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# INFORMATION NOTE



Burkina  
Faso

Presentation of Sovereign issuers of  
**West African Monetary Union (WAMU)**

December 2022

Quality review by **Deloitte.**



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# Summary

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# ACRONYMS

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

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

<b>STI</b>	: Sexually Transmitted Infections
<b>SYDONIA</b>	: Automated Customs System
<b>SYLVIE</b>	: Virtual Linkage System for Import and Export Operations
<b>T-bond</b>	: Treasury Bond
<b>TPA</b>	: Employer's Apprenticeship Tax
<b>TVET</b>	: Technical and Vocational Education and Training
<b>UCC</b>	: United Community Coin
<b>US</b>	: United States
<b>USA</b>	: United States of America
<b>USD</b>	: United States Dollar
<b>VAT</b>	: Value Added Tax
<b>WAEMU</b>	: West African Economic and Monetary Union
<b>WAMU</b>	: West African Monetary Union
<b>WHO</b>	: World Health Organization
<b>WTO</b>	: 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, toutes les informations utiles à la prise de décisions d'investissement relatives aux titres publics émis par l'État du Burkina.

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 in the heart of West Africa and covers an area of 274,200 km<sup>2</sup>. It is a continental country with no maritime outlet. It is bordered to the north and west by Mali, to the east by Niger and to the south by Ghana, Togo, Benin, and Cote d'Ivoire. The nearest coast is about 500 km away. Burkina Faso uses the ports of the neighboring countries Cote d'Ivoire, Togo, Benin and Ghana for its import and export needs.

The population of Burkina Faso was estimated at 20,505,155 in 2019 according to the results of the 5<sup>th</sup> General Census of Population and Housing (RGPH) carried out by the National Institute of Statistics and Demography (INSD) and would be 20,903,278 in 2021 according to the World Bank. The 2020 Human Development Index ranks Burkina Faso 182<sup>nd</sup> out of 189 countries with a low HDI of 0.452. In Africa, Burkina Faso is ranked 46<sup>th</sup> out of 53 countries. Between 2016 and 2021, Burkina Faso's Gross Domestic Product rose from 7,605.1 to 10,802.4 billion CFAF, i.e., approximately 3,197.3 billion CFAF more wealth was created over the period. This economic dynamic is expected to continue until 2022, when GDP will reach 11 695.1 billion CFAF.

Burkina Faso experienced steady economic growth between 2016 and 2021. Indeed, the real GDP growth rate was sustained between 2016 and 2018, rising from 6.0% to 6.7% in 2018. In 2019, the GDP growth rate was 5.7% before slowing to 1.9% in 2020 due to the COVID-19 pandemic. According to estimates by the Ministry of the Economy, Finance and Forecasting, the pace of economic growth in Burkina Faso accelerated to 6.9% in 2021. Growth in 2021 was driven mainly by the secondary (+8.2%) and tertiary (+12.5%) sectors, with the primary sector experiencing a recession (-6.4%). Considering the international context marked by the COVID-19 pandemic and the Russian-Ukrainian war, and the institutional changes that have taken place at the national level, the growth rate of Burkina Faso's economy is expected to slow down to 4.2% in 2022.

According to the BCEAO, the current account showed a surplus of 335.9 billion in 2021 compared with 427.8 billion in 2020, a reduction of 91.9 billion (-21.5%). This change in the current account reflects the decline in the surplus of the balance of goods and services and that of the secondary income account combined with the increase in the deficit of the primary income account. The goods balance showed a surplus for the fourth consecutive year (161.1 billion CFAF in 2018; 214.3 billion CFAF in 2019; 765.5 billion CFAF in 2020 and 914.7 billion CFAF in 2021), in connection with the dynamism of activity in the mining sector.

According to the Ministry in charge of the economy, total revenue, including grants, increased by 12.6% in 2021, or 248.5 billion CFAF compared to 2020. This increase is largely attributable to the rise in tax revenue. Total revenue amounted to 2 223.8 billion CFAF against a forecast of 2 100.9 billion CFAF in 2021, a collection rate of 105.9%. Compared to 2020, total revenue, excluding grants, increased by 17.3%, representing 287.2 billion CFAF. As for total expenditure and net loans, in 2021

they stood at 2 867.2 billion CFAF out of a forecast of 2 657.5 billion CFAF, representing an implementation rate of 107.9%. Compared to 2020, total expenditure and net loans increased by 12.9%.

The debt-to-GDP ratio has been increasing since 2016. It has increased from 32.8% to 54.8% of GDP over the period 2015-2021. Although the country's debt ratio is increasing, it remains below the EU norm 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 its creditors on time and preserve the quality of its signature with investors.

# Burkina Faso



Area  
**274 200** km<sup>2</sup>



Population in 2021 :  
**21 497 000** Hbts  
(Source : World Bank)



Capital  
**Ouagadougou**



Political system  
**Presidential**



Currency  
**CFAF**



Official Language  
**French**



**Nominal GDP in 2021**

**10 802.4** billions  
of CFAF

(Source: DGEP)

- ▶ Economy based on **agriculture, extractives industries, and services**
- ▶ Real GDP growth rate in 2021: **6,9%**
- ▶ Fiscal deficit, including grants, in 2021: **5,9 %** of GDP
- ▶ Debt to GDP rate in 2021 : **54,8 %**

## 1.1. Political system

Burkina Faso, literally "land of upright men", is a democratic and secular republic in West Africa with French as its official language. The country gained independence on 5 August 1960<sup>1</sup> under the name of Upper Volta before being renamed Burkina Faso on 4 August 1984 under the Sankarist revolution. After a period of seven (7) years of state of emergency, 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 presidency of Faso to two five-year terms, whether they are successive or not. This provision is blocked by Article 192, according to which «no project or proposal to revise the Constitution is admissible when it calls into question the number and the duration of presidential terms»;
- A better separation and rebalancing of powers. Thus, the head of state will be able to be impeached by the Constitutional Court. Another example is that he will only be able to appoint 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. Moreover, the country has been undergoing a political transition since the end of January 2022 following a coup perpetrated by the military under the banner of the "Patriotic Movement for Safeguard and Restoration" (MPSR). The duration of the transition has been set at three (3) years but should be conducted under the aegis of the constitution of 2 June 1991

and the Fundamental Act of the MPSR of 29 January 2022.

### 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 President 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 their application.

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 performed by the President of the National Assembly. A new President shall be 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 has been officially established.

Independent since 1960, Burkina Faso has experienced a turbulent political situation. Indeed, from independence to the present day, eleven Heads of State have succeeded each other at the head of the country. The last institutional change at the highest level of the State took place on 2 October 2022 with the arrival in power of Captain Ibrahim TRAORE from the Patriotic Movement for Safeguard and Restoration (MPSR).

### 1.1.2 The Legislative Branch

The Burkinabe parliament consists of a single chamber called the National Assembly. According to Article 80 of the Constitution, deputies are elected by

<sup>1</sup> 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).

direct, equal, and secret universal suffrage <sup>2</sup>. 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.

Bills are deliberated in the Council of Ministers before being tabled in the National Assembly. A bill is initiated by the government, whereas a draft law is initiated by a deputy or a group of deputies, or by a petition with at least 15,000 signatures. 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 and administrative orders determined by law. According to Law n°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:

- Court of Cassation;
- Courts of First Instance;
- Commercial Courts;
- Departmental Courts;
- District Courts;
- Labour Courts.

In addition to these ordinary courts, there are the exceptional courts:

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

The courts of the administrative order are:

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

<sup>2</sup> 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.

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 Auditors. The Court of Cassation is the highest court of the judicial order. The Council of State is the highest court of the administrative order. The Court of Auditors is the superior court public finance audit. The Court of Conflicts is the court for settling jurisdiction conflicts between courts.

## 1.2. Administrative organization

Burkina Faso is organized into administrative districts, which are:

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

There are a total of 13 regions, each headed by a regional governor. Each region consists of a set of provinces headed by high commissioners. The forty-five (45) provinces are subdivided into departments, each headed by a prefect. The department is made up of a set of villages headed by village chiefs, who are now assisted by village administrative officers (RAV) who are the respondents of the administration in the villages.

In the context of decentralization, Burkina Faso has created local authorities such as regions and communes. There are three communal statuses: the rural commune, the urban commune, and the commune with special status. There are 302 rural communes, 47 urban communes and 2 communes with special status, of which Ouagadougou is 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 km<sup>2</sup>. It is a continental country with no maritime outlet. It is bordered to the north and west by Mali, to the east by Niger and to the south by Ghana, Togo, Benin, and Côte d'Ivoire. The nearest coast is about 500 km away. Burkina Faso uses the ports of 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 river system. 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 landscape 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 mostly 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 here: the Tenakourou (749 m). The massif is limited by very steep cliffs reaching 150 m high.

The average altitude is 400 m and the difference between the two 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 south-west) with two very contrasting seasons: the rainy season with rainfall between 300 mm and 1,200 mm and the dry season during which the harmattan, a hot, dry wind originating in the Sahara, blows.

Three main climate zones can therefore be distinguished:

- 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. This 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. Average annual evaporation is estimated at 3,000 mm and annual groundwater recharge at 40 mm.

In the drier Sahelian climatic zone, 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 savannah, composed of trees and shrubs. The Sudano-Guinean zone has a more varied vegetation due to the more abundant rainfall, consisting of savannahs, forest galleries and tropical dry forests.

#### 1.4. Population

According to the final results of the 5th general population and housing census (RGPH) of Burkina Faso, conducted in 2019, the total resident population of Burkina Faso was 20,505,155. According to World Bank projections, Burkina Faso's population is expected to increase from 20,903,278 in 2020 to 21,497,000 in 2021 before reaching 22,103,000 in 2022. Men accounted for 48.3% of the population in 2019 and women for 51.7%. The average annual population growth rate was 2.94% from 2006 to 2020.

Burkina Faso has a very young population, with the 0-14 age group representing 45.3% of the total population. According to the final results of the 5th RGPH, in 2019 Burkina Faso was 63.8% Muslim, 20.1% Catholic, 6.2% Protestant and about 9.0% Animist.

**Table 1: Statistics on the population of Burkina Faso**

Label	Indicator
Population in 2019	20 505 155 people
Man	48.3%
Woman	51.7%
Average annual population growth rate from 2006-2019	2.94%
Population by age group in 2019	
0-4	16.2%
5-14	29.1%
15-64	51.4%
65 and more	3.4%
Urban-rural population ratio 2010-2019*	
2010	32.7%
2011	33.7%
2012	34.7%
2013	35.8%
2014	46.9%
2015	38.0%
2016	39.1%
2017	40.3%
2018	41.6%
2019	42.8%
Religion	
Muslim	63.8%
Catholic	20.1%
Protestant	6.2%
Animist	9.0%

Source: INSD, \* World Bank

## 1.5. Education

### 1.5.1 Organization of school cycles

The Burkinabe education system is organized into formal and non-formal sub-systems with few links between them. Formal education includes basic education, post-primary and secondary education and higher education. Basic education includes pre-school and primary education. Pre-school education concerns children aged 3 to 6 years at least. It comprises a single cycle lasting three (3) years. Primary education is for children aged at least 6 years and the normal duration of schooling is six (6) years. Primary education has a single cycle consisting of three courses of two years each: the preparatory course (CP1, CP2), the elementary course (CE1, CE2) and the middle course (CM1, CM2).

Post-primary and secondary education include general education and technical and vocational education. General education is organized in two (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 first cycle diploma (BEPC) and leads to the Professional Studies Certificate (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 offer much in the way of professionalism and does not meet the needs of the labour 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;
- Reforming primary, post-primary, secondary and higher education to adapt them to the needs of the structural transformation of the economy;
- Strengthening human and material capacity;
- Improving access to and quality of vocational training and apprenticeships.

In order to meet these challenges, the National Economic and Social Development Program 2 (PNDES

2) 2021-2025 aims 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 2020/2021 statistical yearbook of the Ministry of National Education, Literacy and the Promotion of National Languages (MENAPLN) presented in Table 2, the gross enrolment rate in primary school rose from 83.0% in 2013 (of which 82.8% for boys and 83.2% for girls) to 86.1% in 2021 (84.9% for boys and 87.3% for girls). The number of pupils per teacher was about 50 in 2021, compared with 51.3 in 2013. The number of pupils per class decreased from 51.4 in 2013 to 49.5 in 2021. The number of public and private primary schools in Burkina Faso in 2021 was estimated at 15 077 with a total of 66 466 classes. The primary school completion rate was 62.4% for the 2020/2021 school year (including 57.3% for boys and 67.7% for girls). Compared to 2020, these statistics show a slight increase in primary school performance, and this could be explained by the reopening of schools following the easing of the COVID-19 pandemic barrier measures.

**Table 2: Performance indicators for the primary cycle**

Indicator	2013	2020	2021
Gross enrolment rate	83.0%	86.6%	86.1%
Boy	82.8%	85.8%	84.9%
Girl	83.2%	87.5%	87.3%
Number of students per teacher	51.3	49.6	50
Number of pupils per class	51.4	48.5	49.5
Number of schools	12 394	14 863	15 077
Number of classes	47 709	66 870	66 466
Completion rate	57.6%	60.3 %	62.4%
Boy	55.7%	56 %	57.3%
Girl	59.7%	64.9 %	67.7%

Source: MENAPLN, INSD

The gross enrolment rate for post-primary and secondary education, presented in Table 3, increased from 29.5% in 2013 (of which 31.9% for boys and 27% for girls) to 37.3% in 2021 (of which 34.9% for boys and 39.8% for girls). The post-primary completion rate was 36.7% in 2021 (including 32.6% for

boys and 41.1% for girls) compared with 20% at secondary level (including 21.6% for boys and 18.4% for girls).

The number of students per teacher was 67.7 in 2013 in post-primary and general secondary education, compared with 44 in 2021. At the level of tech-



nical education, this ratio has increased from 11.1 to 12.8 over the same period. These improvements are the result of the large-scale teacher recruitment program launched by the government in recent years. The number of pupils per class in post-primary and

general secondary education has decreased from 71 in 2013 to 51 in 2021. This ratio was 53 pupils per class in post-primary in 2020, compared to 41 pupils per class in secondary.

**Table 3: Performance indicators for post-primary, secondary and technical education**

Indicator	2013	2020	2021
<b>Post - primary and secondary</b>			
Gross enrolment rate	29.5 %	38.3 %	37.3 %
Boy	31.9 %	36.9 %	34.9 %
Girl	27%	39.9 %	39.8 %
Number of students per teacher	67.7	47.6	44
Number of pupils per class	71	54	51
Number of establishments	1 598	4 322	4 306
Number of classes	11 832	26 176	26 153
Post-primary completion rate	24.3 %	39 %	36.7%
Boy	26.4 %	35.5%	32.6%
Girl	22.3%	42.6%	41.1%
Secondary completion rate	8.9%	17.5%	20.0%
Boy	11.0%	19.8%	21.6%
Girl	6.8%	15.1%	18.4%
<b>Technical education</b>			
Number of students per teacher	11.1	12.5	12.8
Number of pupils per class	31	33	37
Number of establishments	140	161	178
Number of classes	906	1 103	1 166

Source: INSD, MENAPLN

At the level of technical education, this ratio increased from 31 to 37 over the same period. The number of post-primary and general secondary schools in Burkina Faso was estimated at 4 306 with 26 153 classes in 2021. In technical education, the figure was 178 institutions with 1 166 classes in 2021.

According to the 2020/2021 statistical yearbook of the Ministry of Higher Education, Scientific Research, and Innovation (MESRSI), the transition rate from secondary to higher education was estimated at 88% in 2021 with 78.2% for girls and 95.3% for boys. The number of students was estimated at 190,218 (36.6% of whom were girls) in 2021 for 8,758 teachers (8.8% of whom were women and 1,921 permanent teachers), i.e., 1 permanent teacher for 99 students. In 2021, Burkina Faso had 186 higher education institutions, including 128 private institutions.

## 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 Center (CSPS) and the second level of care in the health district is the Medical Center 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 2020, Burkina Faso had 2,041

CSPSs, 46 CMAs and 71 medical centers (Table 4);

- The second level is represented by the Regional Hospital Centers (CHR). The second level is represented by the Regional Hospital Centers (CHR), which serve as referral and recourse centers for the CMAs. In 2020, there were 9 RHCs in Burkina Faso;

- The third level is made up of the National Hospital Centers (CHN) and the University Hospital Centers (CHU). The CHN and the CHU 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 different categories of personnel.

**Table 4: Distribution of health infrastructure in 2020**

Type of infrastructure	Workforce
<b>Primary care</b>	2 158
CSPS	2 041
CMA	46
Medical Center	71
<b>Secondary care</b>	9
CHR	9
<b>Tertiary care</b>	6
CHU	5
CHN	1

Source: INSD

In addition to these public health facilities, the country had 641 private health facilities and 904 private dispensaries and depots in 2020. Traditional medicine also plays an important role in the Burkina health system. The distribution of health personnel in the public sector as at 31 December 2019, presented in table 5, shows that the country had 884 specialist doctors (i.e., 1 specialist doctor for 23,177

inhabitants), 1,026 general practitioners (i.e., 1 general practitioner for 19,969 inhabitants), 313 pharmacists (i.e., 1 pharmacist for every 65,457 inhabitants), 11,569 nurses (health worker, state-registered nurse and registered nurse), i.e., 1 nurse for every 1,771 inhabitants, and 4,320 midwives / state-registered maieuticians (i.e., 1 midwife / state-registered maieutician for every 4,743 inhabitants).

**Table 5: Distribution of health personnel in the public sector as of 31 December 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 12 years in Burkina Faso between 2000 and 2020, from 50 to 62 years (Table 6). The country ranks well in terms of life expectancy compared to the West African average of 58.94 years. The mother and child are the most vulnerable groups.

According to the World Bank, between 2010 and 2020, the infant mortality rate at birth fell from 90.9 to 52.8 per 1,000 live births and the under-five mortality rate fell from 178.9 to 85.0 per 1,000 live births. Maternal mortality decreased from 516 to 385 deaths per 100,000 live births between 2000 and 2010. It was estimated at 320 deaths per 100 000 births in 2017.

