenditures.

Risks to the mobilization of public and private financial resources are also linked to the risk of strikes in the public service. The social front, which seems to have calmed down since Covid-19 related restrictions were lifted, could flare up again if the negotiations on the comprehensive wage bill and energy subsidy reform stall. The Government is

considering appointing a high-level independent committee for this purpose.

8.5 Health risks

Burkina Faso regularly experiences epidemics, particularly of polio, measles and meningitis in regions that are often difficult to access. With the support of its partners, the Ministry of Health is conducting response campaigns to control these epidemics and to meet the global objectives of eradicating polio and controlling measles. Like the rest of the world, Burkina Faso has been hit by the Covid-19 pandemic since March 2020. This has worsened the health situation and increased the health risk related to delays in immunization, particularly against polio. The Covid-19 pandemic is responsible for an increase in the number of cases of polio in the world and in Burkina Faso in 2020. The Ministry of Health has organized a national catch-up vaccination campaign for children aged 3 to 6 years with the inactivated polio vaccine during the period from 12 to 15 March 2021.

Despite its modest health system, the country is trying to contain the spread of the virus through a response plan estimated at 394.05 billion CFA francs. As at 16 June 2021, Burkina Faso had recorded 13,460 cases of Covid-19, of which 13,287 were cured and 167 died.

The context of insecurity also increases health risk in Burkina Faso. The attacks recorded have affected the health system, leading to the closure of health facilities and leaving others in partial operation. This situation has greatly increased the need to provide primary health care according to the report of the health cluster in 2020. According to the report, this has resulted in precarious security zones:

Limited access to some districts that remained landlocked and prey to harmful armed forces. At the end of December 2020, approximately 860,000 people were deprived of access to health care;

- The upsurge in attacks has led to the flight of health care personnel and the closure of health facilities, exceeding the projections of the Health Cluster, with 13% of health facilities

closed and 18% others partially functional without the availability of quality health care packages;

- The number of epidemics that have affected Burkina Faso (measles, polio, Covid-19 and hepatitis E) have led to serious socio-economic consequences in addition to the health consequences.

8.6 Environmental risks

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

9.1 General description of the public debt

9.1.1 Overall image

Over the last five years, the outstanding public debt has steadily increased from CFAF 2,497.11 billion at the end of 2016 to CFAF 3,967.53 billion in 2019 to reach CFAF 4,777.67 billion at the end of 2020, an average annual increase of 17.7%.

In 2020, Burkina Faso's public debt portfolio was made up of 51.6 percent external debt and 48.4

percent domestic debt, i.e. CFAF 2 464.25 billion and CFAF 2 313.42 billion respectively. It represented about 47.2 percent of GDP in 2020 against 32.8 percent in 2016.

For 2021, Burkina Faso's total debt is estimated at CFAF 4,876.09 billion, or 50.7% of GDP.

Table 37. Overview of Burkina Faso's public debt

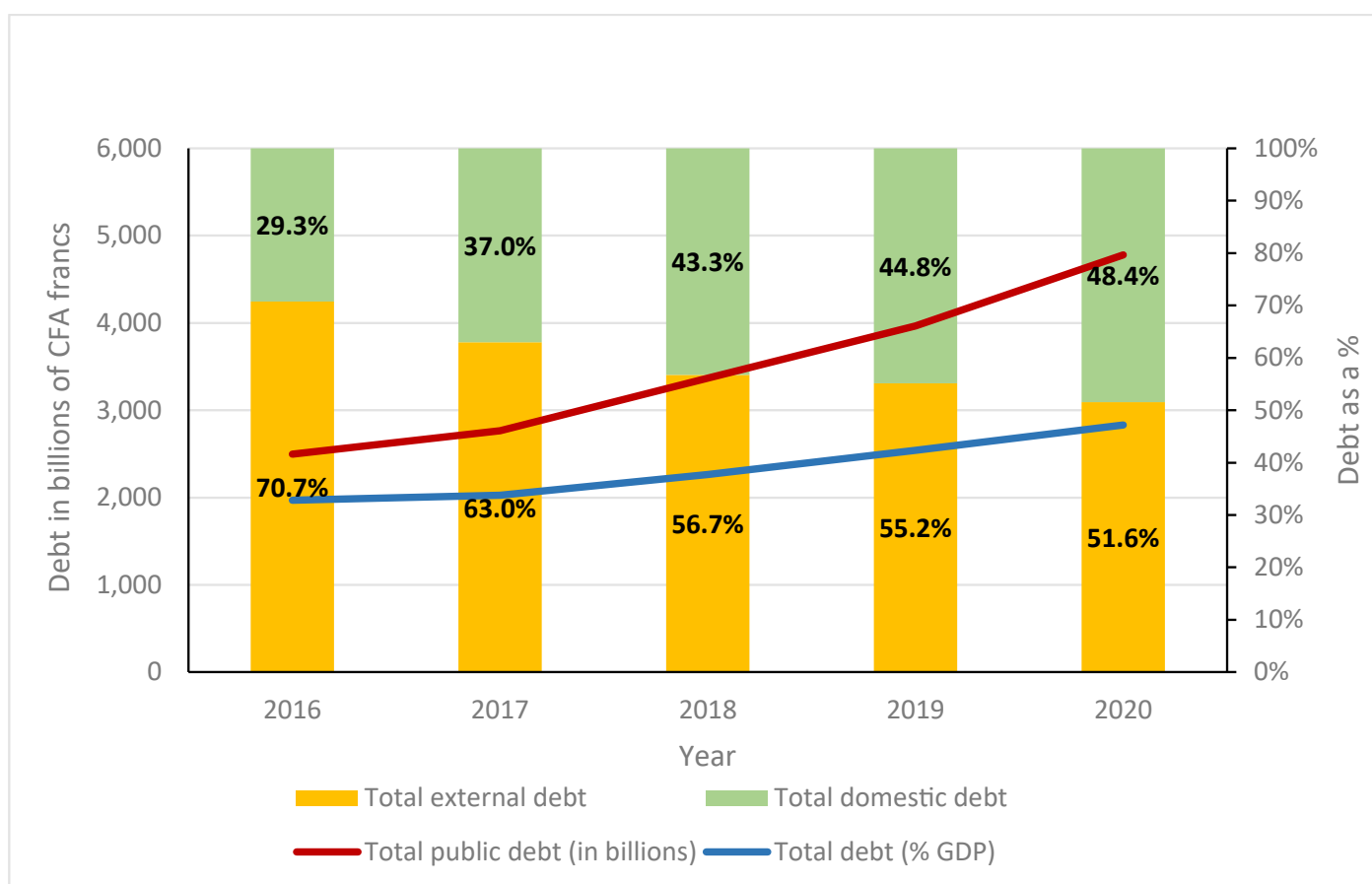
Burkina Faso	2016	2017	2018	2019	2020
Total debt (% GDP)	32.80	33.80	37.70	42.30	47.20
Total debt (in billion CFA francs)	2 497.11	2 767.19	3 365.95	3 967.53	4 777.67
Remaining due					
Backlog	0	0	0	0	0
Due	226.92	229.30	256.04	345.07	558.534
Paid	226.92	229.30	256.04	345.07	558.534
External debt (% GDP)	23.20	21.30	21.40	23.40	24.30
External debt (in billions of CFA francs)	1 766.14	1 742.99	1 909.56	2 188.57	2 464.25
Remaining due					
Backlog	0	0	0	0	0
Due	56.33	70.37	78.14	80.45	84.91
Paid	56.33	70.37	78.14	80.45	84.91
Domestic debt (% GDP)	9.60	12.50	16.30	19.00	22.90
Domestic debt (in billion CFA francs)	730.97	1 024.20	1 456.39	1 778.96	2 313.42

Remaining due					
Backlog	0	0	0	0	
Due	170.59	158.93	177.90	264.62	473.62
Paid	170.59	158.93	177.90	264.62	473.62
Nominal GDP (C\$ billion)	7 605.10	8 191.30	8 920.40	9 369.20	10 121.90

Source : MINEFID, Public Debt Directorate

Over the 2016-2020 period, the share of external debt in total debt dropped while that of domestic debt is steadily rose. In 2020, external debt would represent 51.6% compared with 70.7% in 2016. The domestic debt, for its part, would reach 48.4% in 2020 against 29.3% in 2016.

Figure 9 : Burkina Faso's public debt from 2015 to 2020



Source: MINEFID, Public Debt Directorate

9.1.2 Time profile of debt to be repaid

As of May 31, 2021, the total amount of Burkina Faso's debt to be repaid to the IMF by 2025 was

SDR 89 503 868 million (Table 38). Of these debts, 11.2 percent are short-term (less than one year) and the rest are medium-term (one to five years).

Table 38. Time profile of debt owed to IMF as of May 31, 2021

Period	Amount in SDR million	Total amount due expressed as a %
June 1, 2021 to December 31, 2021	10 029 500	11.2%
January 1, 2022 to December 31, 2022	18 275 967	20.4%
January 1, 2023 to December 31, 2023	14 224 967	15.9%
January 1, 2024 to December 31, 2024	16 291 967	18.2%
January 1, 2025 to December 31, 2025	30 681 967	34.3%
Total	89 503 868	100%

Source : IMF

According to the Public Debt Department, as at December 31, 2020, the outstanding short-term debt represented 15.67% of the total debt, of which CFAF 242.01 billion was domestic debt, and the medium and long-term debt represented 84.33%, of which CFAF 2 071.41 billion was domestic debt.

As for the domestic debt stock, it is composed of 10.46% short-term debt, 30.26% medium-term debt and 59.27% long-term debt (Table 39).

Table 39. Central Government Domestic Debt Outstanding and Transaction (CFAF billion)

Instruments	Amount in billions of CFA francs	Percentage share (Period)
T-bill	242	10.46% (Short term)
91 days	0	
182 days	0	
364 days	242	
T-bond	1619.4	30.26% (Medium term)
3 years	463.8	
5 years	236.4	
7 years old	919.2	59.27% (Long term)
Securitized debt	136	
Commercial banks	315.4	
Audited untitled arrears	0	
Other liabilities	0.6	
TOTAL (in nominal value)	2 313.42	100%
TOTAL (in face value)	2 267.1	

Source : Public Debt Directorate, 2020

9.1.3 Amount of debt to be repaid in the short term

Public debt service increased from CFAF 226.92 billion in 2016 to CFAF 558.53 billion in 2020. Debt service in 2020 would be made up of CFAF 473.62 billion in domestic debt (84.8%) and CFAF 84.91 billion in external debt (15.2%). The annual amount of domestic and external debt to be repaid more than doubled between 2016 and 2020. Between 2019 and 2020 the amount of domestic debt service to be repaid increased by 79.0%.

This increase is the result of the increased recourse in recent years to domestic financing, particularly Treasury bills and bonds, in connection with the implementation of development projects and programs under the PNDES. The slight change in external debt servicing can be explained by the measures announced by the IMF (cancellation of servicing) and the countries participating in the G20 debt servicing suspension initiative as part of the response to the effects of the Covid-19 pandemic for the period from May to December 2020.

Table 40. Debt service from 2016 to 2020 in Burkina Faso

In billions of CFA francs	2016	2017	2018	2019	2020
Amount of foreign debt to be paid within one year	56.33	70.37	78.14	80.45	84.91
Amount of domestic debt to be paid in the year	170.59	158.93	177.9	264.62	473.62
Total	226.92	229.3	256.04	345.07	558.53

Source : MINEFID, Public Debt Directorate

9.2 Debt Strategy and Sustainability

For the purposes of the Medium-Term Debt Management Strategy (MTDS) and the Debt Sustainability Analysis (DSA), the criterion used to distinguish between external and domestic debt is that of currency and not that of residence, which is generally used for the statistical publications of the Public Debt Directorate.

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 MTS was implemented over the 2014-2016 period. The current MTDS covers the 2021-2023 period. The main thrusts of the strategy are:

- Maintain recourse to concessional resources to finance the needs of the economy. External financing denominated in euros will be favored in view of their low cost and low exchange rate risk;

- Borrowing non-concessional external resources denominated in euros in accordance with the IMF economic and financial program. This option is justified by the need to reprofile the domestic debt in order to improve the average maturity of the debt portfolio;
- To slow down the country's recourse to the regional financial market and the volumes issued on this market with longer maturities.

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

9.2.2 Debt sustainability

The Debt Sustainability Analysis (DSA) presents Burkina Faso's debt indicators projected over

the next twenty (20) years in order 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 latest 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 IMF and World Bank (WB) staff. The projected debt indicators incorporate the financing planned under the Medium Term Debt Management Strategy (MTDS-2021-2023) and are based on the macroeconomic framework developed by the unit.