Table 6:

General statistics on the health status of the population in Burkina Faso

	2000	2010	2018	2020
<b>Life expectancy at birth (Male/Female)</b>	50 (49/52)	57 (56/58)	61 (60/62)	62 (61/63)
<b>Infant mortality (per 1000 Zbirths)</b>				
At birth	90.9	68.1	55.4	52.8
Before 5 years	178.9	121.5	90.8	85.0
<b>Maternal mortality (per 100,000 births)*</b>	516	385	-	-

Source: World Bank, April 2022. \* 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 WHO and the Ministry of Health, the incidence of malaria (per 1000 inhabitants at risk) has fallen from 603.2 in 2000 to 571.3 in 2010 and will be 389.9 in 2020. In 2020, malaria accounted for 13% of the top 10 reasons for death in the district health facilities, or 3,983 deaths.

According to the WHO and Ministry of Health data, the HIV-AIDS prevalence rate (population aged 15-49 years) fell from 2.7% in 1990 to 0.79% in 2020. In 2020, the number of people living with AIDS was estimated at 58,611 and the number of people newly infected with HIV was 3,319. In total, there were 3,300 AIDS deaths in 2020 compared to 5,000 in 2010, a decrease of 34% since 2010. The rate of people living with HIV having access to antiretroviral drugs was 72% in 2020. In contrast, only 17% of children aged 0-14 years have access to antiretroviral drugs. Among pregnant women living with HIV, 89% 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 WHO, the prevalence of the general population shows disparities by gender. Women have a prevalence of 0.8% compared to 0.5% for men, giving a male/female ratio of 1.6.

The decline in the incidence of malaria in Burkina Faso is due to the control strategies advocated by the National Malaria Control Program (NMCP):

- Correct and early management of malaria cases in health facilities and at 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), anti-larval control (ALC) and environmental sanitation;
- Control of malaria epidemics in the context of integrated disease surveillance and response;
- Support strategies: behavior change communication, operational research, monitoring and evaluation and institutional strengthening/partnership.

With regard to the reduction of HIV-AIDS, the National Council for the Fight against AIDS and Sexually Transmitted Infections (CNLS-IST) has been the spearhead of the strategy. The CNLS-IST meets once a year and whenever necessary at the invitation of its President.

The first cases of the 2019 coronavirus (COVID-19) in Burkina Faso were confirmed on 9 March 2020, making Burkina Faso the fourth country affected in West Africa after Nigeria, Senegal, and Togo. As of 10 March 2022, the pandemic has been assessed as 20,808 confirmed cases, 20,416 cured and 379 deaths<sup>3</sup>. 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 start of the pandemic. The measures undertaken include:

- The ban of all national and international events on the territory;
- The closure of all educational institutions from 16 March 2020;

<sup>3</sup> Communiqué \_\_point\_\_ Covid-19\_Burkina\_Faso\_\_du\_08\_mars\_2022-page-001.jpeg (1240x1754) (sig.bf)

- The suspension of all worship and mass prayers by religious authorities;
- The introduction of a nationwide curfew from 7pm to 5am, as of 21 March, as well as measures to restrict the use of public places such as markets, restaurants, pubs, cinemas, games, and entertainment venues. The curfew was extended from 9pm to 4am from 20 April 2020;
- The closure of air, land and rail borders, except for cargo and military flights;
- The closure of large markets in the city of Ouagadougou as of 26 March 2020;
- The quarantine of all stocks of chloroquine in pharmaceutical warehouses and the re-launch of the production of paracetamol and chloroquine in the Pharmaceutical Unit (U-PHARMA) within the Institute for Research in Health Sciences (IRSS) in Ouagadougou;
- The quarantine of all towns that have recorded at least one case of COVID-19;
- The launch of two clinical trials against COVID-19; the first one, called Chloraz, studies the effectiveness of the Chloroquine-Azythromycin combination in the treatment of COVID-19. The second clinical trial concerns an antiretroviral phytomedicine, Apivirine, initially developed against HIV by the Beninese pharmaceutical company API-Benin International.
- The mobilization of 394 billion CFAF to address 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 will be compulsory throughout the country as of 27 April 2020.

The gradual easing of barrier measures began on 20 April 2020 with the reopening of the large market in Ouagadougou, followed by the lifting of the quarantine on towns with confirmed cases on 5 May 2020.

The curfew was lifted on 3 June 2020 and the reopening of higher education institutions was effective on 16 May 2020. For primary, post-primary and secondary schools, only examination classes (primary and secondary) were allowed to reopen, and the start of the school year was effective for these classes on 1 June 2020. The reopening of land and rail borders took place on 1 December 2021.

## 1.7. Employment

### 1.7.1 Working population

The World Bank estimates Burkina Faso's potential working<sup>4</sup> population at 7,620,386 in 2020 (Table 7). Men constitute more than half of the active population (55.4%). The participation rate of women in economic activity is 44.6%. Between 2006 and 2014, the proportion of women increased slightly from 43.2% to 44.7%, before declining slightly from 2015 to 2019. Between 2015 and 2020, Burkina Faso's active population increased by 1,033,749 people, or 13.6%. The share of the active population is higher in rural areas. According to International Labour Office (ILO) estimates, 72.4% of the working population lived in rural areas, compared with 27.6% in urban areas in 2020.

According to ILO estimates, in 2020, workers aged 25 or over represented 71.8% of the employed population in Burkina Faso and those in the 15-24 age group represented 28.2%. The results of the 2018 Integrated Regional Survey on Employment and the Informal Sector (ERI-ESI) indicate that in urban areas, employed persons aged 35-64 years occupied the largest proportion (49.2%) of the employed labor force.

<sup>4</sup> It includes all individuals considered to be of working age.

**Table 7: Distribution of the working population**

Indicator	Indicator value
Working population in 2020	7 620 386
Male	55.4 %
Woman	44.6 %
Living environment in 2020	
Urban	27.6 %
Rural	72.4 %
Proportion of working population by age group in 2020	
15 – 24 years	28.2 %
25 years and over	71.8 %

Source: ILO, INSD, World Bank

### 1.7.2 Unemployment rate

According to the ILO, the unemployment rate<sup>5</sup> in Burkina Faso fell from 6.7% to 4.8% between 2015 and 2021 (Table 8). The unemployment rate for women was estimated at 4.8 per cent in 2021 compared to 4.7 per cent for men. In 2018, the unemployment rate in urban areas was estimated at 3.7 per cent compared to 8.0 per cent in rural areas, according to the results of the Integrated Regional Survey on Employment and the Informal Sector (ERI-ESI). According to the 2018 IERS, the average duration of

unemployment is 4.5 years. It is higher among the uneducated. In 2018, the ERI-ESI estimated that 39.4% of the unemployed were aged between 25 and 34 and 29.0% were aged between 35 and 64. 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 (including 6,383 women), a decrease of 12.1% over the 2018 - 2019 period.

**Table 8: Unemployment in Burkina Faso**

Indicator	Indicator value
Unemployment rate, ILO	4.8 % (2021)
Male	4.7 % (2021)
Woman	4.8 % (2021)
Unemployment rate by background, INSD (ERI-ESI)	
Urban	7.4 % (2018)
Rural	3.3 % (2018)
Average duration of unemployment (years), INSD (ERI-ESI)	4.5 (2018)

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, the visible underemployment<sup>6</sup> rate (linked to working hours) was 16.4% in 2019 in Burkina Faso. This rate was 19.2% in 2018 according to the ERI-ESI. This means that almost one in six employed people 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 distribution of the underemployment rate by place of residence shows that the visible underemployment rate in urban areas

<sup>5</sup> The ILO unemployment rate is the ratio (as a percentage) of the ILO unemployed population divided by the labour force (employed + unemployed).

<sup>6</sup> Time-related underemployment characterizes a person in employment who fulfils the following three criteria: i) Involuntarily working less than the legal number of working hours per week (40h); ii) Available to work more and/or iii) Looking for additional work.

was 15.1 per cent compared to 16.8 per cent 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% for men and 22% for women. The ERI-ESI results also show that the labour underutilization rate was 35.6% in 2018 at the national level, including 29.6% for men and 41.9% for women.

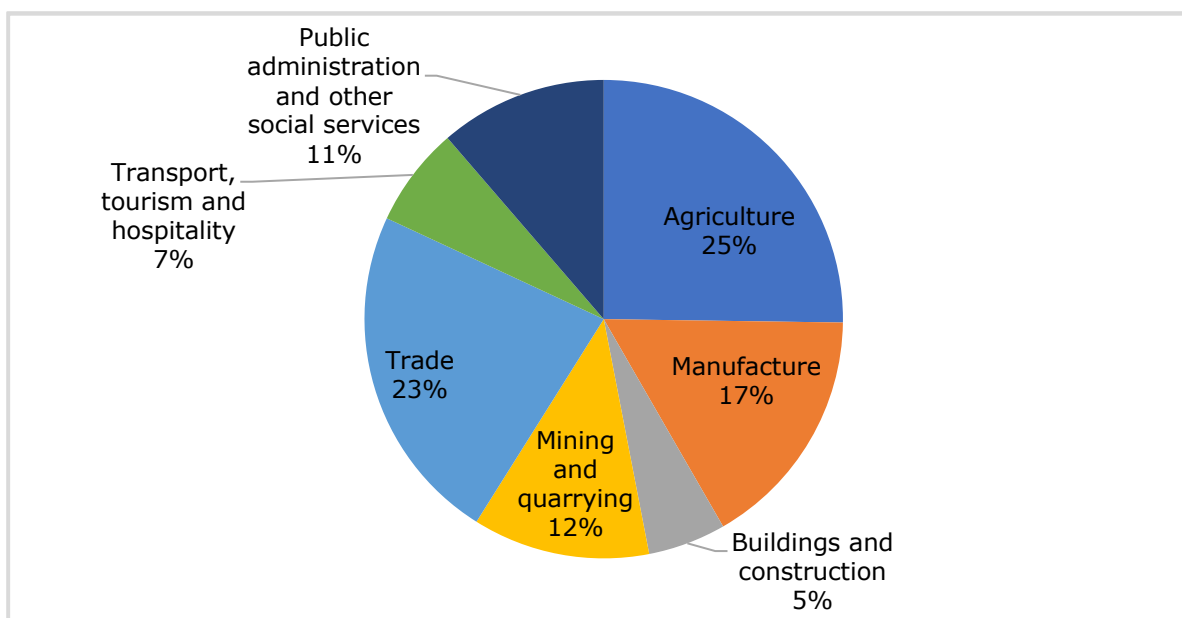
### 1.7.4 Formal and informal employment

According to the ERI-ESI in 2018, the employment<sup>7</sup> rate was estimated at 76% at the national level. Considering the active population aged 15 to 64, the employment rate is 96.6% at 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%. The proportion of employment outside the formal sector was estimated at 87.5% 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 agricultural sector accounted for 25% of employment, followed by trade (23%), manufacturing (17%), mining and quarrying (12%) and public administration (11%). Transport, hotels, and restaurants accounted for about 7% of jobs and building and construction for about 5%.

**Figure 1: Distribution 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 has adopted a main development framework, 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 National Technical and Voca-

tional Education and Training Policy (PN/EFTP) and the National Employment Policy (PNE).

On 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 actions in Burkina Faso. It has four strategic objectives:

- Strengthen the link between the NCB and other national policies;
- Strengthen job creation;

<sup>7</sup> The employment rate is the percentage of the working age population (15 years or older) with a job.

- 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 a Special Program for the Creation of Jobs for Young People and Women (PSCE/JF) and a Support Program for the Technical and Vocational Education and Training Sectoral Policy (PAPS/EFTP) were put in place to promote youth employment. In addition to these programs, four national funds (FASI, FAPE, FAIJ and FAFPA) have been set up to support youth micro-projects. In 2018, the number of projects financed was 12,702 for a total cost of 12.19 billion CFAF.

### 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 enabled the creation of 100 401 jobs in the 2012-2013 period and 49 465 jobs in 2014, i.e., nearly 150 000 direct and indirect<sup>8</sup> jobs for the three years of the program. In 2018, 1 370 positions registered 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 public administration under direct competitions with and without training. According to the annual performance report of the PNDES, 10,537 agents were recruited for the public administration in 2019. The number of posts to be filled in the civil service in 2020 was 5,884.

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

CFAF over five years covering the period 2014-2018, has created thousands of direct jobs. As of 10 April 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 trainings in the fields of cutting and sewing, hairdressing, mechanics, electricity and construction, welding, carpentry, etc., are now fit 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 in the project.

## 1.8. Reminder of the main aggregates

### 1.8.1 Level of development

The 2020 Human Development Index ranks Burkina Faso 182nd out of 189 countries with an estimated low HDI of 0.452. In Africa, 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 the low income of the population.

With a Gini index of 47.3% in 2018, Burkina Faso recorded an increase in inequality compared to 2014, when it stood at 35.3%. The country had recorded a decline in inequality between 2009 and 2014 with a Gini index that had fallen to 39.8 in 2009. Burkina Faso's GDP per capita increased from 1 619 \$ in 2012 to 2 461.9 \$ in 2021 (Table 9). Measured in CFAF, GDP per capita in Burkina Faso was 509,143.8 CFAF in 2021.

<sup>8</sup> Employment from related activities due to the existence of the project

**Table 9: Evolution of GDP/head in PPP**

Billions CFAF	2016	2017	2018	2019	2020	2021
<b>National economy</b>						
Nominal GDP	7 605.1	8 191.3	8 920.4	9 369.2	10 153.7	10 802.4
Real GDP growth (%)	6.0	6.2	6.7	5.7	1.9	6.9
Investment rate (%)	20.8	22.1	21.7	22.9	23.5	21.1
Inflation rate (%)	-0.2	2.9	1.9	-3.2	1.9	3.9
<b>Balance of payments</b>						
Exports FOB	1 676.4	1 887.3	2 196.4	2 301.3	2 789.9	3 075.1
Imports FOB	1 676.7	1 890.4	2 035.2	2 087.0	2 024.4	2 160.4
Balance	-0.4	-3.1	161.1	214.3	765.5	914.7
Current balance	-462.4	-520.4	-369.3	-306.9	427.8	335.9
<b>Public Finance</b>						
Income and donations	1 410.7	1 583.6	1 746.0	1 882.0	1 975.3	2 223.8
Expenses	1 636.4	2 146.5	2 127.6	2 177,4	2 539.9	2 867.2
Balance	-225.7	-562.9	-381.7	-295,5	-564.6	-643.4
Public debt	2 497.11	2 767.19	3 365.95	3 967,53	4 777.67	6 178.71
Domestic debt	730.97	1 024.20	1 456.39	1 778,96	2 313.42	3 326.23
External debt	1 766.14	1 742.99	1 909.56	2 188,57	2 464.25	2 852.48
Domestic debt as % of nominal GDP	9.6	12.5	16.3	19,0	22.8	29.5
<b>Budget deficit (basic primary balance)</b>						
In value	159.8	443.2	274.3	176,2	454.6	286.8
As a percentage of nominal GDP (%)	2.1	5.4	3.1	1,9	4.5	2.7

Source: World Bank - World Development Indicators, July 2022

### 1.8.2 Summary table

Table 10 summarizes Burkina Faso's main macroeconomic indicators over the period 2016-2021. According to estimates by the Directorate General for the Economy and Planning (DGEP) in March 2022,

Burkina Faso's real GDP grew by 6.9% in 2021 after 1.9% a year earlier. Inflation and investment rates are estimated at 3.9% and 21.1% respectively in 2021, compared with 1.9% and 23.5% respectively in 2020.

**Table 10: Evolution of the main macroeconomic indicators between 2014 and 2021 in Burkina Faso**

Billions CFAF	2016	2017	2018	2019	2020	2021
<b>National economy</b>						
Nominal GDP	7 605.1	8 191.3	8 920.4	9 369.2	10 153.7	10 802.4
Real GDP growth (%)	6.0	6.2	6.7	5.7	1.9	6.9
Investment rate (%)	20.8	22.1	21.7	22.9	23.5	21.1
Inflation rate (%)	-0.2	2.9	1.9	-3.2	1.9	3.9
<b>Balance of payments</b>						
Exports FOB	1 676.4	1 887.3	2 196.4	2 301.3	2 789.9	3 075.1
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Public debt	2 497.11	2 767.19	3 365.95	3 967,53	4 777.67	6 178.71



Domestic debt	730.97	1 024.20	1 456.39	1 778,96	2 313.42	3 326.23
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Domestic debt as % of nominal GDP	9.6	12.5	16.3	19,0	22.8	29.5
<b>Budget deficit (basic primary balance)</b>						
In value	159.8	443.2	274.3	176,2	454.6	286.8
As a percentage of nominal GDP (%)	2.1	5.4	3.1	1,9	4.5	2.7

Source: BCEAO, DGEP (March 2022)

The country's current account, which is structurally in deficit, has improved in recent years, moving from a deficit of 462.4 billion CFAF in 2016 to surpluses of 427.8 billion CFAF and 335.9 billion CFAF in 2020 and 2021 respectively. The budget deficit increased

to 643.4 billion CFAF in 2021, compared with 564.6 billion CFAF in 2020. Public debt rose from 4 777.67 billion CFAF to 6 178.71 billion CFAF between 2020 and 2021. The domestic debt/GDP ratio increased from 22.8% to 29.5% between 2020 and 2021.

### 2.1. Evaluation of the gross domestic product

#### 2.1.1 Level of PIB

Between 2016 and 2021, Burkina Faso's gross domestic product rose from 7,605.1 to 10,802.4 billion

CFAF, i.e., approximately 3,197.3 billion CFAF more wealth was created over the period. This economic dynamic is expected to continue in 2022, when GDP is expected to reach 11,695.1 billion CFAF.

**Table 11: Evolution of the level of GDP between 2015 and 2021**

Year	2016	2017	2018	2019	2020 (estimation)	2021 (estimation)	2022 (Projection)	2023 (Projection)
Nominal GDP (billion CFAF)	7 605.1	8 191.3	8 920.4	9 369.2	10 153.7	10 802.4	11 695.1	12 642.0

Source: DGEP, March 2022

#### 2.1.2 Real GDP growth

Burkina Faso experienced steady economic growth between 2016 and 2021 (Table 12). Indeed, after a deceleration of its growth rate in 2015 (1.6% after 4.3% in 2014), real GDP showed a sustained level of growth from 6.0% in 2016 to 6.2% in 2017 before reaching 6.7% in 2018. In 2019, the GDP growth rate was 5.7%. This performance over the period is due to the return to normal constitutional life in 2016, favorable rainfall and the return of investor confidence. The deceleration recorded in 2015 is attributable mainly to the effects of the popular insurrection of 2014, the avian flu epizootic, the failed coup of 16 September 2015 and a difficult agricultural season.

After a deceleration in GDP growth in 2020, due to the COVID-19 pandemic, economic activity accelerated in 2021. Indeed, the real GDP growth rate rose to 6.9% in 2021 from 1.9% in 2020. Growth in 2021 was driven mainly by the tertiary (+12.6%) and secondary (+8.2%) sectors, with the primary sector experiencing a recession (-6.4%).

According to DGEP estimates made in March 2022, the primary sector recorded a decline in its value added of 6.4% in 2021, after a growth of 6.5% in 2020. This development is mainly linked to the poor agricultural season of 2021 - 2022, which led to a decline in the agricultural sub-sector, particularly food crops (-7.5%) and cash crops excluding cotton (-18.4%).

As for cotton, its value added has increased by 6.6% in 2021 compared to 2020. The livestock sub-sector grew by 2.8% in 2021, while the forestry, hunting and fishing sub-sector recorded an increase in value added of 5.2%. The contribution of the primary sector to economic growth was -1.3 percentage points in 2021.

The value added of the secondary sector increased by 8.2% in 2021 after a 5.8% increase in 2020. This acceleration in growth is mainly linked to the dynamics of activity in the industries and construction, installation and finishing works. As for the value added of gold mining activities, they grew by +7.1% in 2021 after 21.0%. In total, the contribution of the secondary sector to real GDP growth was 2.4 percentage points in 2021.

Regarding the tertiary sector, its added value rose by 12.6% in 2021 after having fallen by 2.7% in 2020. This performance is driven by the good performance of the services sector, both market and non-market. The trade sub-sector grew by +20.7% in 2021 after +2.2% in 2020. The transport and transport auxiliaries' sub-sector have experienced the same dynamic with an increase of 27.1% in its value added in 2021 compared to only 2.6% in 2020. The sub-sectors of hotels and restaurants, posts and telecommunications, and financial services and insurance have experienced economic growth of 17.6%, 13.2% and 6.1% respectively in 2021.

The public administration services sub-sector grew by 9.1% in 2021. After being hit hard by the measures taken in the first half of 2020 to counter the evolution of COVID 19, the tertiary sector is back to

a strong growth contributing up to 5.2 percentage points to GDP growth in 2021 compared with -1.2 points a year earlier.

**Table 12: Evolution of the growth rate of GDP and its components between 2016 and 2022 (Constant prices in 2015)**

Burkina Faso	2016	2017	2018	2019	2020 (estimation)	2021 (estimation)	2022 (Projection)
<b>Total GDP</b>	6.0	6.2	6.7	5.7	1.9	6.9	4.2
<b>Primary sector</b>	4.2	-0.2	13.3	1.7	6.5	-6.4	9.5
<b>Secondary sector</b>	5.0	5.9	2.8	2.3	5.8	8.2	-2.2
<b>Tertiary sector</b>	6.7	6.2	3.7	8.4	-2.7	12.6	6.4
<b>Of which non-market GDP</b>	11.9	7.5	6.7	7.1	-0.2	10.5	1.8
<b>Of which duties and taxes</b>	9.3	22.6	16.3	11.8	3.5	6.9	6.3

Source: BCEAO, INSD, DGEP (August 2022)

According to DGEP projections, Burkina Faso's economy is expected to grow by 4.2% in 2022, driven by the primary sector (+9.5%) and the tertiary sector (+6.4%). The secondary sector, meanwhile, is expected to shrink by 2.2% in 2022.

### 2.1.3 Breakdown of GDP 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 accounted for over 43.0% of GDP in 2021. Between 2019 and 2021, the share of the tertiary sector in

the formation of Burkina Faso's GDP fell slightly, from 43.5% to 43.1%. The secondary sector is the country's second largest source of wealth creation, with a contribution to GDP formation of 29.9% in 2021 compared with 26.6% in 2020. The contribution of the secondary sector to GDP formation was relatively stable until 2019 (around 24%) before rising sharply from 2020. The primary sector is the third largest source of wealth creation in Burkina Faso, with a contribution of 17.6% to GDP in 2021. The share of the primary sector in Burkina Faso's GDP has been declining continuously since 2015.

**Table 13: Structural decomposition of GDP between 2016 and 2021 (GDP at current prices)**

Burkina Faso	2016	2017	2018	2019	2020 (estimation)	2021 (estimation)	2022 (projection)
<b>Total GDP</b>	100	100	100	100	100	100	100
<b>Primary sector</b>	22.3	20.4	21.9	22.2	21.1	17.6	19.0
<b>Secondary sector</b>	24.1	24.8	24.2	23.7	26.6	29.9	29.6
<b>Tertiary sector</b>	44.4	43.8	42.7	43.5	42.5	43.1	41.8
<b>Of which non-market GDP</b>	19.8	19.7	18.9	20.2	20.3	20.1	19.2
<b>Duties and taxes</b>	9.2	11.0	11.2	10.5	9.9	9.3	9.6

Source: DGEP, March 2022

## 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 added value of the primary sector was 1,915.1 billion CFAF in 2021, compared with 1,583.3 billion CFAF in 2015. Agriculture is the main source of wealth creation in the

primary sector, accounting for more than half of the wealth created (1,398.3 billion CFAF in 2021). Livestock farming is the second largest source of wealth creation, with 336.1 billion CFAF in 2021. The forestry, fishing and hunting sector comes last with an estimated 180.8 billion CFAF in wealth creation in the primary sector in 2021.

Wealth creation in the secondary sector is estimated at 3,278.3 billion CFAF in 2021, compared with 1,703.4 billion CFAF in 2015. This sector is dominated by the extractive industries with 1,820.2 billion CFAF of wealth created in 2021, compared with 599.0 billion CFAF in 2015. The manufacturing industry and construction come second and third respectively, with 1,005.1 CFAF and 334.4 billion in 2021.

The added value of the tertiary sector rose from 3,083.7 billion CFAF in 2015 to 4,564.8 billion CFAF in 2021. This sector is driven by non-market services, whose added value was estimated at 1,783.7 billion CFAF in 2021, against 1,342.5 billion CFAF in 2015. Trade ranks second in this sector with a value added of 992.5 billion CFAF in 2021, against 714.3 billion CFAF in 2015. The value added in the telecommunications sector is estimated at 279.9 billion CFAF in 2021 against 198.6 billion CFAF in 2015.

**Table 14: Evolution of GDP in value and by sector details from 2015 to 2022**

Billions of CFAF	2016	2017	2018	2019	2020 (estimation)	2021 (Estimation)	2022 (Projection)
<b>Primary sector</b>	1 651.4	1 686.2	2 057.9	1 890.1	2 046.7	1 915.1	2 210.3
Agriculture	1 179.5	1 227.5	1 619.0	1 410.4	1 549.3	1 398.3	1 677.7
Farming	314.5	291.8	271.8	307.9	325.5	336.1	343.0
Forestry, fishing and hunting	157.5	166.9	167.1	171.9	171.9	180.8	189.6
<b>Secondary sector</b>	1 892.3	2 059.3	2 186.8	2 396.6	3 000.8	3 278.3	3 354.1
Mines	698.9	865.2	973.1	1 053.2	1 634.2	1 820.2	1 786.6
Manufacturing industry	845.7	840.4	870.0	947.5	934.5	1 005.1	1 087.9
Energy	72.1	66.0	66.7	84.5	109.3	118.6	125.6
Building	275.6	287.7	276.9	311.4	322.8	334.4	353.9
<b>Tertiary sector</b>	3 331.5	3 601.5	3 786.0	4 172.0	4 158.3	4 564.8	4 956.4
Transport	101.8	130.3	121.8	139.4	147.1	135.4	178.1
Telecommunications	211.6	232.6	224.4	240.6	248.7	279.9	306.8
Trade	702.1	724.0	779.8	801.9	824.1	992.5	1 106.0
Other services	2 316.0	2 514.6	2 660.0	2 990.1	2 938.3	3 157.1	3 365.5
<b>Non-market GDP</b>	1 162.1	1 289.0	1 428.0	1 593.7	1 616.4	1 783.7	1 847.3
<b>Sum of added values</b>	6 875.2	7 347.0	8 030.7	8 458.7	9 205.8	9 758.2	10 520.7
<b>Duties and taxes</b>	729.9	844.2	889.7	910.5	947.9	1 044.3	1 174.4
<b>GDP Total</b>	7 605.1	8 191.2	8 920.4	9 369.2	10 153.7	10 802.4	11 695.1

Source: DGEF, March 2022

## 2.2.2 Compositional GDP

Analysis of the various sectors components in market GDP shows that mining comes in first place with a contribution of 16.2% to the formation of GDP in 2021. Agriculture is in second place with a contribu-

tion of 12.9% to GDP in 2021. The manufacturing industry comes in third place with a contribution of 9.4% to the formation of GDP in 2021. Non-market GDP represents 16.9% of GDP in 2021, compared to 19.6% in 2015.

**Table 15: Evolution of the components of the different sectors in volume from 2015 to 2022**

As % of GDP	2016	2017	2018	2019	2020 (Estimation)	2021 (Estimation)	2022 (Projection)
<b>Primary sector</b>	22.3	20.4	21.9	22.2	21.1	17.6	19.0
Agriculture	15.6	14.3	16.6	17.5	16.1	12.9	14.4
Farming	4.5	4.1	3.3	2.9	3.3	3.1	3.0
Forestry, fishing and hunting	2.1	2.1	1.9	1.8	1.7	1.7	1.6
<b>Secondary sector</b>	24.1	24.8	24.2	23.7	26.6	29.9	29.6
Mines	8.4	10.9	10.9	10.2	13.0	16.2	16.1
Manufacturing industry	11.3	10.0	9.4	9.6	9.6	9.4	9.2
Energy	0.9	0.7	0.7	0.8	0.9	1.1	1.2
Building	3.6	3.2	3.2	3.1	3.1	3.2	3.1
<b>Tertiary sector</b>	44.4	43.8	42.7	43.5	42.5	43.1	41.8
Of which Transport	1.2	1.4	1.4	1.3	1.5	1.7	1.2
Of which Telecommunications	2.8	2.8	2.6	2.5	2.6	2.6	2.6
Of which Trade	9.5	9.0	8.9	8.8	8.6	9.2	9.3
Of which Other services	30.9	30.6	29.8	30.9	29.8	29.6	28.7
<b>Non-market GDP</b>	15.4	15.6	15.9	17.2	17.2	16.9	16.2
<b>Sum of added values</b>	90.8	89.4	88.8	89.5	90.1	90.7	90.4
<b>Duties and taxes</b>	9.2	10.6	11.2	10.5	9.9	9.3	9.6
<b>GDP Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: DGEP, March 2022

### 2.2.3 GDP by component

On the demand side, economic growth is sustained mainly by domestic demand, which was estimated at 10,543.1 billion CFAF in 2021, against 7 990.6 billion CFAF in 2016. Net external demand was estimated at 1 125.6 billion CFAF in 2021 against 602.0 billion CFAF in 2016. An analysis of domestic demand components shows that it is essentially

driven by final consumption, which was estimated at 7,920.2 billion CFAF in 2021, as against 2,622.9 billion CFAF for investment. Between 2020 and 2021, domestic demand increased by 4.1% thanks to the dynamism of both public final consumption (+10.0%) and investment (+4.5%). In 2022, domestic demand should increase by 6.2%, driven by final consumption (+7.0%).

**Table 16: Decomposition of GDP by volume component from 2015 to 2022**

In billions CFAF	2016	2017	2018	2019	2020	2021	2022
<b>1. Internal request</b>	<b>7 990.6</b>	<b>8 512.4</b>	<b>8 821.3</b>	<b>10 007.7</b>	<b>10 126.9</b>	<b>10 543.1</b>	<b>11 193.6</b>
Final consumption	6 449.9	6 800.6	7 041.3	7 545.5	7 616.3	7 920.2	8 477.3
Private	5 216.1	5 402.2	5 532.0	5 943.1	6 003.1	6 145.0	6 569.1
Public	1 233.8	1 398.4	1 509.3	1 602.4	1 613.1	1 775.2	1 908.2
<b>Total investments</b>	<b>1 540.7</b>	<b>1 711.8</b>	<b>1 780.0</b>	<b>2 462.2</b>	<b>2 510.6</b>	<b>2 622.9</b>	<b>2 716.3</b>
Private	1 014.3	880.5	1 025.6	1 905.4	1 730.6	1 646.8	1 808.1
Public	526.4	831.3	754.3	556.8	780.0	976.1	908.2
<b>2. Total external request</b>	<b>-602.0</b>	<b>-692.1</b>	<b>-614.7</b>	<b>-1 338.6</b>	<b>-1 471.9</b>	<b>-1 125.6</b>	<b>-1 174.0</b>
<b>3. Change in stocks</b>	<b>23.5</b>	<b>51.6</b>	<b>185.2</b>	<b>211.5</b>	<b>395.1</b>	<b>2592</b>	<b>307.5</b>
<b>GDP</b>	<b>7 412.1</b>	<b>7 871.9</b>	<b>8 391.8</b>	<b>8 880.6</b>	<b>9 050.1</b>	<b>9 676.7</b>	<b>10 327.0</b>

Source: DGEP (March 2022), BCEAO

Burkina Faso has adopted a new national development framework for the period 2021-2025, known as the Second National Economic and Social Development Plan (PNDES II), which was adopted by the Council of Ministers at its meeting on 30 July 2021. It is the single framework for interventions by the State and its partners over the period 2021-2025. This new development framework is a continuation

of the first PNDES, which covered the period 2016-2020. However, as part of the political transition following the institutional change on 24 January 2022, a Transition Action Plan (TAP) has been drawn up and adopted for the period 2022-2025. It is a strategic document to guide the country's development priorities during the transition period.

### 3.1. Achievements and completion

#### 3.1.1 Overview of the TAP

The TAP 2022 - 2025 stems from the priorities defined by the Transition Agenda and the relevant and structuring actions of the public policies in force, in particular the National Development Policy, which is the PNDES II 2021-2025. The TAP is structured around four fundamental pillars, under which the strategic axes and objectives of the PNDES II are found:

- Pillar 1: Fighting terrorism and restoring territorial integrity;
- Pillar 2: Responding to the humanitarian crisis;
- Pillar 3: Rebuilding the state and improving governance;
- Pillar 4: Working towards national reconciliation and social cohesion.

The overall cost of implementing the TAP is 11,840.79 billion CFAF. The plan is 46.03% financed by the Burkinabe State, 28.64% by technical and financial partners and the financing gap to be filled is 25.33%.

The TAP will be implemented through the following instruments:

- Sectoral action plans;
- Action plans of Ministries and institutions;
- Annual work plans of ministries and institutions;
- Regional action plans;
- Annual investment plans of local authorities;
- Program budgets.

#### 3.1.2 Overview of PNDES II

The PNDES is part of a development plan, focused on peace, security, justice, human rights, and the transformation of the structure of the economy to achieve strong and inclusive growth, through sustainable consumption and production patterns in a context of preserving macroeconomic stability. The overall objective of PNDES II is to "restore security and peace, strengthen the nation's resilience and structurally transform the Burkinabe economy for strong, inclusive and sustainable growth". The PNDES II is divided into four strategic areas: (i) Area 1: consolidate resilience, security, social cohesion, and peace, (ii) Area 2: deepen institutional reforms and modernize public administration, (iii) Area 3: consolidate the development of human capital and national solidarity, and (iv) Area 4: boost the sectors that are conducive to the economy and employment.

To meet these challenges, the PNDES II proposes to reconcile the objectives of transforming economic, demographic and social structures with the difficulties of the context; reducing inequalities and improving the well-being of the population in a sustainable manner, in a context of security and health crises and the risk of social cohesion crumbling.

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

- Strengthening peace, security, social cohesion and resilience in the country;
- Consolidating democracy and improving the efficiency of political, administrative, economic, financial, local and environmental governance;
- Raising the level of education and training and adapting them to the needs of the economy,

while increasing the number of TVET students by an average of 8% per year;

- The creation of an average of 50,000 decent jobs per year for young people and women;
- Reducing the poverty rate from 41.4% in 2018 to less than 35% in 2025;
- The modernization, diversification and dynamization of the production system, generating an average annual GDP growth rate of 7.1%.

The overall cost of implementing PNDES II is estimated at 19,030.7 billion CFAF, or an average annual cost of 3,806.14 billion CFAF. The share devoted to investment expenditure (including capital transfers) is 34.7%, corresponding to an overall budget of 6,608.1 billion CFAF over the period, or 1,321.6 billion CFAF per year. In total, 63.0% of the total cost of the PNDES-II will be provided by own resources (11,989.60 billion CFAF) and 9.0% by external resources (1,712.97 billion CFAF) on the basis of agreements already concluded with development partners. There is an additional financing requirement of 5,328.12 billion CFAF, corresponding to 28.0% of the total cost of the plan. The monitoring and evaluation mechanism of the PNDES II comprises 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-II. The technical component of the evaluation includes: (i) a mid-term evaluation (2023) and (ii) a final evaluation.

### 3.1.3 Recent structural reforms related to the development plan

Over the implementation period of the 2016-2020 PNDES, Burkina Faso has adopted several structural reforms necessary to strengthen political, administrative, economic, and social governance.