The macroeconomic framework used for the DSA covers the 2021-2041 period. It is being prepared in a context marked by the Covid-19 pandemic and the mitigation measures taken to limit its spread and socio-economic effects. The current economic policy is marked by the suspension of the WAEMU Convergence, Stability, Growth and Solidarity Pact as well as the completion of the National Economic

and Social Development Plan (PNDES) 2016-2020 and the Extended Credit Facility (ECF) program concluded with the International Monetary Fund (IMF) for the 2018-2020 period.

The dynamism of the mining sector should help keep debt on a sustainable path. The ratios of the present value (PV) of external debt to GDP and to exports, as well as the external debt service indicators, are expected to remain below their reference thresholds throughout the projection period (2021-2041) (Table 41).

To assess the sustainability of a country's debt, the evolution of debt indicators is compared to indicative thresholds over a 10-year period according to the new model. Thus, for public debt, in the baseline scenario, the PV ratio of public debt to GDP, estimated at 42.5% in 2020, is below its reference point and would remain so over the entire projection period (2021-2031). However, this ratio would increase over the projection period to 64.42% in 2041.

Table 41. Debt sustainability frameworks

Description	Threshold	2020	2021	2022	2023	2024	2030	2041
Public Debt Sustainability Framework								
PV of public sector debt (% of GDP)	<=55	42.50	41.24	42.15	42.39	43.38	51.08	64.42
External debt sustainability framework								
PV of external debt as % of GDP	<=40	16.29	17.76	17.65	17.32	16.99	16.69	12.98
PV of external debt as % of exports	<=180	67.51	73.66	74.17	76.29	76.00	82.63	66.94
Debt service/export ratio (in %)	<=15	2.87	4.21	4.21	4.23	4.46	5.32	5.04
Debt service/revenue ratio (%)	<=18	3.80	5.28	5.12	4.85	5.09	5.20	4.30

Source : CNDP Technical Unit July 2020

The new DSF/LIC no longer refers to the analysis of the present value (PV) of debt to revenue ratios as a criterion of public debt sustainability. In the new DSF, debt thresholds are determined on the basis of 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 in the macroeconomic framework: the country's real GDP growth, remittances, foreign exchange reserves and global growth.

It should be noted that, for countries in a monetary union, it is generally appropriate to refer to area-wide foreign exchange reserve coverage when ranking a country's debt capacity. However, when members of the Union have effectively lost access to pooled foreign exchange reserves or are about to lose it for a prolonged period of time, this approach is likely to overstate their foreign exchange reserves and thus their debt capacity. The ranking should then be determined using the level of imputed reserves for an individual member country.

The composite index is based on ten years of data (five years of historical data and five years of projections) to smooth out economic cycles and encourage forward-looking policy discussions. Combining historical data and projections allows the framework to capture ongoing changes in the outlook for country fundamentals and the classification of countries as low, medium, high, or sustained performance.

Burkina Faso's current debt capacity is rated as "average". The country's composite index, based on the October 2019 World Economic Outlook and the 2019 EPIN score, is 3.01, below the threshold of 3.0 that must be crossed to enter the "high" category, hence this placement in the "medium" category. In addition, based on the previous DSA, the country was also placed in the "medium" category.

Table 42. Evaluation of Burkina Faso's Composite Index (CI)

Components	Coefficient (A)	Average value 10 years (B)	CI score of components (A*B)=(C)	Contribution of the component
National Policy and Institutional Assessment (NPIA)	0.385	3.586	1.380	46%
Real growth rate (%)	2.719	5.727	0.160	5%
Foreign exchange reserve coverage of imports (%)	4.052	38.402	1.560	52%
Foreign exchange reserve coverage of imports ^2 (%)	-3.990	14.747	-0.590	-20%
Transfers (%)	2.022	1.460	0.030	1%
World economic growth (%)	13.520	3.499	0.470	16%
CI score			3.01	100%
CI Class			Medium	

Source : IMF, October 2020

The indicative thresholds corresponding to this "average" category are: 40% for the PV of the debt/GDP ratio, 180% for the PV of the debt/exports ratio, 15% for the debt service/exports ratio and 18% for the debt service/revenue ratio. These thresholds

are applicable to external debt contracted and guaranteed by the government. The benchmark for PV of total government debt for an average debt capacity is 55% of GDP.

Table 43. DSA Debt Threshold and Benchmarks

Debt thresholds (External debt)	Low	Moderated	High
Present value (PV) of debt as % of			
Export	140	180	240
GDP	30	40	55
Debt service as % of			
Export	10	15	21
Tax revenues	14	18	23
Total government debt indicator			
PV of total public debt as a percentage of GDP	35	55	70

Source : IMF

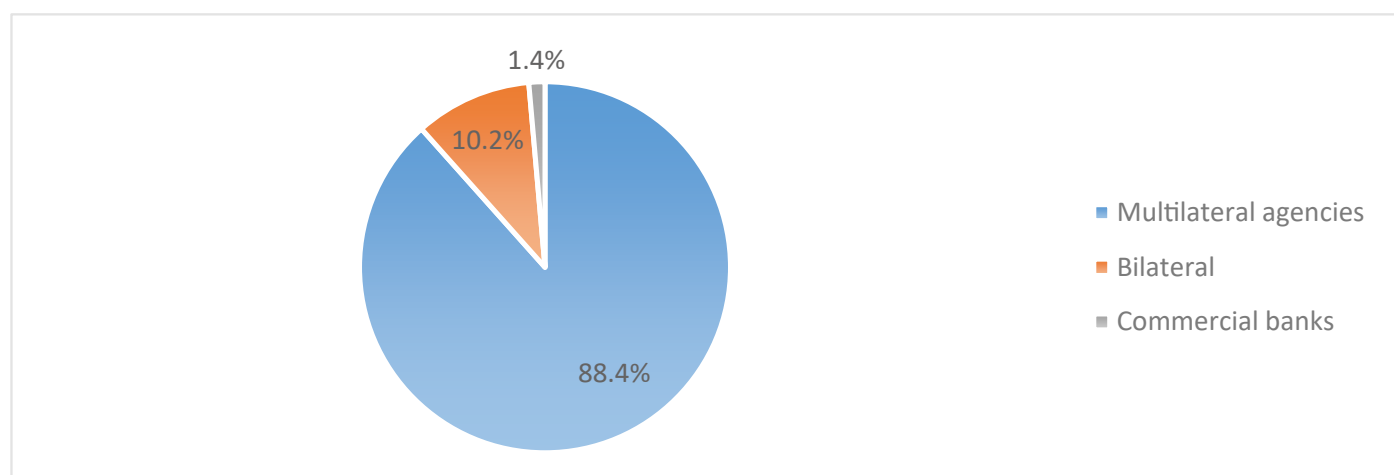
9.3 External debt

9.3.1 Holders

As at 31 December 2020, Burkina Faso's external debt stock was estimated at CFAF 2 464.25 billion. The total amount of debt held by multilateral institutions