In the area of political and administrative governance, the following reforms have been adopted:

- The independence of the judiciary (reforms of the Superior Council of the Magistracy, code of ethics, promotions by calls for candidates);

- The specialization and the reinforcement of legal instruments in the fight against corruption: adoption of decrees to punish the offences of appearance, the offence of accepting undue gifts and the one relating to the obligation of declaration of assets by high authorities;
- The improvement of the processing time in civil court cases (TGI);
- The establishment of a legal aid fund;
- The improvement of the territory coverage by operational security services: 68.38% in 2019 compared to 56.8% in 2015, supported by the Military Planning Law;
- The dematerialization of procedures and services: taxes, customs, trade, education, civil service, etc.

In the area of economic governance, the country recorded:

- Reforms in the fight against money laundering through the actions of the CENTIF;
- The introduction of standardized invoices and the strengthening of the efficiency of the tax administration;
- The strengthening of economic financing instruments (Faso Agricultural Bank, CDC, Agricultural Development Fund, FONAFI, Burkina Star Up).

In the field of decentralization and local governance, we note:

- The adoption of new decentralization guidelines;
- The adoption of a new law on the legal regime applicable to the jobs and agents of local authorities and its application texts;
- The improvement of the transfer mechanism to local authorities: restructuring of the Permanent Fund for the Development of Local Authorities (FPDCT) into a National Agency for Supporting the Development of Local Authorities (ADCT) and notification to local authorities of the opening of credit in time;
- The development of local potential and strengthening the resilience of populations in areas affected by terrorism: the Support Program for Local Economies (PADEL), Emergency Program for the Sahel in Burkina Faso (PUS-BF).

### 3.1.4 Mid-term review of the PNDES (2016-2018) and performance in 2019

The assessment of the implementation in 2018 of the strategic reforms and structuring investments of the PNDES highlights important achievements. About 183 635 formal jobs were created during the two years of implementation of the PNDES, 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 young people and women in 2018. These include: (i) the ongoing training of 110 young beneficiaries in mining trades (blasting and mineral processing); (ii) the entrepreneurial training of 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 (264 women and 243 men) on pre-employment placements; (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 in the face of 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 the program budget and the improvement of performance in the collection of own-source revenue. According to the results of the mid-term evaluation of the PNDES 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 increased from 3% to 10% between 2015 and 2020. The rate of coverage of the national territory by operational security services has increased from 57% to 71.87% between 2015 and 2020. The ratio of security officers to the population has also improved over the period, 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 in favor of the target group. In addition to the free care measure, the effort to improve the supply and quality of care has 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, the transformation of CSPSs in the main 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 family planning service reform, aimed 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 evaluation of the PNDES show that the infant and child mortality rate per 1,000 live births has fallen 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 1,000 parturients decreased from 134.6 to 119.6 between 2016 and 2020.

In education, efforts to improve the education supply have continued with the construction of infrastructure, the recruitment of staff at all levels of education, particularly at post-primary level, and the opening of two scientific high schools in Ouagadougou and Bobo-Dioulasso. The post-primary completion rate rose from 24.2% in 2016 to 32.95% in 2017, with a target of 30.2% in 2017. About 55 high schools and 409 secondary schools were built in 2017. As of 31 December 2018, 86 classrooms have been built solely from transferred resources, i.e., 54 classrooms for primary and 32 classrooms for secondary schools. Construction work on 9 out of 10 high schools started in November 2018. The efforts of the State and other actors have made it possible to increase 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, i.e., an increase of 7.5%, thus favoring an increase in primary school enrolment from 2 873 049 in 2015-2016 to 3 206 060 in 2017-2018, i.e., an increase of 11.6%.

In the area of boosting 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 developed rural tracks has been increased from 27.5% in 2015 to 32.6% in 2020. The results of the mid-term evaluation of the PNDES 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 was 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 from 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 8,550 allowing the number of formal women's businesses to increase 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 500,000 CFAF to 1,500,000 CFAF or for microcredits ranging from 1,500,000 CFAF to 15,000,000 CFAF.

The installed electrical capacity 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 solar photovoltaic energy. Regarding the improvement of internet access, bandwidth capacity has increased significantly with an estimated 16 Gbps in 2017 (PNDES implementation monitoring report), thanks to the deployment of 347 km of optical fiber from Ouagadougou to Pô to the Ghana border and the deployment of 341 km of optical fiber as part of the 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 the PNDES shows that, in terms of effectiveness, the overall rate of achievement of the effects of the PNDES, 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%.

According to the 2019 PNDES performance report, the main outcomes 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 rose to 28 952 tons from 27 700 tons in 2018. The rate of coverage of livestock feed requirements was 95%, well above the annual target of 75%. In addition, the protection of animals against certain diseases improved as evidenced by the evolution of the vaccination rate against NCD, which increased to 53.7% from 52.78% in 2018. Perhaps the most important effect of the action in this sector relates to the creation of jobs in the primary sector, which amounted to 120 294 salaried jobs in 2019 against a target of 80 000;
- In terms of support for the employability of the workforce, 13,000 of the 13,000 planned brigadiers were recruited for labor-intensive work (THIMO) in urban areas, as well as 7,500 other brigadiers for THIMO in rural areas. In addition, 44,988 young people and women have benefited from actions to improve their employability, in particular, introduction to working life and pre-employment courses, involvement in development sites as volunteers, 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 the 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 girls. 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 the FAARF for the development of their IGAs;
- In terms of financing development, performance in 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 Deposit and Consignment Office). The mobilization and disbursement rates of official development assistance were also very significant 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 craft development, the clearest progress in terms of the effects of public action relates to the increase in the share of value added of industry in GDP, which rose to 20.53% in 2019 from 19.7% in 2018 for a target set at 21.5%. This performance is explained by the increase in the share of value added of the extractive industries in GDP, which was 13.13% in 2019 against a 2018 target of 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 strengthening of the formalization of the economy, with the share of the informal sector in the value added of the tertiary sector rising to 17.2% in 2019 against a target of 15% in 2018. Similarly, with a rate of credit of 34.45% compared with 33.1% in 2018 and a target of 35% in 2020, access to modern financial services has increased, especially as the expanded rate of banking was 42.28% in 2018 for a target of 35% in 2020. An important result of the PNDES was also recorded in the diversification of the country's exports, since the share of the two leading 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 infrastructures, the national electricity coverage rate was 38.7% against a target of 52.3%, while the national electrification rate was increased from 21.4% in 2018 to 22.8% in 2019 against an annual target of 40%. In the energy sector, installed capacity increased from 359.5 MW in 2018 to 410 MW in 2019, as did the share of renewable energy in total production, which rose to 18.36% from 16.87% in 2018. The commissioning of the 50 MW Agrecco thermal power plant and the production of the solar power plants in operation, combined with the increase in energy imported from Ghana and Côte d'Ivoire, explain this performance;
  - In terms of road infrastructure, despite the security context and the operational difficulties of some companies, the proportion of asphalted roads rose 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. 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 117.6 km completed and 151.01 km under construction in 2019;
  - Regarding the railway infrastructure, notable achievements include the effective start of the feasibility study for the Burkina Faso-Ghana railway interconnection project, with a level of execution of 50%, and the selection of four potential investors for the construction of the infrastructure;
  - In terms of improving internet access, the results are more tangible and concern the improvement in connectivity reflected in an increase in bandwidth capacity in 2019, with a speed of 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 made possible thanks to the efforts to provide fiber optic coverage of the territory, including 861.8 km deployed through the combined efforts of the public administration and telephone operators;

- In the area of 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 line of the fight against terrorism.
- The number of jobs created in the primary sector to 80 000 in 2019 and 110 000 in 2020.

Over the period 2019-2020, the aim was to bring:

- The national electricity coverage rate from 52.3% in 2019 to 80% in 2020;
- The national electrification rate from 40% in 2019 to 45% in 2020;
- The urban electrification rate from 70% in 2019 to 75% in 2020;
- The rural electrification rate from 12.6% in 2019 to 19% in 2020;
- The share of renewable energy in total production from 25% in 2019 to 30% in 2020.

### 3.2. Planned achievements in 2020

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

- The share of irrigated production in total production to 22% in 2019 and 25% in 2020;
- The rate of coverage of cereal needs to 140% in 2019 and 2020;
- Productivity of primary sector employment from 475,000 CFAF in 2019 to 535,000 CFAF in 2020;
- The marketing rate of agricultural products to 28% in 2019 and 37.5% in 2020;
- The rate of increase in the supply of agro-industry from 35% in 2019 to 50% by 2020;
- The quantity of fish produced from 28,000 tons in 2019 to 30,000 tons in 2020;
- The rate of coverage of livestock feed requirements to 75% in 2019 and 80% two years later;
- Newcastle disease vaccination coverage from 66% in 2019 to 70% in 2020;

At the level of 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 implementation of the incubator, nursery and business hotel in the agri-food sector (PIPHE-SA), the Project implementation for the support of the creation and development of small and medium-sized enterprises and small and medium-sized industries (PACD-PME/PMI).

In terms of 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 to the JAVA platform; (iii) rereading law 020-2013 of 23 May 2013 and the implementing texts, drawing up tender documents and standard contracts as well as guides to good practice 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 CFAF:** 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 CFAF. It lays the groundwork for member countries to join ECO, ECOWAS' single currency project. 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:

- Names 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 CFAF, 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 com-

plete 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.

## Organs

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.

## Roles

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 pressure<sup>9</sup>.

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.

The Central Bank's management of member States monetary policy consists in adjusting the global liquidity of the economy according to economic trends, 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, res-

<sup>9</sup> 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.

pectively, for banks subject to reserve requirements) allotted at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently<sup>10</sup> 2.25%). 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 2,25% and 4,25% respectively, and constitute BCEAO's two main key rates.

## Money supply

The money supply in Burkina Faso consolidated between 2016 and 2021, rising from 2,780.6 to 5,585.1 billion CFAF (Table 17). In 2021, Burkina Faso's money supply consisted of 2 636.8 billion CFAF in net foreign assets and 3 487.4 billion CFAF in domestic assets.

**Table 17: Evolution of the money supply in Burkina Faso**

Billions of CFAF	2016	2017	2018	2019	2020	2021
<b>Net foreign assets</b>	<b>1 052.8</b>	<b>1 330.1</b>	<b>1 443.5</b>	<b>1 507.7</b>	<b>1 983.7</b>	<b>2 636.8</b>
Central Bank	-136.6	-1.0	310.5	75.8	205.5	467.4
In the banks	1 189.4	1 331.1	1 133.0	1 431.8	1 778.2	2 169.3
<b>Domestic assets</b>	<b>2 055.8</b>	<b>2 436.3</b>	<b>2 721.9</b>	<b>3 068.1</b>	<b>3 380.8</b>	<b>3 487.4</b>
<b>Domestic assets</b>	<b>-88.5</b>	<b>66.1</b>	<b>57.2</b>	<b>151.9</b>	<b>192.4</b>	<b>-66.5</b>
Central Bank	-149.8	-55.7	-66.7	-41.7	21.4	-95.4
Central Bank	61.3	121.8	124.0	193.6	170.9	28.9
<b>To the credit of the economy</b>	<b>2 144.3</b>	<b>2 370.2</b>	<b>2 664.7</b>	<b>2 916.2</b>	<b>3 188.5</b>	<b>3 553.9</b>
<b>Other</b>	<b>328.0</b>	<b>399.7</b>	<b>447.1</b>	<b>519.3</b>	<b>585.3</b>	<b>539.0</b>
<b>Money supply (M2)</b>	<b>2 780.6</b>	<b>3 366.7</b>	<b>3 718.3</b>	<b>4 056.4</b>	<b>4 779.2</b>	<b>5 585.1</b>
Banknotes and coins in circulation	280.6	447.9	577.8	655.9	697.7	833.5
Deposit	2 500.0	2 918.8	3 140.5	3 400.5	4 081.5	4 751.6
<b>increase observed as at 31</b>						
Net foreign assets	42.7	26.3	8.5	4.4	31.6	32.9
Net domestic assets	0.4	-99.3	-31 918.9	-75.6	170.9	127.5
Credit to the State	36.1	11.9	-14.9	26.4	24.2	22.0
Central Bank	1.0	18.5	11.7	12.7	10.2	3.2
Banks	-595.1	-174.7	-13.4	165.4	26.7	-134.6
Credit to the economy	963.4	-62.8	19.7	-37.5	-151.4	-544.8
Money supply (M2)	91.8	98.7	1.8	56.2	-11.7	-83.1

Source: BCEAO

## 4.2. Banking system and financial market

### 4.2.1 The banking environment

Burkina Faso's banking environment is made up of traditional banks and credit institutions and microfinance institutions.

According to the WAMU Banking Commission, the country had 19 licensed credit institutions as at 31 March 2022 (15 banks and 4 licensed banking-type

financial institutions), compared with 17 in 2016. Table 18 shows the balance sheet of licensed banks and financial institutions over the period 2014-2020.

Between 2014 and 2020, bank assets increased from 3 216 to 6 725 billion CFAF. The assets of licensed banks and financial institutions will increase by 16.4% between 2019 and 2020. According to the banking commission, in 2020, the Burkinabe banking landscape was made up of 11 large banks

<sup>10</sup> BCEAO decided to raise its main policy rates by 25 basis points on 1 June 2022, effective 15 June 2022. Thus, the minimum bidding rate for liquidity injection tenders was reduced from 2.50% to 2.25% and the interest rate for the marginal lending window was reduced from 4.50% to 4.25%. As a reminder, the Central Bank cut its main policy rates by 50 basis points on June 24, 2021.

(balance sheet > 200 billion CFAF), 2 medium-sized banks (balance sheet between 100 and 200 billion CFAF) and 2 small banks (balance sheet < 100 billion CFAF).

**Table 18: Changes in the balance sheet of authorized credit institutions**

<b>BALANCE SHEET (Million CFAF for 19 institutions)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020*</b>
Treasury and interbank transactions	321 276	464 915	592 438	726 459	721 984	693 655	847 605
Transactions with customers	1 940 472	2 071 315	2 235 682	2 633 821	2 878 779	3 227 120	3 461 237
Securities and other transactions	781 915	987 976	1 360 117	1 623 64	1 512 920	1 650 623	2 203 797
Property value	168 358	242 490	271 494	167 096	186 677	204 774	
Shareholder or Partners	1 500	0	0	0	542	535	0
<b>TOTAL ASSETS</b>	<b>3 216 521</b>	<b>3 766 696</b>	<b>4 459 731</b>	<b>5 151 024</b>	<b>5 300 902</b>	<b>5 776 708</b>	<b>6 725 324</b>
Treasury and interbank transactions	791 145	947 519	1 202 761	1 291 110	1 145 409	1 141 229	1 194 616
Transactions with customers	2 054 593	2 416 133	2 758 622	3 284 863	3 520 800	3 888 231	4 701 665
Securities and other transactions	80 508	83 465	106 246	150 408	154 353	173 981	181 531
Outstanding payments on financial assets	3	3	3	3	3	3	0
Provisions, equity & similar	290 272	319 576	392 099	424 639	480 337	573 264	647 512
<b>TOTAL LIABILITIES</b>	<b>3 216 521</b>	<b>3 766 696</b>	<b>4 459 731</b>	<b>5 151 024</b>	<b>5 300 902</b>	<b>5 776 708</b>	<b>6 725 324</b>

Source: WAMU Banking Commission, Annual Report 2020

(\*): Provisional data

The WAMU Banking Commission reports that the Burkinabe banking system's assets grew by 15.6% in 2020, to reach 5 877.7 billion at the end of December 2020. Their structure remains dominated by customer loans at 58.88% and investment securities at 27.68%, while the shares of investment securities and other fixed assets stood at 2.88% and 3.92% respectively. Loans to customers increased by 7.3% in 2020 to 3 461.2 billion CFAF. They are mainly composed of short-term loans (52.97%), medium-term loans (42.02%), long-term loans (1.9%) and overdue loans (2.36%).

Short-term credits amounted to 1 833.4 billion CFAF in 2020. They recorded an increase of 13.5% between 2019 and 2020. As for medium-term credits, amounting to 1 454.5 billion CFAF, they showed an increase of 0.6% over the same period. Long-term loans amounted to 65.9 billion in 2020, a decrease of 7.2% compared to the previous year. Outstanding loans were 81.9 billion in net terms, a decrease of

0.6% between 2019 and 2020. Investment securities stood at 1 627.5 billion at the end of 2020, an increase of 20.5%. As for investment securities and other fixed assets, they amounted to 448.8 billion and 171.9 billion, up 164.8% and 3.4% respectively between 2019 and 2020.

As at 31 December 2020, the gross deterioration rate of the customer portfolio was 7.8%. Taking into account provisions, the net deterioration rate of the customer portfolio was 2.4% in 2020. This ratio is down by 0.2% compared to 2019.

In 2020, the interest rate on loans varied between 4.28% and 7.38% across banks, while the interest rate on savings varied between 5.22% and 6.22%. The average lending rate was 6.63% in 2020 compared with 7.27% in 2019, a drop of 64 basis points. According to the BCEAO, the decline in lending rates continued in 2020 with an average lending rate estimated at 7.11%.

**Table 19: Lending and deposit rates (short, medium and long term)**

Lending rate by loan duration (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 up 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 than 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
<b>Total</b>	<b>7.97</b>	<b>7.54</b>	<b>7.21</b>	<b>7.44</b>	<b>7.27</b>	<b>6.63</b>
Credit interest rate by type of deposit (in %)						
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 up 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 than 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
<b>Total</b>	<b>4.70</b>	<b>5.40</b>	<b>5.67</b>	<b>5.70</b>	<b>5.87</b>	<b>5.79</b>

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, as of 31 March 2021, Burkina Faso had 78 decentralized financial systems (SFD) with 585 service points and 1,367,572 clients. Total deposits amounted to 303.497 billion CFAF and outstanding loans amounted to 216.227 billion CFAF. Between 2020 and 2021, the amount of deposits collected increased by 14.4% and outstanding loans also increased by 15.7% over the period. The amount of outstanding loans was estimated at 13.765 billion CFAF and the portfolio deterioration rate was 6.4%. This increase in deterioration is linked to an increase in overdue loans in connection with the crisis caused by the Covid-19 pandemic. A total of 3 SFDs were in difficulty in 2021.

#### 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 the UMOA-Titres (WAMU Securities Agency), 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).