was CFAF 2,178.09 billion, or 88.4 percent of total external debt, and the total amount held by bilateral institutions was CFAF 2,508 billion, or 10.2 percent (Figure 10). Commercial debt accounted for only 1.4 percent of external debt. Total new borrowing in 2020 is estimated at CFAF 431.8 billion (Table 43).

Figure 10 : Breakdown of Burkina Faso's external debt by holder in 2020



Source : MINEFID, Public Debt Directorate

According to the debt report published at the end of March 2021, as at 31 December 2020, the World Bank, through the International Development Association (IDA), leads in the distribution of multilateral debt in 2020, with about 43.94% of this debt. It is followed respectively by the African Development Bank (ADB) via the African Development Fund (ADF) with 14.31%, the International Monetary Fund (IMF) with 8.68%, the Islamic Development Bank (IDB) with 6.5% and the West African Development Bank (BOAD) with 6.20%.

As for the distribution of multilateral creditors according to the level of drawings in 2020, the World Bank comes first with CFAF 142.7 billion, or 33.04% of the total amount of external debt borrowed in 2020. It is followed by the IMF with CFAF 97.7 billion, or 22.62%. The AfDB and the WADB are in third and fourth place respectively with CFAF 29.4 and 26.26 billion, i.e. 6.8% and 6.16% respectively of the total amount of external debt borrowed in 2020. Other donors contributed CFAF 43.1 billion, or 19.98% of the total amount of new borrowings.

In terms of bilateral debt holders in 2020, non-Paris Club members are in first place with CFAF 142.65 billion, or 5.78% of Burkina Faso's total external debt, compared with CFAF 108.13 billion for Paris Club members, or 4.38%. The main countries are France, Kuwait and Saudi Arabia.

For the year 2020, the distribution of new bilateral debt shows that AFD is in the lead with CFAF 36.6 billion, i.e. 8.47% of the total amount of new loans. The Japanese Cooperation (JICA) ranks second with CFAF 5.4 billion, i.e. 1.2% of the total amount of new borrowings. Other donors contributed about CFAF 12.52 billion or 2.9% of the total amount of new loans.

The commercial debt in 2020 is estimated at CFAF 35.38 billion, representing 1.43% of the external debt. With regard to new loans, the Bank of China comes in first position with 19.97 billion CFA francs or 4.63%. This amount is CFAF 3.51 billion for Nordia Bank Denmark, or 0.81% of new borrowings in 2020.

Table 44. Breakdown of Burkina's external debt in 2020

Estimates	Total debt in 2020 (expressed in value, CFAF billion)	Expressed as a % of total external debt in 2020	Expressed as a % of nominal GDP in 2020	Amount of new loans (Disbursement from Jan - Dec 2020 in billions CFA francs)	Expressed as a % of new borrowings
Total external debt	2 464.25	100.00	24.34	431.80	100.00
Commercial debt	35.38	1.43	0.34	23.48	5.44
Commercial banks	35.38	1.43	0.34	23.48	5.44
Bank of China	18.24	0.74	0.18	19.97	4.63
Nordia Bank Denmark	17.14	0.69	0.16	3.51	0.81
Bilateral	250.78	10.17	2.47	54.52	12.63
Of which Paris Club	108.13	4.38	1.06	46.59	10.79
Non Paris Club	142.65	5.78	1.40	7.94	1.84
AFD	95.36	3.86	0.94	36.60	8.47
JICA	5.43	0.22	0.05	5.40	1.24
Other lessors	150.00	6.08	1.48	12.52	2.90

Multilateral	2 178.09	88.38	21.51	353.80	81.93
Of which World Bank– IDA	1 082.94	43.94	10.69	142.70	33.04
ADB Group	352.74	14.31	3.48	29.40	6.80
Of which IMF	213.90	8.68	2.11	97.70	22.62
Of which BOAD	152.84	6.20	1.50	26.60	6.16
BID	156.59	6.35	1.54	14.30	3.31
Other lessors	219.80	8.91	2.17	43.10	9.98

Source : MINEFID, Public Debt Directorate

9.3.2 Status of external debt payments

The total amount of external debt service paid in 2020 was CFAF 84.9 billion, of which CFAF 61.4 billion was principal repaid and CFAF 23.5 billion was interest. The total amount of external debt service paid on behalf of multilateral institutions in 2020 was

CFAF 68.4 billion, of which CFAF 47.1 billion was principal repaid and CFAF 21.3 billion interest. On behalf of bilateral institutions, the total amount of external debt repaid was CFAF 13.3 billion, of which CFAF 11.6 billion was principal and CFAF 1.7 billion was interest.

Table 45. External debt payment status (December 2020 in billions of CFA francs)

	Multilateral			Bilateral			Commercial			Total		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
Outstanding as of December 31, 2018	0	0	0	0	0	0	0	0	0	0	0	0
New drawing	-	-	-	-	-	-	-	-	-	-	-	-
Service Due	41.59	17.99	59.58	17.36	3.51	20.87	0	0	0	58.95	21.50	80.45
Total	41.59	17.99	59.58	17.36	3.51	20.87	0	0	0	58.95	21.50	80.45
At maturity 2018	0	0	0	0	0	0	0	0	0	0	0	0
Backlog	0	0	0	0	0	0	0	0	0	0	0	0
Paid service	41.59	17.99	59.58	17.36	3.51	20.87	0	0	0	58.95	21.50	80.45
Total	41.59	17.99	59.58	17.36	3.51	20.87	0	0	0	58.95	21.50	80.45
At maturity 2017	0	0	0	0	0	0	0	0	0	0	0	0
Backlog	0	0	0	0	0	0	0	0	0	0	0	0
In respect of arrears dating from 2017 taken over	0	0	0	0	0	0	0	0	0	0	0	0

Restructured debt service	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0
Remaining balance as of December 31, 2019	0	0	0	0	0	0	0	0	0	0	0	0
Service due on December 31, 2020	47.1	21.3	68.4	11.6	1.7	13.3	2.6	0.5	3.2	61.4	23.5	84.9
Paid service	47.1	21.3	68.4	11.6	1.7	13.3	2.6	0.5	3.2	61.4	23.5	84.9
Total	47.1	21.3	68.4	11.6	1.7	13.3	2.6	0.5	3.2	61.4	23.5	84.9

Source : MINEFID, Public Debt Directorate

9.3.3 Debt currencies

At the end of 2020, the distribution of Burkina Faso's total debt in CFAF, according to the currencies in which it is issued, is as follows

- CFAF 2,654.82 billion, or 55.6% of the total outstanding amount ;
- 773.01 billion SDRs, or 16.2%. The SDR is a basket of currencies made up of the US Dollar, the Euro, the Pound Sterling, the Japanese Yen and the Chinese Yuan (Renminbi);
- 935.15 billion, or 19.6%;
- 222.40 billion US dollars, or 4.7%;
- IDI 100.97 billion, or 2.1%;
- 91.29 billion for all other currencies, or 1.9% (KWD, GBP, UCC, SAR, EAD, CNY).

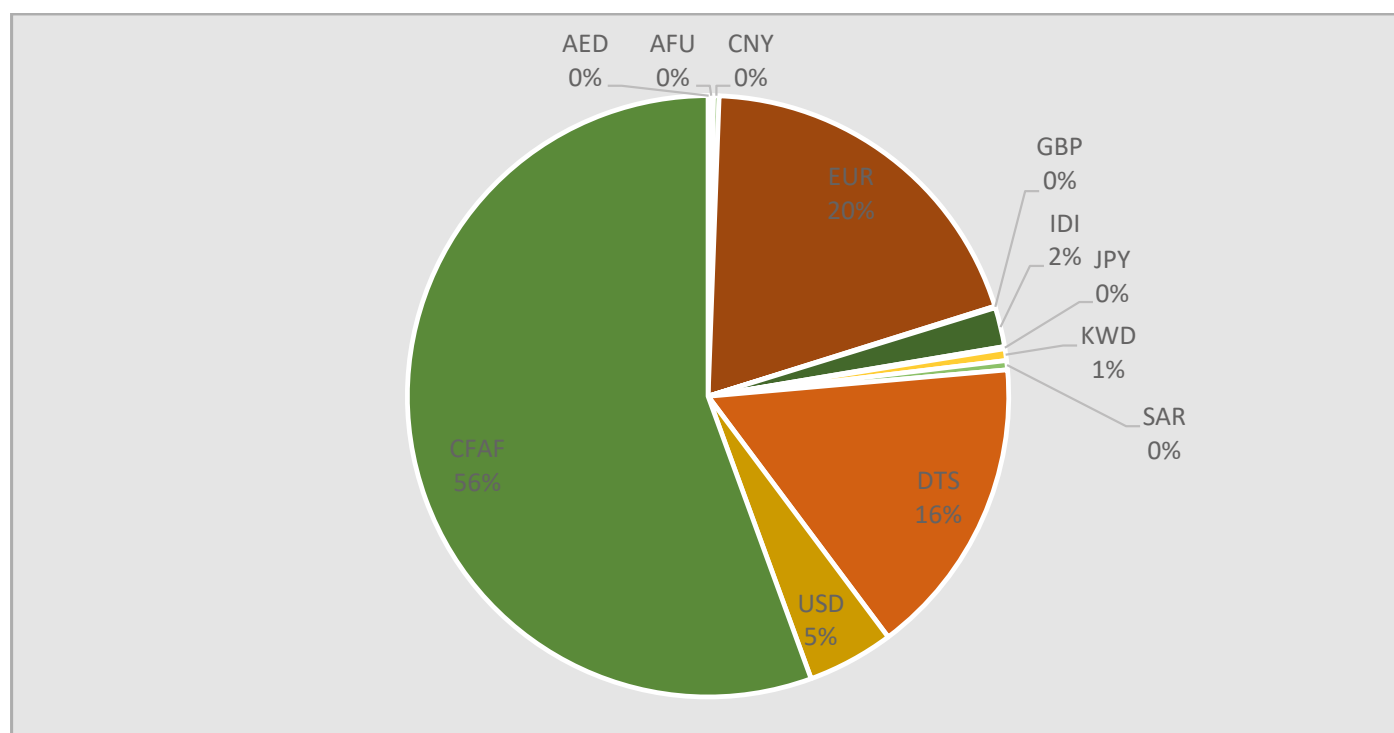
Table 46. Currencies in which public debt is denominated in 2020

Currency	Total debt originally denominated in this currency (in thousands)	CFAF exchange rate at 31 December 2020	Total debt expressed in billions of CFA francs	Exchange rates in EUR at 31 December 2020	Total debt in EUR million	Debt distribution by currency (%)
CFAF	2 654 827 248.42	1.00	2 654.83	655.96	4 047.24	55.6
DTS	773 017 931.21	775.14	773.02	655.96	1 178.45	16.2
EUR	935 153 351.72	655.96	935.15	655.96	1 425.63	19.6
USD	222 408 172.40	536.43	222.41	655.96	339.06	4.7
IDI	100 977 290.49	775.14	100.98	655.96	153.94	2.1
Other (KWD, GBP, UCC, SAR, EAD, CNY)	91 290 924.79	1 763.10	91.29	655.96	139.17	1.9
TOTAL	4 777 674 919.03		4 777.67		7 283.49	100.0

Source : MINEFID, Public Debt Directorate

Thus, the outstanding public debt portfolio at the end of 2020 is marked by a proportion of floating currencies of 24.86% against 75.14% for that at fixed rates (Euro, CFA F).