#### BRVM: Presentation and roles

Regional Stocks 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.

The dynamic recovery of activities within the region during the year 2021 brought a new lease of life to the



sub-regional stock market, putting an end to several years of underperformance. To this end, during the 2021 trading year, the BRVM composite index rose from 145.4 points on 31/12/2020 to 202.3 points on 31/12/2021. The market capitalization of the equity market increased from CFAF 4,368 billion at the end of 2020 to CFAF 6,085 billion at the end of 2021, i.e., an increase of 39%.

As regards the market capitalization of bonds, it stood at CFAF 7 247 billion as of 31 December 2021 against CFAF 6 051 billion the previous year, an increase of 20%. This increase is the result of the continuity of the efforts of the States in the support of their respective economies in a context strongly marked previously by the consequences at the world level of the pandemic of COVID-19.

Over the period 2015-2020, the underperformance of the WAEMU stock market (BRVM) showed that the regional market had not fully resisted the general downward movement that gripped the world's financial markets. The decline in 2018 of the BRVM was particularly marked. The preferred stocks in 2015, which were oriented towards the agri-food and be-

verage, agro-industry, consumer, automotive and equipment sectors, and banks, fell.

The fall in prices on the 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 has 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 listed companies have not reacted to the fall in their capitalization.

The year 2020 negatively impacted the BRVM, as it did 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 the 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.

**Table 20: BRVM financial market trends**

	2015	2016	2017	2018	2019	2020	2021
<b>BRVM 10 Indexes</b>	290	262	220	154	149	131	154
<b>BRVM composite Indexes</b>	304	292	243	172	159	145	202
<b>Composite market capitalization (stocks and bonds) in billions of CFA francs</b>	9 079	10 216	9 806	8 274	8 973	10 419	13 332
<b>Equity Market</b>	7 500	7 706	6 836	4 845	4 741	4 368	6 085
<b>Bond market</b>	1 579	2 509	2 970	3 430	4 233	6 051	7 247
<b>Number of listed companies</b>	39	43	45	45	46	46	46

Source: BRVM

## Stock market

In 2021, 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 National Telecommunications Office of Burkina Faso (ONATEL BF). On 23 March 2022, CBI had a total capitalization of 329.60 billion CFAF with a volume of 32 million shares. BOABF had a global capitalization of 136.29 billion CFAF, with a volume of 22 million shares and ONATEL BF had a global capitalization of 330.82 billion CFAF with a volume of 68 million shares. As of 23 March 2022,

ONATEL BF was the only Burkinabe company to be listed on the BRVM 10.

## Bond market

According to WAMU-Securities, the Burkinabe government, through the Treasury, organized thirteen (13) issues of treasury bills and twenty-four (24) issues of treasury bonds in 2021. A total of 1 389.08 billion CFAF was mobilized in 2021 on the sub-regional financial market against 926 billion CFAF in 2020, i.e., an increase of 50%. During the year 2021, a total amount of 455.46 billion CFAF was mobilized through the issuance of treasury bills against

486 billion CFAF in 2020, a drop of 6.28%. As for bonds, a total amount of 933.625 billion CFAF was mobilized in 2021 through issues on the sub-regional market against 440 billion CFAF in 2020, an increase of 112.18%. Interest rates in 2021 varied between 4.25% and 6.25% depending on the maturity of the securities, i.e., from 6 months to 10 years.

Between January and September 2022, the Burkina Treasury organized five (05) issues of treasury bills and eighteen (18) issues of treasury bonds. A total of 645.13 billion CFAF was raised over the period, including 119.862 billion CFAF via treasury bills.

**Table 21: Burkina Faso's emissions since 2021**

Instrument	Date of operation	Operation date	Due date	Maturity (year)	Amount in million CFAF
Treasury Bonds	14/09/2022	16/09/2022	16/09/2027	5.00	11 300
Treasury Bonds	14/09/2022	16/09/2022	16/09/2029	7.00	18 700
Treasury bills	17/08/2022	18/08/2022	16/08/2023	1.00	22 035
Treasury Bonds	17/08/2022	18/08/2022	18/08/2025	3.00	10 690
Treasury Bonds	08/08/2022	08/08/2022	08/08/2034	12.00	165 000
Treasury Bonds	03/08/2022	04/08/2022	04/08/2025	3.00	10 500
Treasury Bonds	03/08/2022	04/08/2022	04/08/2029	7.00	25 313
Treasury Bonds	20/07/2022	21/07/2022	21/07/2025	3.00	12 503
Treasury Bonds	20/07/2022	21/07/2022	21/07/2027	5.00	17 750
Treasury Bonds	25/05/2022	26/05/2022	27/05/2027	5.00	700
Treasury Bonds	25/05/2022	26/05/2022	27/05/2029	7.00	17 807
Treasury Bonds	11/05/2022	12/05/2022	28/04/2027	5.00	11 203
Treasury Bonds	11/05/2022	12/05/2022	12/05/2029	7.00	28 888
Treasury bills	27/04/2022	28/04/2022	26/04/2023	1.00	3 000
Treasury Bonds	27/04/2022	28/04/2022	28/04/2027	5.00	22 550
Treasury Bonds	13/04/2022	14/04/2022	14/04/2029	7.00	51 655
Treasury bills	16/03/2022	17/03/2022	15/03/2023	1.00	25 327
Treasury Bonds	02/03/2022	03/03/2022	03/03/2025	3.00	8 490
Treasury Bonds	02/03/2022	03/03/2022	03/03/2032	10.00	41 368
Treasury bills	16/02/2022	17/02/2022	17/08/2022	0.50	33 000
Treasury Bonds	02/02/2022	03/02/2022	03/02/2025	3.00	27 856
Treasury Bonds	19/01/2022	20/01/2022	20/01/2027	5.00	44 000
Treasury bills	05/01/2022	06/01/2022	04/01/2023	1.00	36 500
Treasury bills	15/12/2021	16/12/2021	14/12/2022	1.00	33 000
Treasury Bonds	01/12/2021	02/12/2021	04/11/2024	3.00	3 750
Treasury Bonds	01/12/2021	02/12/2021	02/12/2026	5.00	29 250
Treasury bills	17/11/2021	18/11/2021	16/11/2022	1.00	31 981
Treasury Bonds	03/11/2021	04/11/2021	04/11/2024	3.00	1 919
Treasury Bonds	03/11/2021	04/11/2021	04/11/2026	5.00	30 800
Treasury bills	20/10/2021	21/10/2021	19/10/2022	1.00	31 200

Treasury bills	08/10/2021	11/10/2021	09/10/2022	1.00	47 062
Treasury Bonds	06/10/2021	07/10/2021	07/10/2026	5.00	9 800
Treasury Bonds	06/10/2021	07/10/2021	07/10/2028	7.00	33 946
Treasury bills	22/09/2021	23/09/2021	21/09/2022	1.00	45 500
Treasury Bonds	15/09/2021	16/09/2021	24/06/2026	5.00	27 500
Treasury Bonds	01/09/2021	02/09/2021	27/05/2028	7.00	27 500
Treasury bills	18/08/2021	19/08/2021	17/11/2021	0.25	33 000
Treasury Bonds	28/07/2021	29/07/2021	29/07/2024	3.00	16 500
Treasury Bonds	28/07/2021	29/07/2021	29/07/2031	10.00	38 500
Treasury bills	07/07/2021	08/07/2021	06/07/2022	1.00	36 500
Treasury Bonds	24/06/2021	24/06/2021	24/06/2031	10.00	165 000
Treasury Bonds	23/06/2021	24/06/2021	24/06/2024	3.00	10 510
Treasury Bonds	23/06/2021	24/06/2021	24/06/2026	5.00	11 407
Treasury Bonds	23/06/2021	24/06/2021	24/06/2028	7.00	54 312
Treasury bills	09/06/2021	10/06/2021	08/06/2022	1.00	32 240
Treasury Bonds	26/05/2021	27/05/2021	27/05/2024	3.00	15 000
Treasury Bonds	26/05/2021	27/05/2021	27/05/2028	7.00	15 750
Treasury Bonds	26/05/2021	27/05/2021	27/05/2031	10.00	57 181
Treasury bills	10/05/2021	11/05/2021	08/11/2021	0.50	33 000
Treasury Bonds	28/04/2021	29/04/2021	29/04/2024	3.00	14 500
Treasury Bonds	28/04/2021	29/04/2021	29/04/2026	5.00	51 500
Treasury bills	14/04/2021	15/04/2021	13/04/2022	1.00	33 000
Treasury Bonds	07/04/2021	08/04/2021	08/04/2026	5.00	28 150
Treasury Bonds	07/04/2021	08/04/2021	08/04/2028	7.00	59 850
Treasury bills	24/03/2021	25/03/2021	23/03/2022	1.00	33 000
Treasury Bonds	24/03/2021	24/03/2021	24/03/2031	10.00	165 000
Treasury bills	17/02/2021	18/02/2021	18/08/2021	0.50	33 000
Treasury Bonds	03/02/2021	04/02/2021	04/02/2026	5.00	33 000
Treasury Bonds	20/01/2021	21/01/2021	21/01/2024	3.00	33 000
Treasury bills	06/01/2021	07/01/2021	05/01/2022	1.00	32 980

Source: DGTCP

### 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 auction market

The auction market is a segment of the public securities market, in which WAEMU member State's issue Treasury bills and bonds through an auction procedure 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-UMOA<sup>11</sup>;

- 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 (WAMU Securities Agency), the regional agency in charge of issuing and managing public debt securities, physically organizes issues and aids member States in mobilizing resources on the capital markets and managing their debt.
- Investors, which are credit institutions, MFIs (Micro Financing Institution), and regional financial organizations with a settlement account in the books of the Central Bank<sup>12</sup>;
- 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<sup>13</sup>.

Securities issued at auction are traded on the secondary market, following an over-the-counter procedure.

### Syndicated market organization

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public pole made up of the Regional Council for Public Savings and Financial Markets (CREPMF) and a private pole comprising, on the one hand, central agencies such as the Regional Stocks Exchange (BRVM) 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.
- Management of unsettled transactions.

The Central Depository/Settlement Bank (DC/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 oversees specific missions in the issue process.

<sup>11</sup> Automated Securities and Liquidity Management System of the West African Monetary Union.

<sup>12</sup> All other investors wishing to participate will have to go through the approved stakeholders.

<sup>13</sup> The operationalization of primary dealers within WAEMU started on March 1, 2016.

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 3.9% in 2021 in Burkina Faso, compared with 1.9% in 2020. Over the 2016-2020 period, Burkina Faso met the WAEMU community standard for inflation ( $\leq 3\%$ ) with an in-

flation rate between -0.2% and 1.9%. The good performance of the 2018/2019 agricultural season and the continuation of government measures to combat high living costs (sale of cereals at social prices in deficit areas, price controls on consumer goods, opening of cereal sales outlets at subsidized prices) would explain the control of inflation. The inflation rate of 3.9% in 2021, which is higher than the EU norm, is linked to the impact of COVID 19. This could be explained by the rainfall deficit experienced during the 2021/2022 agricultural season, which led to a shortage of cereal supplies, and by the resumption of post-COVID activity, which fueled the rise in consumer prices.

**Table 22: Evolution of the inflation rate**

Year	2016	2017	2018	2019	2020	2021
Inflation rate (%)	-0.2	2.9	1.9	-3.2	1.9	3.9

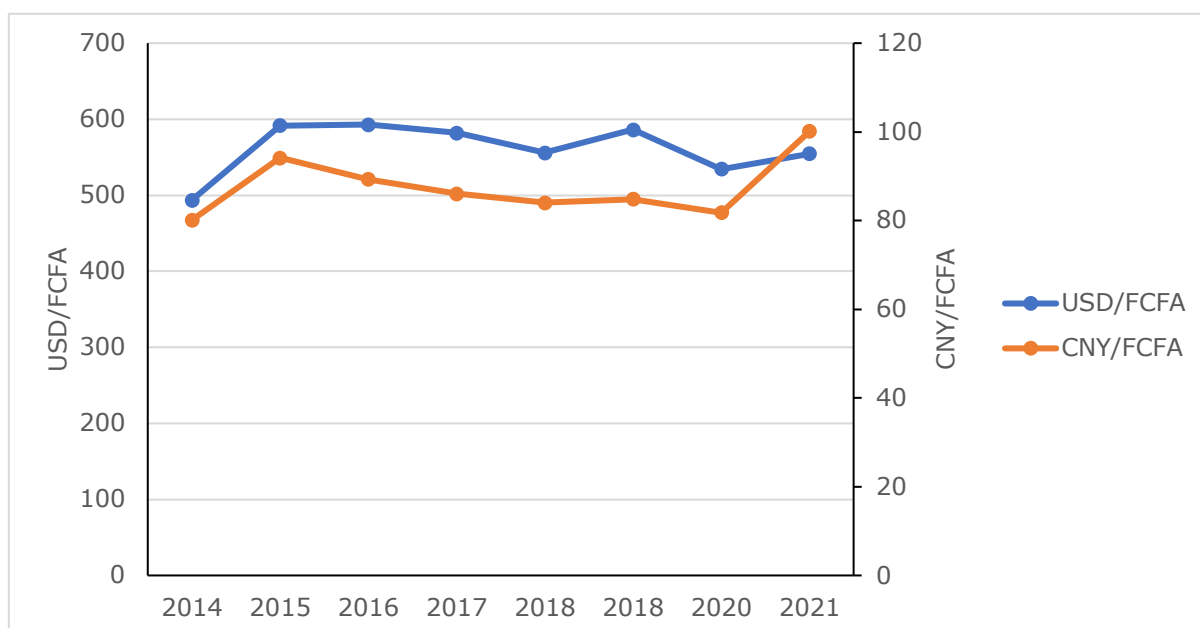
Source: BCEAO

### 4.4. Exchange rates

The exchange rate between the US dollar and the CFAF fell slightly between 2015 and 2021, from 1 USD for 591.45 CFAF to 1 USD for 554.53 CFAF (Figure 2). As for the exchange rate between the Chinese Yuan and the CFAF, it rose from 1 CNY for 94.12 CFAF in 2015 to 1 CNY for 100.09 CFAF in

2021. Over the period 2015-2020, the CFAF appreciated slightly against the two currencies that are particularly important for financing the country's economy. However, between 2020 and 2021, the CFAF depreciated against the Chinese yuan. This could be explained by the COVID-19 pandemic, which is disrupting trade between WAEMU countries and China.

**Figure 2: Evolution of the USD/CFAF and CNY/CFAF exchange rates**



Source: BCEAO

## 4.5. Foreign reserves

The main assets recorded at the level of 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 22 shows that Burkina Faso's reserves increased from 349.9 to 970.2 billion CFAF from 2014 to 2020 and amounted to 1 044.1 billion CFAF in 2021.

**Table 23: Evolution of foreign reserves from 2014 to 2021**

External assets	2014	2015	2016	2017	2018	2019	2020	2021
	Billions of CFAF							
<b>Official reserve assets</b>	<b>47</b>	<b>40.6</b>	<b>33.3</b>	<b>22</b>	<b>24.1</b>	<b>31.3</b>	<b>134.1</b>	<b>240.1</b>
Monetary gold	0	0	0	0	0	0	0	0
Foreign currency	0.8	2.6	2	1	1.7	1.8	2.3	0.6
Deposits and securities included in the official reserves	0	0	0	0	0	0	0	0
Reserve position in the IMF	8.5	7.1	21.2	13.5	19.8	17.07	13.3	21.9
Special Drawing Rights (SDR) assets	37.7	31	10.1	7.5	2.6	12.4	118.5	217.6
<b>Other external assets</b>	<b>302.8</b>	<b>517.9</b>	<b>588.5</b>	<b>875.7</b>	<b>905.4</b>	<b>1000.6</b>	<b>836.1</b>	<b>804.0</b>
<b>Total</b>	<b>349.9</b>	<b>558.5</b>	<b>621.8</b>	<b>897.8</b>	<b>929.5</b>	<b>1031.9</b>	<b>970.2</b>	<b>1 044.1</b>

Source: BCEAO

### 5.1. Balance of Payments

According to the BCEAO, the current account balance will show a surplus of 335.9 billion in 2021, compared with 427.8 billion in 2020, a deterioration of 91.9 billion (-21.5%). This change in the current account balance reflects the decline in the surplus on the balance of goods and services and the surplus on the secondary income account, combined with the increase in the deficit on the primary income account.

The balance of goods was in surplus for the fourth consecutive year (161.1 billion CFAF in 2018; 214.3 billion CFAF in 2019; 765.5 billion CFAF in 2020 and 914.7 billion CFAF in 2021), in line with the dynamism of activity in the mining sector. On the other hand, the balance of services, which is structurally in deficit, has deteriorated by 36.8%, rising from -433.5 billion in 2020 to -593.0 billion in 2021.

The structural deficit balance of the primary income account deteriorated by 7.6% in 2021 compared with 2020, to -344.1 billion CFAF. The surplus balance of the secondary income account fell by 13.8% from 415.6 billion CFAF to 358.3 billion CFAF between 2020 and 2021. This performance is attributable to a drop in transfers to the public administration.

At the end of 2021, the capital account showed a surplus balance of 253.0 billion, an increase of 82.68 billion compared to 2020, i.e., +19.6%. This increase is linked 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 64.2 billion in 2021 against -159.2 billion in 2020, i.e., a fall of 223.4 billion.