Figure 11 : Breakdown of Burkina Faso's public debt in foreign currencies as at December 31, 2020



Source : MINEFID, Public Debt Directorate

9.4 Domestic debt

9.4.1 Presentation of the situation as at December 31, 2020

With an amount of CFAF 2,313.42 billion at the end of 2020, the outstanding domestic debt increased by 30% compared to the end of 2019 when it was CFAF

1,778.98 billion. This increase is mainly explained by ten (46) bond issues for a total amount of CFAF 1,619.4 billion (including two (8) by syndication) and fourteen (10) issues of Treasury bills for a cumulative amount of CFAF 242 billion. Thus, the outstanding amount of these public securities is CFAF 1,861.4 billion and represents 80.4% of the domestic debt.

Table 47. Breakdown of Burkina Faso's domestic debt as at 31 December 2020

	Domestic debt in value (CFAF billion)	Domestic debt as a % of total domestic debt	Domestic debt as a % of nominal GDP in year 2020
Total domestic debt	2 313.42	100.00	22.80
Public securities	1 861.40	80.40	18.40
Treasury bills	242.00	10.40	2.30
Treasury bonds	1 619.40	69.99	16.00
Other types	0.00	0.00	0.00

Bank loan	316.00	13.60	3.10
BCEAO	0.66	0.02	0.005
Commercial bank	315.40	13.60	3.10
Other	136.60	5.90	1.34

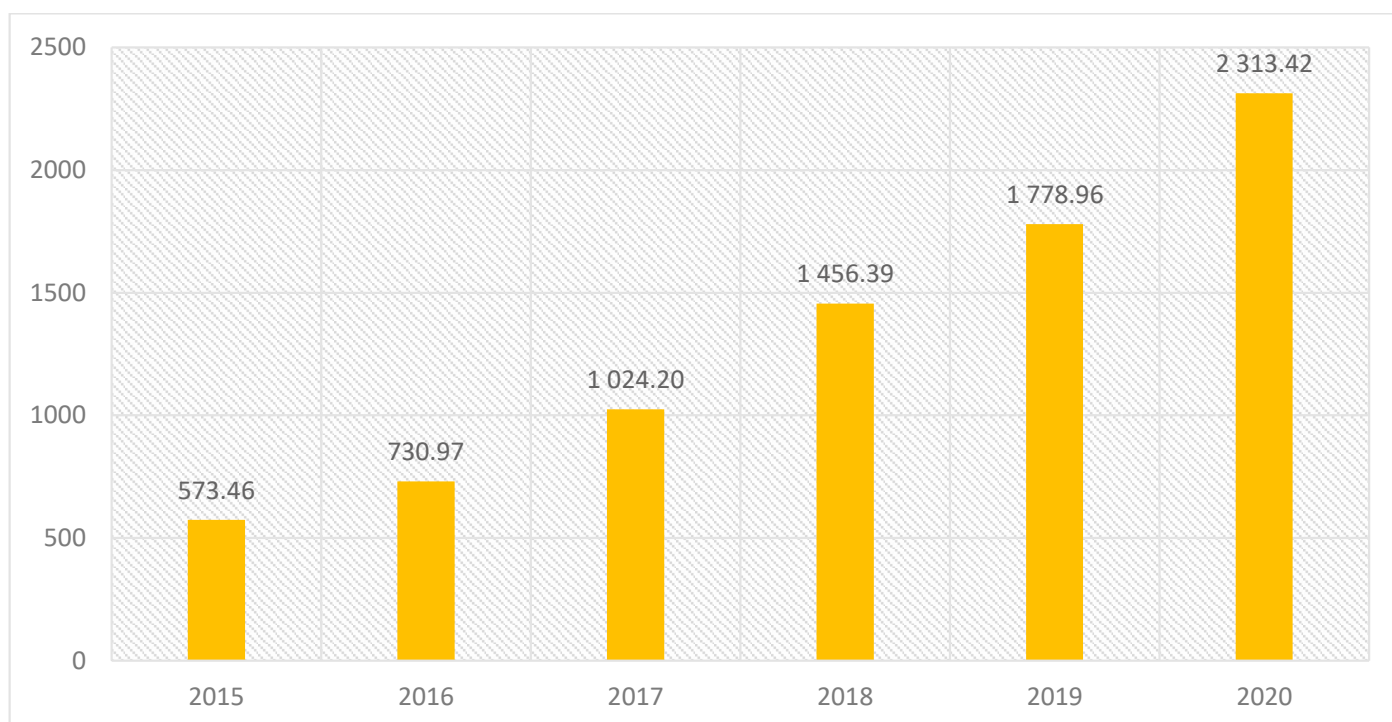
Source : MINEFID, Public Debt Directorate

9.4.2 Composition of the domestic debt over the past 5 years

Over the past five years, Burkina Faso's domestic debt stock has been rising steadily, from CFAF 573.11 billion in 2015 to CFAF 1 024.20 billion in 2017, reaching CFAF 1 778.96 billion in 2019 and CFAF 2

313.42 billion in 2020, an average annual increase of 22%. The change in the stock of domestic debt in recent years is attributable mainly to the issuance of public securities (bonds and notes) and the assumption by the State of the debt or liabilities of certain public or private companies (debt buyback, capital losses of SONABHY, etc.).

Figure 12 : Burkina Faso's domestic debt from 2015 to 2020 (CFAF billion)



Source : MINEFID, Public Debt Directorate

9.4.3 Domestic debt payments

Total domestic debt service as at December 31, 2020 was CFAF 473.62 billion, of which CFAF 350.7 billion was principal repaid and CFAF 122.95 billion was interest. The amount of domestic debt service

repaid to the banking sector is estimated at CFAF 34.5 billion, including CFAF 21.0 billion in principal and CFAF 13.5 billion in interest. For the non-banking sector, the amount of debt service repaid was CFAF 473.7 billion, of which CFAF 350.7 billion was principal and CFAF 123.0 billion interest.

Table 48. Status of domestic debt payments in Burkina Faso in 2020

	Banking sector			Non-banking sector			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
(1) Debt service due at the end of December 2020	21.0	13.5	34.5	329.7	109.5	439.2	350.7	123.0	473.7
Of which maturing in 2020	21.0	13.5	34.5	329.7	109.5	439.2	350.7	123.0	473.7
Of which arrears dating from 2019 taken over	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(2) Debt service paid in the year 2020	21.0	13.5	34.5	329.7	109.5	439.2	350.7	123.0	473.7
For the 2020 maturities	21.0	13.5	34.5	329.7	109.5	439.2	350.7	123.0	473.7
In respect of arrears dating from 2019 taken over	0	0	0	0	0	0	0	0	0
(3) Restructured debt service	0	0	0	0	0	0	0	0	0
For the 20120 maturities	0	0	0	0	0	0	0	0	0
In respect of arrears dating from 2019 taken over	0	0	0	0	0	0	0	0	0
(4) Outstanding payments as of Dec. 31, 2020	0	0	0	0	0	0	0	0	0
(1)-(2)-(3)	0	0	0	0	0	0	0	0	0
Of which arrears dating from 2019 taken over	0	0	0	0	0	0	0	0	0
Of which new arrears from 2020	0	0	0	0	0	0	0	0	0
(5) Remaining due at end of Dec. 2020	0	0	0	0	0	0	0	0	0
(6) Total debt due Dec. 31, 2020 (4)+(5)	0	0	0	0	0	0	0	0	0

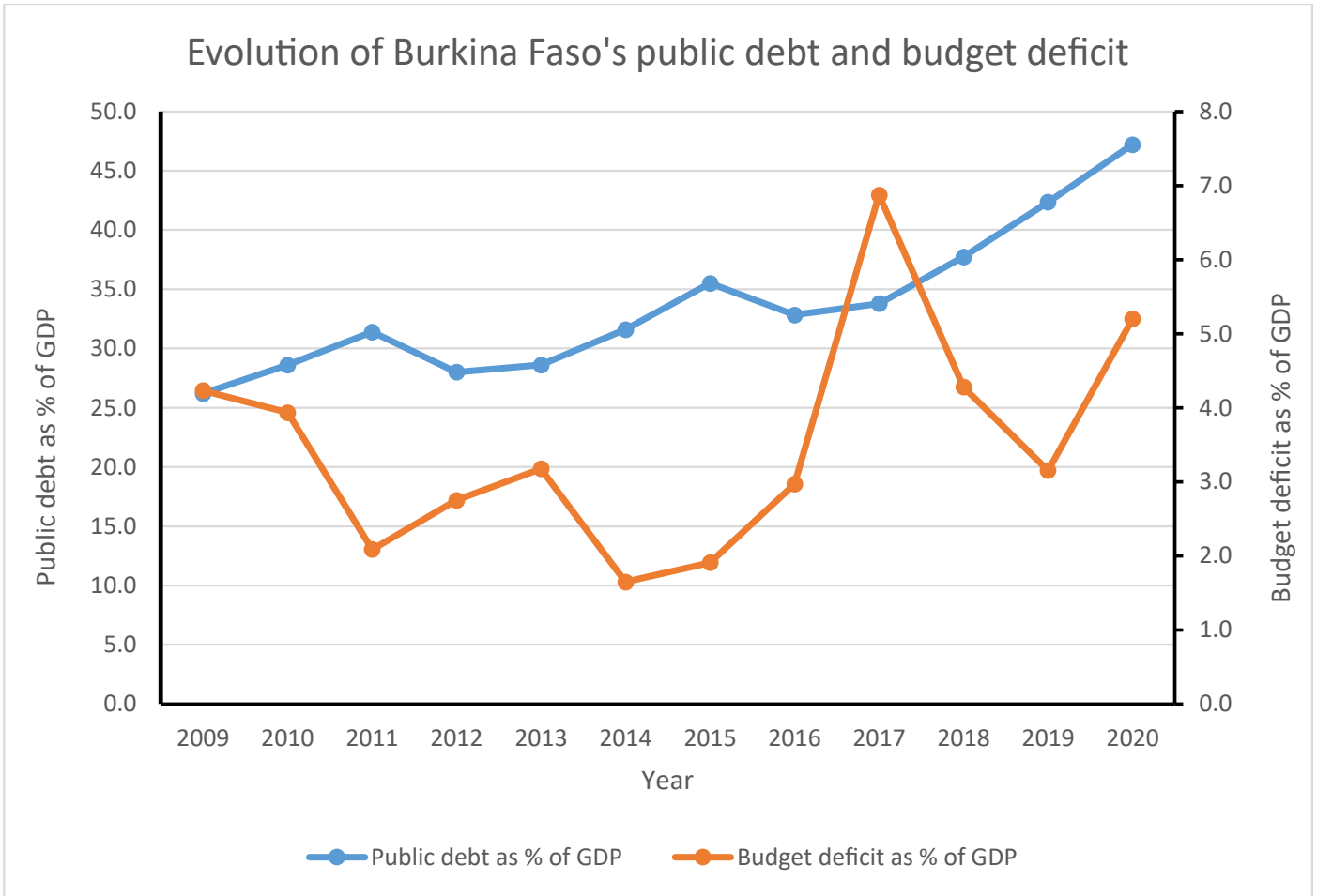
Source : MINEFID, Public Debt Directorate

9.5 Viability and sustainability

The debt-to-GDP ratio has been rising since 2010 in line with the evolution of the budget deficit. It increased from 28.6% to 42.3% of GDP over the period 2010 and 2019. In 2020, the debt level would be 47.2% of GDP. Although the country's debt ratio is increasing, it remains below WAEMU norm of 70% of GDP.

Regarding the fiscal deficit, it has narrowed from 2019 onwards to around 3.0 percent of GDP from 6.9 percent of GDP in 2017. With Covid-19, the fiscal deficit to GDP ratio has increased to 5.2% in 2020. It is projected to decline to around 3.0 percent in 2023. With the reduction in the budget deficit, Burkina's debt level should also fall and remain below the community standard of 70 percent of GDP.