**Table 24: Evolution of Burkina Faso's balance of payments between 2016 and 2022**

In billion CFAF	2016	2017	2018	2019	2020 (Estima- tions)	2021 (Estima- tions)	2022 (Projec- tions)
<b>Current account balance</b>	-462.4	-520.4	-369.3	-306.9	427.8	335.9	242.0
<b>Balance of goods and services</b>	-471.7	-521.6	-364.1	-325.5	332.0	321.7	138.2
<b>Balance of Goods</b>	-0.4	-3.1	161.1	214.3	765.5	914.7	919.8
<b>Exports FOB</b>	1 676.4	1 887.3	2 196.4	2 301.3	2 789.9	3 075.1	3 569.8
Of which cotton	198.4	253.3	250.4	206.1	150.7	251.4	322.4
Of which Gold	1 091.8	1 278.4	1 492.5	1 685.8	2 279.3	2 413.9	2 830.0
<b>Imports FOB</b>	-1 676.7	-1 890.4	-2 035.2	-2 087.0	-2 024.4	-2 160.4	-2 650.0
<b>Imports CAF</b>	-1 983.5	-2 267.1	-2 436.0	-2 491.6	-2 240.0	-2 620.2	-3 288.2
Of which petroleum products	-425.7	-478.9	-650.5	-704.3	-640.2	-755.5	-1 180.9
Of which food products	-175.6	-178.4	-269.9	-238.7	-251.2	-273.0	-380.9
<b>Services (net)</b>	-471.4	-518.5	-525.3	-539.8	-433.5	-593.0	-781.6
<b>Primary income balance</b>	-231.8	-230.4	-267.0	-299.5	-319.9	-344.1	-321.3
<b>Secondary income balance (transfer)</b>	241.1	231.5	261.8	318.0	415.6	358.3	425.1
<b>Capital account</b>	150.1	172.8	175.8	125.9	211.6	253.0	284.1
<b>Acquisition and sale of non-financial assets</b>	0.2	0.2	0.2	0.1	0.2	0.2	0.2
<b>Capital transfer</b>	150.0	172.6	175.6	125.8	211.4	252.8	283.9
<b>Financial account</b>	-554.9	-599.1	-313.2	-252.9	159.2	-64.2	88.2

<b>Of which direct investment</b>	-201.6	4.5	-111.5	-85.9	52.7	-61.8	-66.4
<b>Of which Other investments</b>	-345.4	-491.2	-51.5	-47.1	212.3	131.9	252.7
<b>Net errors and omissions</b>	-3.3	-4.5	1.2	-4.2	-4.2	0.0	0.0
<b>Overall balance</b>	239.4	247.0	121.0	67.7	476.0	653.1	437.9
<b>Revaluations and other non-transactional flows</b>	75.6	30.4	-7.6	0.0	0.0	0.0	
<b>Change in net foreign assets</b>	-315.0	-277.4	-113.4	-67.7	-476.0	-653.1	-437.9

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 different spaces. Indeed, the regional negotiating space is articulated around the following elements:

- The finalization of the Common External Tariff (CET) at ECOWAS level, and thus the constitution of a Customs Union.
- A bilateral negotiation area, notably between the West African region and the EU, concerning the EPA.
- A multilateral negotiating area, which refers to the rules of the WTO, 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 UEMOA and ECOWAS only have ad hoc observer status in the WTO Trade and Development Committee.

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

- A common market set up on 1 July 1996 for local and unprocessed products (Union products from the animal, mineral and plant kingdoms) and traditional crafts, and until 1 January 2000 for ap-

proved industrial products. This common market was extended to all ECOWAS countries in 2004.

- A Customs Union set up on 1 January 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 1 January 2015, when the WAEMU CET was replaced by the ECOWAS CET which enshrines the enlargement 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 safeguard, and protection measures (degressive protection tax (DPT), short-term export tax (TCI), reference values and anti-dumping duty).

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.



- Make essential adjustments and consider other business needs.

The needs and priorities were identified based on 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 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:

- 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.
- A table of duties and taxes applicable to imported products which includes: the customs duty (CD), the statistical fee (SF) and the ECOWAS community levy (CL ECOWAS).
- 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.
- The statistical royalty rate is set at 1% and applies equally to all imported products, whether exempt or not.
- 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 coun-

tries 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 years<sup>14</sup>.
- 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.
- **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 GSP on everything except arms; which gives them access to the European market for all their exports to the EU without duty or quota.

## 5.2.2 Regional trade by value

The evolution of Burkina Faso's regional trade with the rest of the seven (7) WAEMU countries between 2014 and 2020 shows that the country has an intra-zone trade balance deficit over the entire period (Figure 3). In 2020, Burkina Faso's exports to other WAEMU countries reached 150.5 billion CFAF, distributed in ascending order of importance as follows Côte d'Ivoire with 70.84 billion CFAF (47.08%), Niger with 29.46 billion CFAF (19.58%), Mali with 23.03

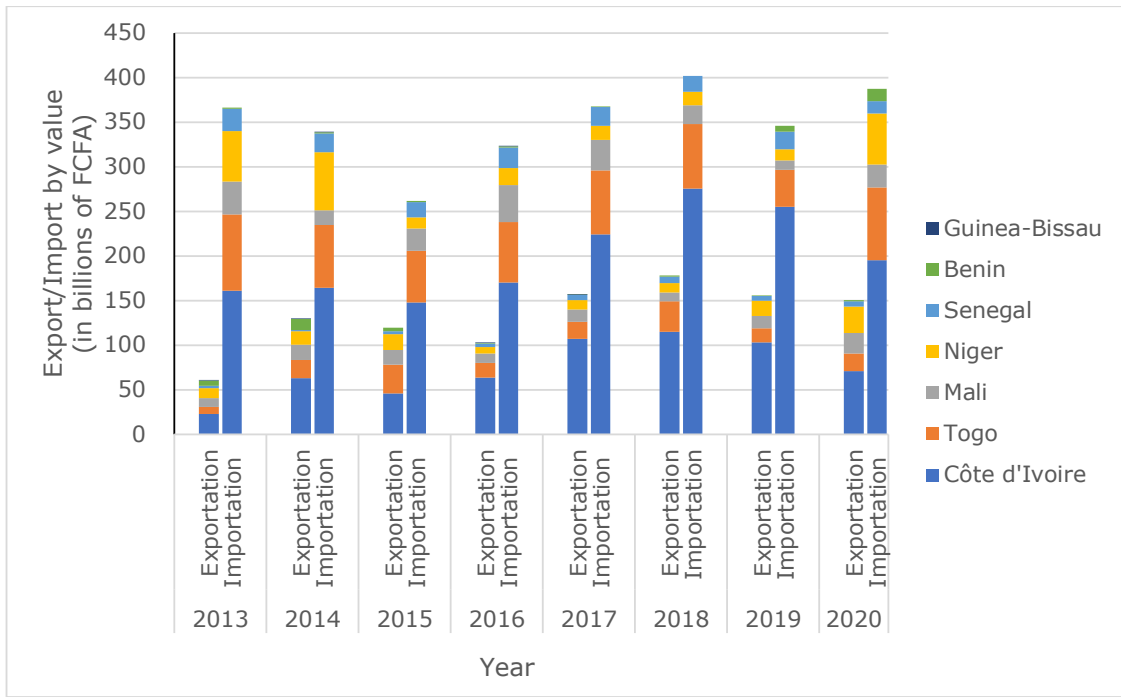
billion CFAF (15.31%), Togo with 20.02 billion CFAF (13.3%), Senegal with 5.99 billion CFAF (3.98%) and Benin with 1.13 billion CFAF (0.76%). There were almost no exports to Guinea-Bissau.

With regard to imports, Burkina Faso's suppliers in 2020 in the WAEMU area, in order of importance, were Côte d'Ivoire with 195.36 billion CFAF (50.46%), Togo 81, 46 billion CFAF (21.04%), Niger with 57.29 billion CFAF (14.8%), Mali with 25.85 billion CFAF (6.68%), Senegal with 13.96 billion CFAF (3.6%), and Benin with 13.23 billion CFAF (3.42%). Côte d'Ivoire thus remains Burkina Faso's main client and supplier in the WAEMU area, accounting for almost 47% of the country's exports and 50% of its imports. The weight of Côte d'Ivoire in Burkina Faso's intra-WAEMU trade has, however, fallen slightly compared to previous years, when it accounted for more than 60% of exports and imports. This decline could be explained by the border closure measures implemented in 2020 following the COVID-19 pandemic.

In 2020, Burkina Faso's intra-WAEMU imports were about 2.57 times its exports to the zone. In 2019, this ratio was 2.21 compared with 2.6 in 2014. With the exception of 2020, there has been a general decline in the import-to-export ratio over the period 2014-2019, indicating an improvement in Burkina Faso's ability to export to the rest of the region. 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 28.7% in 2020, against 29.7% in 2019. On average, over the period 2016-2020, this indicator stood at 29.5%.

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

**Figure 3: Evolution of exports and imports between Burkina Faso and other WAEMU countries from 2014 to 2020**



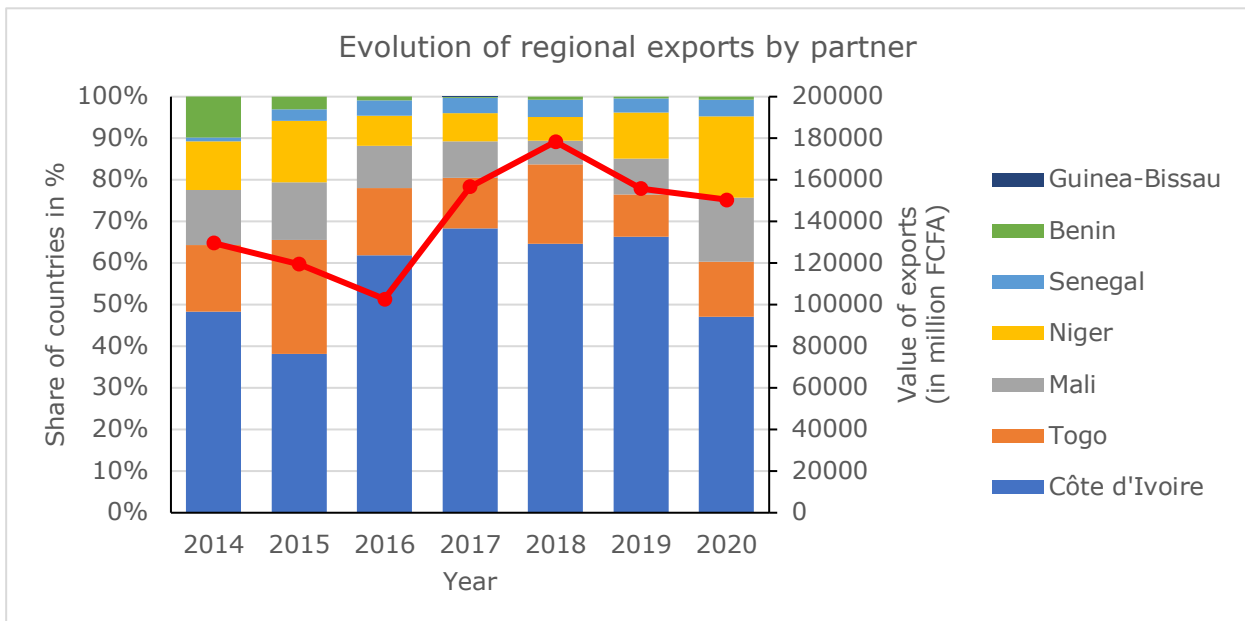
Source: BCEAO

### 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 the leading export partner. Its weight in exports rose from 48.5% to 66.4% between 2014 and 2019 before falling to 47% in 2020 (Figure 4). Niger, Mali, and Togo come next respectively in 2nd, 3rd and 4th position as key export partners in 2020 and this order

is almost the same since 2014 with just a change in position between Togo and Niger in 2020. These three partners represented shares of 19.58%, 15.3% and 13.3% respectively in 2020 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 2020 representing respectively 3.98%, 0.76% and less than 0.01% of the value of exports in 2020.

**Figure 4: Structure of exports by destination for exports to the seven other countries of the WAEMU zone between 2014 and 2020**

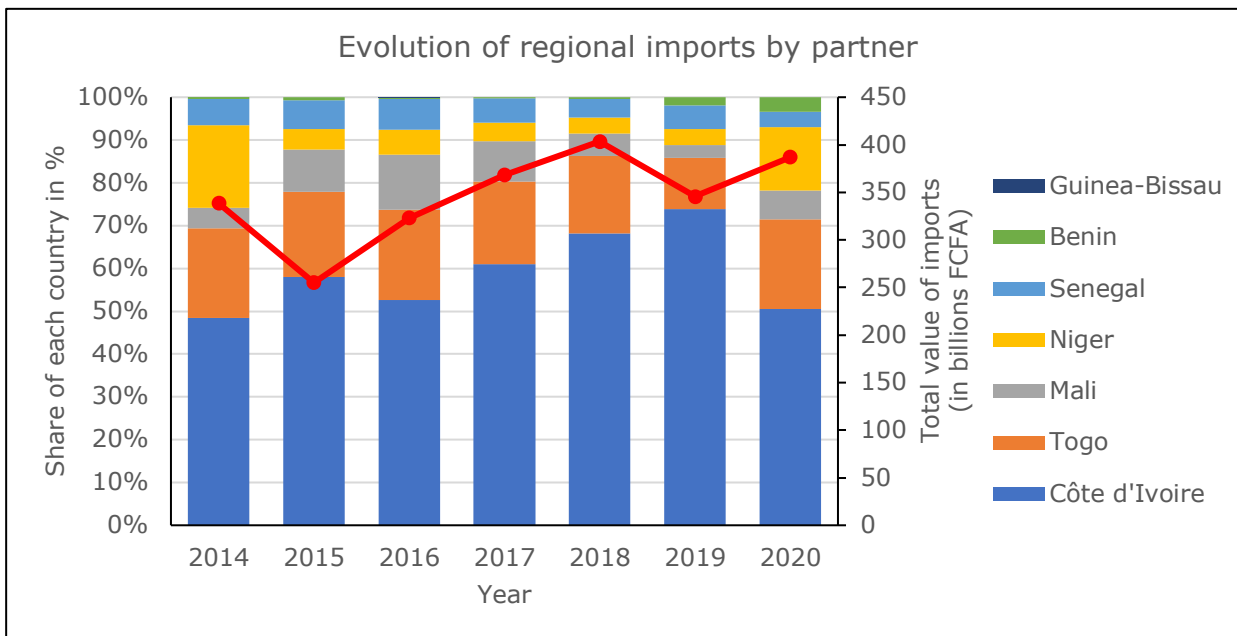


Source: BCEAO

In terms of imports from the WAEMU zone, Côte d'Ivoire remains Burkina Faso's main supplier. Its weight in Burkina Faso's total imports was 50.46% in 2020, compared with 73.9% in 2019 (Figure 5). Togo is the country's second largest supplier, accounting for 21.04% of imports in 2020 compared with 11.9% in 2019. Niger, Mali, and Senegal occupy

third, fourth and fifth place respectively with 14.8%, 6.6% and 3.61% of total imports in 2020, with variations of a few points in previous years. Benin and Guinea-Bissau come in sixth and seventh place with respectively 3.42% and less than 0.01% of Burkina Faso's intra-WAEMU imports in 2020.

**Figure 5: Structure of imports by supplier for imports from the seven other countries of the WAEMU zone between 2014 and 2020**



Source: BCEAO

### 5.2.4 Regional trade by product type

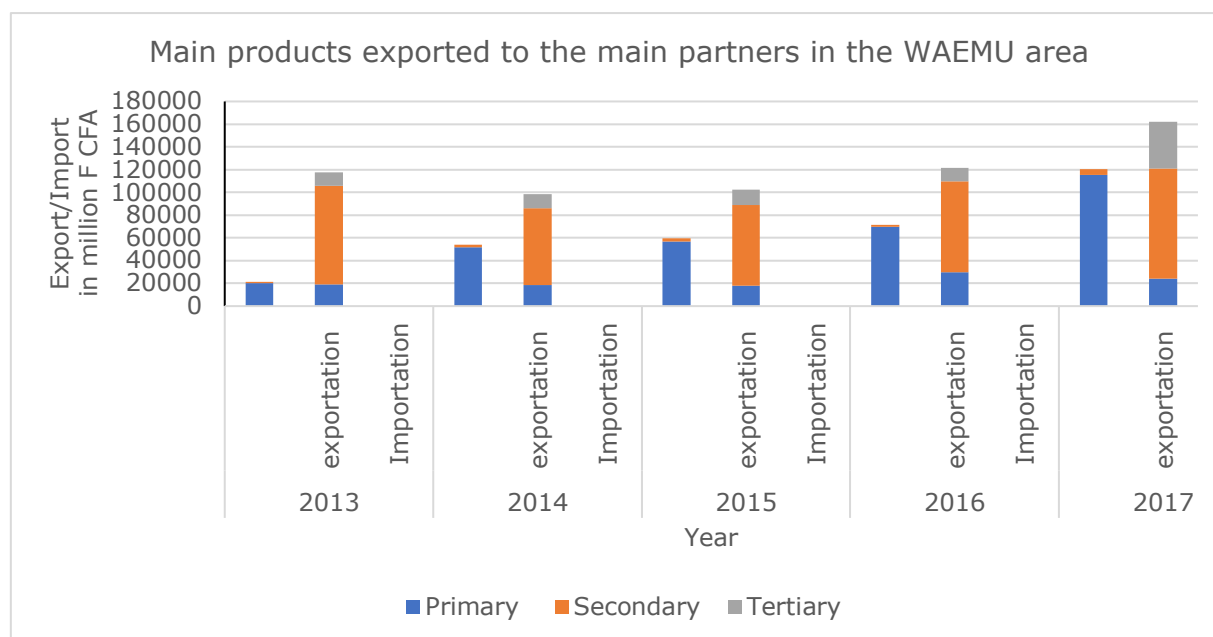
Burkina Faso's exports to the WAEMU are mainly directed towards Côte d'Ivoire and Togo. The products exported to these two countries are dominated by primary sector products, mainly zinc in raw form, sesame seeds, cashew nuts, oil seeds and fruits, and market garden products. The total amount of primary sector products exported to these two countries was about 115.3 billion CFAF in 2017 compared to 20 billion CFAF in 2013 (Figure 6). The total amount of secondary sector products exported to these two countries was 5.2 billion CFAF in 2017 compared to 1.2 billion CFAF in 2013. These products consist mainly of twisted yarn or cotton cable, self-propelled dumpers, and automotive 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 from these two countries in 2017 were dominated by secondary sector products, followed by tertiary and primary sector products. Total imports from these two countries in 2017 were about 162 billion CFAF compared with 117.6 billion CFAF in 2013. Secondary sector products imported from Côte d'Ivoire and Togo include mainly petroleum oils<sup>15</sup>, hydraulic cement and rolled products. Primary sector products consist mainly of palm oil and its fractions, milk, and milk cream. As regards tertiary sector products, the main products are electrical energy and clothing.

<sup>15</sup> For Togo, these are petroleum products in transit.

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



Source: DGC, Ministry of Trade

### 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:

- Put in place conditions favorable to the liberalization of trade;
- Improve the regulatory conditions for the creation and exercise of private enterprise, both for nationals and for foreign investment through the creation of Business Formality Centers;
- Promote the development of business within a framework of legal security in accordance with international standards;
- Pursue measures to adapt national regulations to those in force in the WAEMU, ECOWAS and the WTO.

Burkina Faso's policy on trade in goods consists essentially of the implementation of 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 25 November 1991 and its implementing Decree No.

91-034 of 27 November 1991, as well as Law No. 15/94 of 5 May 1994 on the organization of competition and consumption, which was amended by Law No. 33-2001/AN of 4 December 2001. Burkina Faso's foreign trade measures do not derogate from Community principles.

The agreements and arrangements concluded by Burkina Faso include multilateral agreements, regional agreements, bilateral agreements, and preferential agreements. Under the multilateral agreements, the country has been a member of the GATT since 1963 and has ratified the Agreement establishing the WTO, becoming a founding member of this organization on 3 June 1995. About regional agreements, Burkina Faso is a founding member of the WAEMU created 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 partnership dynamic 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 28 May 2018 with the signing of several protocols of agreement 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 10 December 2004, Burkina Faso has made every effort to comply with the requirements of this law and to obtain the textile visa to enable 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

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 25.

**Table 25: Trade agreements between Burkina Faso and its main partners**

Agreement governing the exchange of goods and services	Countries concerned
WAEMU Treaty	Ivory Coast, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau.
ECOWAS Treaty	Ghana, Nigeria, Ivory Coast, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau, Liberia, Sierra Leone, Cape Verde, Guinea.
Marrakech Agreement establishing the WTO	AFRICA: Ghana, Nigeria, Ivory Coast, Mali, Niger, Senegal, Togo, Benin, Guinea-Bissau, Liberia, Sierra Leone, Cape Verde, Guinea, Morocco, Egypt, Tunisia, South Africa.
	ASIA: India, Singapore, Vietnam, Japan, China, Dubai, Thailand, Indonesia, Lebanon, Burma, South Korea.
	AMERICA: USA, Canada, Brazil, Haiti, Guadeloupe (France), Paraguay, Guatemala, Peru.
	EUROPE: Turkey, Russia, France, Switzerland, Netherlands, Denmark, UK, Turkey, Germany, Spain, Belgium, Luxembourg, Italy, Sweden, Finland.
Treaty of the Economic Commission for Africa (African Union)	Ghana, Nigeria, Ivory Coast, 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
Agreement on the protection of investments and non-double taxation 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 (agreement ratified on 28 May 2018)	People's Republic of China
AGOA	USA
Cotonou Agreement between the ACP countries and the European Union	France, Switzerland, Netherlands, Denmark, UK, 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 2 507.19 billion CFAF in 2020 to its main partners (Table 25). There are essentially three groups of importance for exports by va-

lue. Europe is the first partner, accounting for about 80% of exports in 2020. Asia and Africa are respectively second and third and constitute the second group with 10.85% and 8.35% respectively. Finally, America is a fairly negligible partner, accounting for

barely 0.24% of exports by value in 2020. Burkina Faso's exports are thus mainly directed towards Europe. In 2020, the total value of Burkina Faso's ex-

ports to this destination was around 2 019.3 billion CFAF, compared with 759.8 billion CFAF in 2015.

**Table 26: Burkina Faso's main export destinations between 2015 and 2020 in million CFAF**

Country	2016	2017	2018	2019	2020
<b>European Union</b>	<b>116 569.7</b>	<b>89 468.9</b>	<b>131 455.4</b>	<b>118 394.9</b>	<b>96 966.0</b>
<b>Including</b>					
France	36 380.9	43 078.3	71 902.3	58 559.5	29 336.6
Belgium, Luxembourg	1 817.3	3 666.8	5 205.4	8 175.7	12 515.8
Netherlands	5 922.9	16 447.6	15 976.4	5 085.0	6 243.0
Germany	6 341.2	5 064.6	7 211.6	8 520.6	11 029.2
Italy	1 314.0	734.1	665.9	1 750.9	1 217.0
United Kingdom	22 267.0	8 682.2	17 354.6	12 006.9	2 391.2
Denmark	22 267.0	8 682.2	17 354.6	12 006.9	2 391.2
Spain	1 097.4	987.0	579.5	1 525.4	2 018.8
Sweden	137.2	76.4	416.0	71.0	143.6
<b>Other European countries</b>	<b>889 488.8</b>	<b>999 974.9</b>	<b>957 034.7</b>	<b>1049 325.2</b>	<b>1922 382.4</b>
<b>Including</b>					
Switzerland	889 459.6	999 959.3	957 030.8	1 048 863.4	1 921 298.7
<b>North Africa</b>	<b>522.0</b>	<b>379.9</b>	<b>840.5</b>	<b>878.8</b>	<b>566.7</b>
<b>Including</b>					
Morocco	490.3	259.5	689.2	339.6	228.2
Tunisia	22.2	84.0	134.8	131.4	52.3
Egypt	0.0	0.0	8.9	309.7	181.8
Sudan	-	-	1.0	-	0.2
<b>West Africa</b>	<b>141 610.1</b>	<b>191 598.0</b>	<b>234 647.4</b>	<b>210 128.1</b>	<b>187 786.1</b>
<b>Including</b>					
Mauritania	2 067.6	1 154.7	1 370.6	532.0	409.1
Mali	10 298.5	14 064.3	9 078.4	13 471.1	23 033.2
Niger	7 484.0	10 549.3	9 785.4	17 198.6	29 463.7
Senegal	3 862.6	6 496.7	5 687.5	5 244.9	5 991.0
Guinea	1 651.7	4 785.0	2 858.0	1 920.0	3 000.5
Côte d'Ivoire	63 525.1	107 345.0	114 236.0	103 450.4	70 844.6
Ghana	34 991.4	26 193.0	55 725.6	51 546.3	33 775.2
Togo	16 746.0	20 487.3	34 003.4	15 760.8	20 020.5
Benin	840.2	460.9	1 191.9	675.8	1 139.3
Nigeria	108.4	30.4	19.4	47.9	23.7
<b>Central Africa</b>	<b>306.8</b>	<b>396.3</b>	<b>281.7</b>	<b>484.5</b>	<b>119.8</b>
<b>Including</b>					
Tchad	51.7	14.2	49.0	281.8	40.1
Cameroon	113.7	106.6	18.7	51.5	64.1
Gabon	59.7	56.7	122.5	17.9	7.9
Congo	36.4	43.2	40.3	30.6	0.0
<b>Southern Africa</b>	<b>54 067.1</b>	<b>16 529.3</b>	<b>389.1</b>	<b>1 412.4</b>	<b>1 528.4</b>
<b>Including</b>					
South Africa	54 067.1	16 529.3	389.1	1 291.6	1 528.4
East Africa	291.0	724.1	318.0	3 229.0	19 456.7
<b>Asia</b>	<b>274 662.4</b>	<b>374 036.2</b>	<b>460 611.9</b>	<b>497 478.9</b>	<b>272 069.9</b>
<b>Including</b>					
Turkey	192.2	6 120.9	2 240.3	228.3	1 109.1
Liban	387.3	11.3	33.6	0.5	20.0

Dubai	1 030.4	931.5	5 467.4	5 298.0	7 618.5
India	77 296.3	167 999.0	278 653.8	336 294.9	170 361.4
Indonesia	10.3	98.0	-	-	-
Malaysia	1 907.8	1 239.8	1 766.5	3 318.8	4 588.4
Singapore	136 984.9	153 188.3	139 714.3	123 784.1	69 005.6
China	24 929.9	5 843.6	7 280.2	8 057.5	1 482.4
Japan	9 545.1	16 656.8	2 256.8	4 339.1	4 764.7
Hong Kong	1 045.3	72.0	5.2	291.1	411.8
Vietnam	16 558.5	21 575.3	22 918.7	15 579.7	12 103.0
<b>America</b>	<b>11 898.2</b>	<b>2 551.0</b>	<b>12 612.6</b>	<b>15 222.5</b>	<b>6 239.2</b>
<b>Including</b> United States of America	1 240.0	1 842.3	3 855.6	3 797.5	5 471.3
Canada	10 614.9	515.8	8 087.5	1 214.4	669.6
<b>Oceania</b>	<b>57.1</b>	<b>35.5</b>	<b>69.6</b>	<b>164.0</b>	<b>76.6</b>
<b>C</b> Australia, Norfolk Islands, Cocos	57.0	33.4	64.2	86.9	76.6
New Zealand	0.2	2.1	5.4	77.1	-
Other countries	-	-	-	-	-
<b>Total</b>	<b>1489473.1</b>	<b>1675694.1</b>	<b>1798260.8</b>	<b>1896718.1</b>	<b>2507191.7</b>

Source: INSD, 2022

In terms of imports, Europe remains Burkina Faso's leading supplier with 814.7 billion CFAF in 2020, or 34.3% of the country's total imports (Table 27). Asia and Africa come second and third with 671.6 billion CFAF and 652.9 billion CFAF respectively in 2020, or

28.34% and 27.55% of Burkina Faso's total imports. America remains the country's fourth largest supplier with a total import value of 210.1 billion CFAF in 2020, i.e., about 8.8%.

**Table 27: Orientation of Burkina Faso's imports between 2014 and 2020 in CFAF million**

Country	2016	2017	2018	2019	2020
<b>European Union</b>	513 208.6	667 906.4	589 675.1	617 078.5	616 101.0
<b>Including</b> France	60 448.1	192 374.9	176 787.4	181 806.6	175 666.6
Belgium, Luxembourg	35 045.9	42 900.6	42 590.8	51 071.8	37 668.4
Netherlands	92 264.0	152 301.4	77 020.4	54 782.5	74 836.0
Germany	59 229.5	88 259.2	82 781.1	73 548.0	83 048.9
Italy	33 282.0	34 151.4	38 263.1	51 000.4	54 020.8
United Kingdom	25 085.8	23 729.5	29 775.8	47 190.9	45 206.8
Ireland	5 176.2	3 936.2	7 206.2	6 493.4	5 072.9
Denmark	8 245.4	5 791.8	12 538.1	12 119.9	7 226.6
Portugal	4 674.5	6 346.7	10 332.1	9 596.0	7 579.1
Spain	40 812.0	56 299.7	51 664.8	34 606.8	50 257.3
Sweden	20 911.0	20 603.1	18 903.7	33 200.4	26 869.7
Finland	9 629.8	14 176.2	13 215.4	25 972.2	15 710.3
Poland	2 150.1	5 028.5	3 026.8	3 363.8	6 288.6
Hungary	1 644.1	3 530.8	5 399.5	2 745.9	1 769.5
Romania	1 219.5	1 820.2	2 237.4	1 855.8	1 662.8
Other European countries	60 435.0	94 055.6	188 318.1	243 055.8	198 601.7
<b>Including</b> Switzerland	3 029.6	25 116.2	11 438.5	4 206.8	3 717.5
Russia	45 214.7	50 278.8	128 842.0	195 996.4	167 914.9
Ukraine	4 695.5	8 179.3	10 175.4	7 572.2	11 732.4
<b>North Africa</b>	41 057.2	40 202.2	71 555.5	60 270.5	56 816.8



<b>Including Morocco</b>	27 104.8	22 704.4	38 110.6	41 431.3	29 800.7
Algeria	401.3	161.3	5 631.3	1 347.2	6 825.0
Tunisia	5 980.7	7 844.5	15 081.2	10 125.9	9 537.4
Libya	566.2	1 247.5	1 356.7	11.6	64.0
Egypt	6 985.7	8 233.4	11 375.8	7 306.0	10 585.4
<b>West Africa</b>	427 742.3	489 829.0	517 986.7	525 894.6	544 114.8
<b>Including Mali</b>	41 405.1	34 481.6	21 354.0	10 809.2	25 854.4
Niger	18 938.0	16 238.8	8 887.6	12 659.4	57 279.9
Senegal	23 240.2	21 983.9	17 473.3	19 323.5	13 964.8
Sierra Leone	69.3	40.5	2.3	158.4	2.6
Liberia	-	-	1 079.9	217.8	1.3
Cote d'Ivoire	170 090.6	227 853.3	271 121.1	255 473.8	195 367.7
Ghana	95 495.1	109 064.3	116 750.3	172 256.6	150 946.0
Togo	68 296.3	71 863.0	72 238.6	41 044.2	81 469.8
Benin	1 179.6	1 171.3	1 789.6	6 425.0	13 237.7
Nigeria	6 908.3	6 957.5	7 103.0	6 682.9	5 535.4
<b>Central Africa</b>	14 982.5	2 853.4	1 356.3	3 394.1	11 678.0
<b>Including Cameroon</b>	2 540.9	361.4	482.2	655.2	188.9
Equatorial Guinea	6 304.7	569.2	200.3	2 482.7	729.8
Gabon	63.8	60.8	9.0	4.8	488.4
Congo	550.4	290.0	9.1	13.8	7 157.1
RD Congo	10.2	1.1	3.3	20.4	2 556.6
<b>Southern Africa</b>	34 701.5	44 067.0	47 093.4	38 150.0	38 137.3
<b>Including South Africa</b>	34 159.5	43 598.4	47 007.8	37 521.9	37 684.0
East Africa	1 330.2	603.9	825.9	381.9	2 226.1
Asia	617 548.8	650 935.2	747 319.6	689 289.8	671 657.9
Including Turkey	32 663.8	34 412.0	29 856.3	35 090.5	41 361.2
India	91 115.2	91 529.5	124 606.9	138 423.5	129 864.3
Burma	-	8 782.3	12 866.7	11 599.5	5 233.1
Thailand	43 270.4	38 812.6	39 877.0	31 981.7	10 696.5
Indonesia	6 257.1	9 863.0	11 171.4	12 938.4	23 558.3
Malaysia	13 078.3	9 666.8	9 560.2	5 565.2	7 008.7
Singapore	9 426.7	2 086.7	2 675.4	8 505.3	1 765.3
China	267 728.4	310 706.1	289 908.7	282 322.8	282 866.1
South-Korea	27 066.3	31 659.8	103 044.1	36 893.9	56 313.4
Japan	51 434.1	73 417.5	70 770.2	69 422.4	81 498.1
Taiwan	5 658.6	5 129.3	3 071.2	3 491.0	1 666.6
Vietnam	26 370.8	6 184.9	7 920.8	9 656.4	9 452.3
<b>America</b>	225 628.9	215 884.7	203 409.5	237 463.1	210 110.3
<b>Including United States of America</b>	160 619.7	158 170.5	142 123.3	156 189.3	170 423.4
Canada	17 592.5	20 122.0	16 761.6	18 993.8	15 261.0
Mexico	2 320.6	4 656.1	5 500.7	5 515.3	5 255.5
Colombia	11 095.7	33.7	16.0	64.3	26.0
Venezuela	3 632.1	77.6	5 485.3	1 060.6	7.9
Brazil	10 142.1	14 546.5	14 844.2	50 639.6	12 432.5
Argentina	433.9	1 665.2	5 117.8	3 030.9	1 017.3
<b>Oceania</b>	21 602.5	31 628.3	32 525.2	38 711.1	20 235.7

<b>Including</b> Australia, Norfolk Islands, Cocos	20 431.2	30 737.2	29 673.4	37 086.4	18 782.4
New Zealand	1 161.9	796.2	2 079.3	1 494.4	1 360.6
Other countries	-	-	129.8	5.2	-
<b>Total</b>	<b>1958237.4</b>	<b>2237995.0</b>	<b>2400195.1</b>	<b>2453694.9</b>	<b>2369758.2</b>

Source: INSD, 2022

Between 2019 and 2020, imports from the European, American and Asian continents fell by 5.28%, 11.5% and 2.55% respectively. In contrast, imports from Africa increased by 3.9%.

### 5.3.3 International trade by value and by product

Mining and agricultural products remain the main export products in 2020 (Table 28). Non-monetary gold leads with a share of 81.8% of total export value, followed by cotton in bulk (6.0%), zinc (2.4%), cashew nuts (1.5%) and sesame seeds (1.4%). Over the period 2015-2020, gold and cotton remain Burkina Faso's two main export products.

**Table 28: Burkina Faso's main export products over the period 2015-2020, in million CFAF**

Posts	2015	2016	2017	2018	2019	2020	Share in 2020
Non-monetary gold	875 815	1 091 752	1 386 731	1 492 457	1 685 773	2 050 761.4	81.8 %
Cotton in bulk	213 434	198 443	253 264	250 355	206 120	150 675.0	6.0 %
Sesame seeds	99 875	67 415	59 024	71 069	80 318	36 892.8	1.4 %
Cashew nuts	51 573	67 087	99 718	117 113	56 016	39 041.6	1.5 %
Zinc	32 699	53 156	95 818	94 836	90 870	60 723.9	2.4 %
<b>Total exports of goods</b>	<b>1 397 695</b>	<b>1 676 361</b>	<b>1 995 635</b>	<b>2 196 367</b>	<b>2 301 324</b>	<b>2 507 191.7</b>	<b>100.0 %</b>

Source: BCEAO

The structure of imports presented in Table 29 reveals, as over the last five (5) years, a predominance of the shares in 2020 of capital goods (26.1%) and petroleum products (27.01%). The third group of im-

ported goods is made up of raw materials (22.5%) followed by food products (10.6%). Other products accounted for 3.4% of exports in 2020.