Figure 13 : Burkina Faso's public debt and deficit



Source : MINEFID, Public Debt Directorate

Table 49. Details of securities outstanding at the end of 2020

Instruments	ISIN	Maturity (in years)	Expiry date	Outstanding (in billions of CFAF)
BF - 6.25% - 5 years - 09.04.25	BF0000001453	5	09/04/2025	54.3
BF - 6.4% - 7 years - 05.11.27	BF0000001669	7	05/11/2027	40.4
BF - 6.5% - 7 years - 02.09.23	BF0000000570	7	02/09/2023	37.5
BF - 6% - 5 years - 08.04.21	BF0000000521	5	08/04/2021	37.5
BF - 6.15% - 3 years - 13 Feb 23	BF0000001404	3	13/02/2023	34.5
BF - 6.25% - 5 years - 17 April 25	BF0000001479	5	17/04/2025	34.2
BF -BT - 12 months- 01.12.21	BF0000001693	1	01/12/2021	33.0
BF - 6.15% - 3 years - 09.05.22	BF0000001248	3	09/05/2022	29.4
BF - 6.15% - 3 years - 19.11.23	BF0000001677	3	19/11/2023	28.0
BF -BT - 12 months- 24 Mar 21	BF0000001438	1	24/03/2021	27.5
BF -BT - 12 months- 02.06.21	BF0000001529	1	02/06/2021	27.5
BF -BT - 12 months- 06.Jan.21	BF0000001388	1	06/01/2021	27.5
BF -BT - 12 months- 14 July 21	BF0000001586	1	14/07/2021	27.5
BF -BT - 12 months- 18 Aug 21	BF0000001610	1	18/08/2021	27.5
BF -BT - 12 months- 06.10.21	BF0000001644	1	06/10/2021	27.5
BF - 6.15% - 3 years - 11 July 22	BF0000001297	3	11/07/2022	27.5
BF - 6.15% - 3 years - 12 Aug 23	BF0000001602	3	12/08/2023	27.5
BF -BT - 12 months- 15.09.21	BF0000001636	1	15/09/2021	27.5
BF - 6.25% - 5 years - 19.11.25	BF0000001685	5	19/11/2025	27.1
BF - 6.15% - 3 years - 22 May 23	BF0000001511	3	22/05/2023	26.2
BF - 6.15% - 5 years - 29.09.22	BF0000000760	5	29/09/2022	25.4
BF - 6.15% - 3 years - 07.07.23	BF0000001578	3	07/07/2023	25.0
BF - 6.15% - 3 years - 12 July 21	BF0000000968	3	12/07/2021	23.3
BF - 6.15% - 3 years - 07.08.22	BF0000001313	3	07/08/2022	22.0
BF - 6.15% - 3 years - 23.01.23	BF0000001396	3	23/01/2023	22.0
BF - 6.4% - 7 years - 22.10.27	BF0000001651	7	22/10/2027	22.0
BF - 6.25% - 5 years - 05.09.24	BF0000001339	5	05/09/2024	22.0
BF - 6.15% - 3 years - 02.09.23	BF0000001628	3	02/09/2023	22.0

BF - 6.15% - 3 years - 28.06.21	BF0000000943	3	28/06/2021	21.4
BF - 6.15% - 3 years - 06.09.21	BF0000001040	3	06/09/2021	20.6
BF - 6.15% - 3 years - 09.08.21	BF0000000984	3	09/08/2021	20.3
BF - 6.25% - 5 years - 09.05.24	BF0000001255	5	09/05/2024	20.1
BF - 6% - 3 years - 25 Jan 21	BF0000000851	3	25/01/2021	20.0
BF - 6.15% - 3 years - 18 Oct 21	BF0000001073	3	18/10/2021	20.0
BF - 6.15% - 3 years - 21 Feb 22	BF0000001206	3	21/02/2022	17.2
BF - 6.15% - 3 years - 14 Dec 21	BF0000001115	3	14/12/2021	15.9
BF - 6.15% - 3 years - Nov 15, 21	BF0000001099	3	15/11/2021	13.7
BF - 6.15% - 3 years - 24.01.22	BF0000001172	3	24/01/2022	13.2
BF -BT - 12 months- 20 May 21	BF0000001503	1	20/05/2021	12.3
BF - 6.25% - 5 years - 09.08.23	BF0000000992	5	09/08/2023	4.8
BF -BT - 12 months- April 15, 21	BF0000001461	1	15/04/2021	4.3
BF - 6.2% - 5 years - 23.11.22	BF0000000828	5	23/11/2022	3.3

Source : UMOA-Titres

Auction (for government securities): an auction of securities issued by the central government. In the WAEMU zone, it is organised by the BCEAO and only banks and other regional financial institutions with accounts at the BCEAO can participate. Other entities can only subscribe to auctions through WAEMU banks.

Amortization 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 IMS. It is open to all savers.

Net external assets (NEA): net claims or liabilities of monetary institutions (Central Bank and banks) on the outside world. This item corresponds to all the headings of the Central Bank and banks' positions relating to their operations with the outside world. It is obtained by deducting from gross external assets all external liabilities, including medium and long-term liabilities.

Government borrowing requirement: the overall amount needed to cover the primary budget deficit and the interest and amortisation charges associated with the debt.

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 experiencing debt service problems.

Bilateral creditors: governments, central banks, agencies and export credit agencies, which 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.

Loans to the economy: all loans granted to the economy by banks (refinanced or not), financial institutions (part refinanced by the Central Bank) and by the Treasury (through the acceptance of customs drafts).

Domestic credit = Credit to the economy + Government net position (see NGP).

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

Budget deficit: difference between total revenue and total expenditure and net lending.

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

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

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

Domestic public debt: central government borrowing from residents.

Non-concessional debt: debt contracted on market terms.

Public debt: sum of all central government debts (external and internal).

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

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%.

Euro-bond (or Eurobond): a dollar bond on the London financial market.

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

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

HIPC Initiative: a framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of heavily indebted poor countries, with the objective of providing comprehensive debt relief sufficient to achieve debt sustainability.

Money supply (MS): all claims held by the rest of the economy on monetary institutions. It covers monetary assets (currency in circulation + overnight deposits) and quasi-monetary assets (savings accounts and time deposits).

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

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

Net government position (NGP): net claims or liabilities of the Treasury vis-à-vis the rest of the economy. The Government's net position is the difference between the Treasury's debts and its claims on the Central Bank, banks and private individuals and companies. By convention, a creditor NGP is preceded by a (-) sign, while a debtor NGP is preceded by a (+) sign.

Tax burden: the ratio of tax revenues 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 Government's debt portfolio and debt costs to high market interest rates at the point where maturing fixed- and floating-rate debt is repriced.

Foreign exchange risks: risks related to fluctuations in exchange rates.

Debt service: any payment to be made on account of the principal, interest and fees of a loan.

Primary balance: (see primary deficit).

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

Gross enrolment rate: The gross enrolment rate is the ratio of children in school to all children.

Net enrolment rate: The gross enrolment rate is the ratio of enrolled children to school-age children.

BUILDING A BENCHMARKED GOVERNMENT SECURITIES MARKET FOR THE DEVELOPMENT OF WAEMU STATES



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