**Table 29: Burkina Faso's main import products over the period 2015-2020, in million CFAF**

Posts	2015	2016	2017	2018	2019	2020	Share in 2020
Capital goods	478 405	534 583	598 733	617 040	705 318	619 047	26.1%
Energy products	454 656	425 722	478 937	651 495	704 882	640 212	27.01%
Raw materials	281 563	290 634	319 698	337 977	328 869	534 071	22.5%
Food products	207 480	231 422	249 935	236 846	251 119	251 221	10.6%
Chemical products	183 546	203 642	228 079	344 343	305 480		
Other products	216 080	297 520	392 671	248 275	199 763	81 015	3.4%
<b>Total imports of goods CIF</b>	<b>1 821 729</b>	<b>1 983 523</b>	<b>2 268 053</b>	<b>2 435 975</b>	<b>2 495 431</b>	<b>2 369 758.2</b>	<b>100.0%</b>

Source: BCEAO

## 5.4. Foreign direct investments

Burkina Faso's foreign investment in 2020 resulted in a net outflow of 52.75 billion CFAF, after a net inflow of 85.9 billion CFAF in 2019, a decline of 138.604

billion CFAF. In 2014, net capital inflows were estimated at 141.6 billion CFAF before falling to 128.8 billion CFAF in 2015 and rising to 201.6 billion CFAF in 2016.

**Table 30: Evolution of foreign direct investment between 2014 and 2019**

Year	2015	2016	2017	2018	2019	2020
Foreign direct investment (In billions of CFAF)	128.8	201.6	-4.5	111.5	85.9	-52.746

Source: BCEAO

According to the BCEAO, FDI outflows in 2021 are explained exclusively by transactions in debt instruments, which resulted in a net capital outflow of 251.058 billion, while exchanges of equity securities between resident companies and their parent companies or other non-resident affiliates resulted in financial resource inflows (198.312 billion). The increase in equity transactions was driven by new acquisitions by non-residents amounting to 129.984 billion and reinvestment of profits in investment enterprises amounting to 67.577 billion. At the same time, the holdings of resident actors in non-resident enterprises (acquisition of new equity securities or reinvestment of profits) decreased by 750 million.

The main countries of origin of FDI inflows in the form of equity in Burkina Faso in 2020 are Canada, with an outstanding amount of 271.4 billion (24.4% of the total, up 27.8%), Russia, with an outstanding amount of 233.4 billion (21.0% of the total, stable compared to 2019), Barbados with an outstanding amount of 180.0 billion (16.2% of the total, up 33.9%), France with 114.0 billion (10.2 % of the total, down 9.7%), Côte d'Ivoire with 108.5 billion (9.7% of the total, +9.6 %), Libya with 61.3 billion (5.5% of the total, up 2.1%) and Togo with 61.0 billion (5.5% of the total, +9.1%).

## 5.5. Regional integration

### 5.5.1 WAEMU convergence criteria

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

- Ratio of the overall budget balance, including grants, to nominal GDP: this should be greater than or equal to -3%.
- Average annual inflation rate: this 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) second-tier criteria:

- Wage bill to tax revenue ratio: this should not exceed 35%
- Tax ratio: it should be greater than or equal to 20% by the convergence horizon.

However, in the context of the current health crisis, to enable Member States to have the necessary budgetary margin to deal with the effects of the pandemic linked to COVID-19, the Additional Act n°01/2015/CCEG/UEMOA of 19 January 2015 instituting a Convergence, Stability, Growth and Solidarity Pact between the Member States of the Union was suspended by the Conference of the Heads of State and Government of 27 April 2020, with effect from the year 2020.

During the temporary suspension of the application of the Convergence Pact, the exercise of multilateral surveillance continues in accordance with the modalities defined in Directive n°01/96/CM of 15 January 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 relating to the modalities of the exercise of multilateral surveillance in the Member States of the West African Monetary Union (UEMOA), all UEMOA Member States prepare and transmit to the Commission, monitoring reports on multilateral surveillance. 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 31:

## Evolution of the convergence criteria between 2015 and 2022

Year	2015	2016	2017	2018	2019	2020	2021	2022*
<b>First row</b>								
Basic budget balance/nominal GDP (%)	-2.2	-3.6	-6.3	-4.3	-3.3	-5.2	-6.0	-5.5
Average inflation rate (%)	0.9	-0.2	2.9	1.9	-3.2	1.9	3.9	13.9
Total public debt outstanding in relation to nominal GDP (%)	30.9	32.3	33.4	37.7	42.1	46.9	55.4	58.5
<b>Second row</b>								
Wage bill/Tax revenue (%)	49.6	57.6	46.4	52.2	59.0	65.0	52.2	51.6
Tax pressure (%)	12.5	13.0	15.3	15.3	15.2	13.3	15.1	15.3

Source: WAEMU Commission, CNPE \*the year 2022 present projections

Between 2015 and 2019, Burkina Faso met two (2) primary convergence criteria on a sustainable basis (Table 31). These are the criteria relating to the inflation rate and the stock of public debt. The budget balance as a percentage of GDP, on the other hand, improved significantly and gradually between 2017 and 2019. In 2020, due to the COVID-19-related health crisis, lower tax revenues combined with increased spending to cope with the crisis, the fiscal balance widened further to -5.2% of GDP. In 2021, only the criterion on the stock of public debt was met.

However, no second-tier criteria were met between 2015 and 2021. The criterion on the tax burden has not been met by any of the 8 countries in the area. This non-compliance is structural, as tax collection is still low.

Based on projections of Burkina Faso's economic and financial situation for the year 2022, macroeconomic indicators would be as follows:

- The ratio of the overall budget balance, including grants, to nominal GDP is expected to be -5.5% in 2022, compared with -6.0% in 2021;
- The average annual inflation rate is expected to rise to +13.9% in 2022 from +3.9% in 2021;
- The ratio of outstanding domestic and external debt to nominal GDP is expected to rise to 58.5% in 2022 from 55.4% in 2021;
- The ratio of the wage bill to tax revenue is expected to be 51.6% in 2022 compared with 52.2% in 2021;

- The tax pressure rate was 15.3% in 2022 compared to 15.1% in 2021.

### 5.5.2 State of play of regional integration

WAEMU was created by the Treaty of Dakar signed on 10 January 1994. The Treaty entered into force on 1 August 1994, after ratification by the Member States. The Union was enlarged to eight Member States on 2 May 1997 with the accession of Guinea-Bissau. On 8 December 1999, an additional act to the WAEMU Treaty, on the Convergence, Stability, Growth and Solidarity Pact (CSGP) between the WAEMU Member States and a Community regulation dated 21 December 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/CEG/UEMOA instituting new convergence criteria, the convergence horizon was set at 31 December 2019.

The objectives of the UEMOA 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;
- 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 and employed persons, as well as on a common external tariff and trade policy;
- Establish coordination of national sectoral policies through the implementation of joint actions, and possibly joint policies, in particular in the following areas: human resources, spatial planning, agriculture, energy, industry, mining, transport, infrastructure and telecommunications;
- Harmonize, to the extent necessary for the proper functioning of the common market, the legislation of the Member States and in particular the taxation system.

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 down from 2018 and 2017 when it was ranked 148th and 146th in the world respectively. In three consecutive years, a total of five places have been lost. The explanatory factors for this drop between 2017 and 2019 are that the procedures related to "starting a business", "obtaining a building permit", "connecting to electricity",

and "obtaining loans" remain less flexible and even 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 32). In these areas, there has been no real action to remove burdens and other inconveniences in order to move towards international best practice.

**Table 32: Burkina's performance indicators in the Doing Business 2020 ranking**

Starting a business					
Starting a business	Regulation	Number of procedures on average	Procedure time (days)	Dedicated cost (% of per capita income)	Minimum capital requirement (% of per capita income)
	Decree No. 2005-332/PRES/PM/MCPEA/MFB/MTEJ of 21 July 2005	3	13	42.8	6.3
Building permits					
Building permits	Regulation	Number of procedures on average	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	12
Access to electricity					
Access to electricity		Number of procedures on average	Procedure time (days)	Cost (% of per capita income)	Supply reliability and tariff transparency indicator (0-8)
		4	169	8 977.4	0
Property registration					
Property registration	Regulation	Number of procedures on average	Procedure time (days)	Cost (% of per capita income)	Land administration quality indicator (0-30)
	Decree N: 2008-164	4	67	11.9	12.8
Access to credit					
		Guarantee reliability index (0- 12)	The index for the extent of credit information (0-8)	Credit register coverage (% adults)	Credit office coverage (% adults)

<b>Access to credit</b>	<b>Average time to get paid</b>			6	0	0.0	2.0
<b>Protection of minority investors</b>							
<b>Protection of minority investors</b>		Information disclosure index (0-10)	Index measuring the responsibility of managers (0-10)	Index of ease of prosecution by shareholders (0-10)	Shareholder Rights Index (0-6)	Holding and control index (0-7)	Company transparency index (0-7)
		7	1	5	4	2	2
<b>Tax levels and facilities</b>							
<b>Tax levels</b>				Payments (number per year)	Timeframe (hours per year)	Total payable (% of gross profit)	Post-tax return index (0 - 100)
				45	270	41.3	49.31
<b>Easy to pay taxes</b>							
<b>Ease of export</b>							
Time to export: Compliance with cross-border trade procedures (in hours)	Export costs: 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 costs: Compliance with cross-border trade procedures (USD)	Time to import: Compliance with documentation requirements (in hours)	Import costs: Compliance with documentation requirements (USD)
75	261	84	86	102	265	96	197
<b>Enforcing contract law</b>							
				Time (days)	Cost (% of claim)	Quality of legal proceedings (0-18)	
<b>Enforcing contract law</b>				446	81.7	7.5	
<b>Resolution of insolvency</b>							
				Recovery rate (US cents)	Time (years)	Cost (% of assets)	Index on the adequacy of the legal framework for insolvency (0-16)
<b>Resolution of insolvency</b>				23.6	4	21	9
<b>Resolution of bankruptcies</b>							

Source: World Bank

## 6.2. Financial governance

The authorities of Burkina Faso have always made virtuous governance their hobbyhorse. Indeed, they have initiated strong measures in this direction. These include improving resource mobilization, reducing the cost of living of the state and economic recovery.

To improve resource mobilization, the new authorities have announced measures to consolidate urban and rural land reforms, to strengthen the computerization of revenue authorities and the interconnection of their databases.

About measures for rationalizing public spending, it was decided to suspend the acquisition of vehicles from the State budget in order to release resources for the financing of priority sectors. Still within the

framework of reducing the State's cost of living, it was decided to make rational use of the State's rolling stock. Indeed, the Minister of Economy, Finance and Forecasting was instructed to organize regular and unannounced control operations on the use of state vehicles. In addition to these measures, there is the one aimed at regulating the external travel of members of the government. In addition, a general audit of the public administration on the instructions of the President of Faso is underway with a view to meeting the legitimate expectations of the population in the area of governance and in accordance with the priority objectives pursued.

As part of the economic recovery, the new authorities are working to consolidate the achievements of the PNDES and are working to implement the structuring projects identified in PNDES 2. In order to consi-

der, the priority actions contained in the transition agenda, a new development framework is planned for the transitional period.

These are all measures that demonstrate the will of the transitional authorities to promote a new virtuous governance, concerned with the common good and the rational management of public resources in the work of rebuilding the Burkinabe state.

In 2021, revenue collection was broadly in line with the target. According to the ministry in charge of the economy, the revenue forecasts under the rectifying finance law for the execution of the state budget, fiscal year 2021, amount to 2 181.98 billion CFAF. As of 31 December 2021, budgetary revenue mobilization stood at 2 250.84 billion CFAF, representing an annual collection rate of 103.16%, corresponding to an increase of 5.72 points compared to 2020 at the same period, which was 97.44%.

With this increase in revenue compared to the same period in 2021, the budget deficit stood at 5.1% of GDP on a commitment basis, an improvement of 0.3 percentage points compared to 2020. Overall, revenue amounts and collection rates in 2021 are well above those of 2020 at the same period. Ordinary revenue, with an increase of 221.2 billion CFAF in absolute value and 12.62% in relative value compared to that of 2020 at the same period, accounts for 87.7% of the amount of revenue collected. Specifically, tax revenue collected amounted to 1 733.35 billion CFAF out of an annual forecast of 1 647.05 billion CFAF, representing a collection rate of 105.24%. Compared to the same period in 2020, tax revenue has increased in volume by 18.59%. Since March 2018, the IMF has approved a new three-year

Extended Credit Facility (ECF) arrangement for Burkina Faso for 108.36 million SDR (about 157.6 million US\$, or 90% of the country's quota) to support 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 in line with the country's WAEMU commitments, while protecting essential spending on social services and priority public investments.

### 6.3. Financial ratings

The rating agency Standard & Poor (S&P) has regularly rated 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 stresses that the country's rating remains unchanged despite the coronavirus pandemic. According to the institution's analysis, Burkina Faso should be back on the growth track by 2021. Its anchorage in the WAEMU, its diversification and its gold production should compensate for the security risk. However, with the advent of the coup d'état on 24 January 2022, the S&P rating agency downgraded Burkina Faso's rating from B to CCC+ with outlook and placed the country's rating on credit watch, according to a statement issued on 27 January 2022. At the end of the review period, Burkina Faso's rating was affirmed at CCC+ with a stable outlook. The history of S&P's ratings of Burkina Faso is presented in Table 33.

**Table 33: History of Burkina Faso's ratings by the S&P rating agency**

Agency	Score	Outlook	Date
Standards and Poor's	CCC+	Stable	13 May 2022
Standards and Poor's	CCC+	Under review	26 January 2022
Standards and Poor's	B	Stable	12 November 2021
Standards and Poor's	B	Stable	15 May 2020
Standards and Poor's	B	Stable	23 November 2018
Standards and Poor's	B	Stable	25 May 2018
Standards and Poor's	B	Stable	24 November 2017
Standards and Poor's	B	Stable	26 May 2017
Standards and Poor's	B-	Positive	26 November 2016
Standards and Poor's	B-	Positive	27 May 2016
Standards and Poor's	B-	Stable	04 December 2015



Standards and Poor's	B-	Stable	01 October 2015
Standards and Poor's	B-	Stable	05 June 2015
Standards and Poor's	B-	Stable	05 December 2014
Standards and Poor's	B	Under review	03 November 2014
Standards and Poor's	B	Stable	06 June 2014
Standards and Poor's	B	Stable	06 December 2013
Standards and Poor's	B	Stable	28 February 2013
Standards and Poor's	B	Stable	14 December 2011
Standards and Poor's	B	Stable	27 May 2011
Standards and Poor's	B	Stable	26 May 2010
Standards and Poor's	B	Stable	15 June 2009
Standards and Poor's	B	Stable	06 August 2008
Standards and Poor's	B	Positive	13 July 2007
Standards and Poor's	B	Positive	06 July 2006
Standards and Poor's	B	Stable	06 June 2005
Standards and Poor's	B	Stable	05 May 2004

Source: Standards and Poor's

## 7.1. Budget

### 7.1.1 Expenditure and income

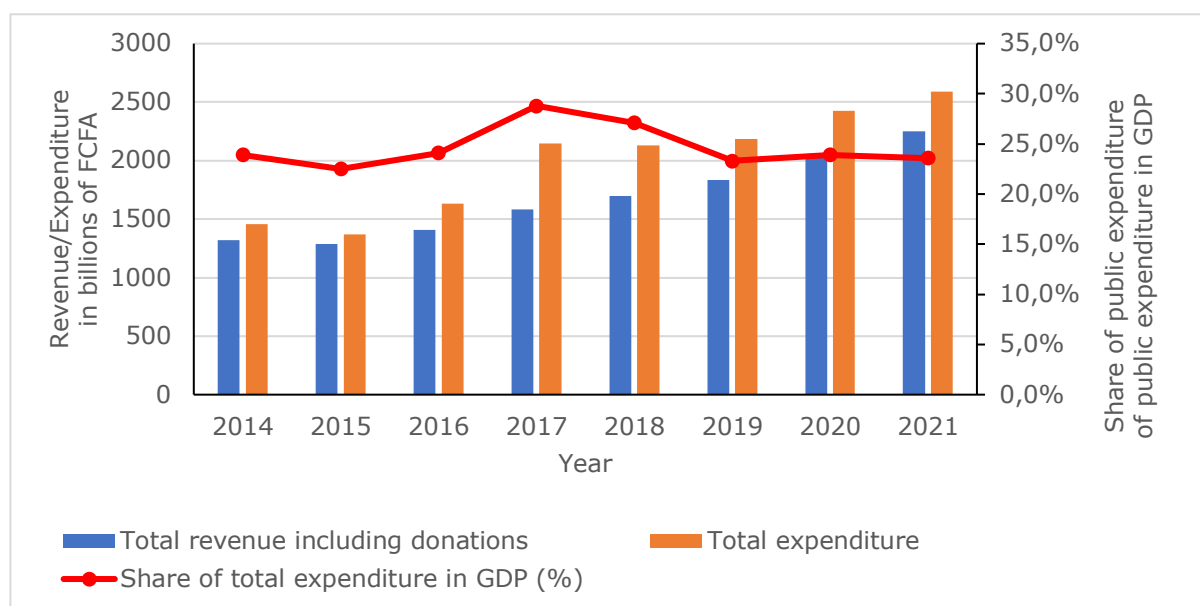
According to the Ministry in charge of the economy, total revenue, including grants, rose by 12.6% in 2021, or 248.5 billion CFAF compared to 2020. This increase is largely attributable to the rise in tax revenue. Total revenue amounted to 2 223.8 billion CFAF against a forecast of 2 100.9 billion CFAF in 2021, a collection rate of 105.9%. Compared to 2020, total revenue, excluding grants, increased by 17.3%, representing 287.2 billion CFAF. Over the period 2015-2021, total revenue rose from 1 278.0 billion CFAF to 2 223.8 billion CFAF.

Total expenditure and net loans for 2021 amounted to 2 867.2 billion CFAF out of a forecast of 2 657.5

billion CFAF, i.e., an implementation rate of 107.9%. Compared to 2020, total expenditure and net loans increased by 12.9%. Current expenditure in 2021 amounted to 1 887.5 billion CFAF out of a forecast of 1 769.8 billion CFAF, a rate of 106.7%.

Compared to the year 2020, there was an increase of 24.3% in capital expenditure. Indeed, this type of expenditure recorded an increase of 189.5 billion CFAF to reach 969.5 billion CFAF at the end of December 2021. Between 2015 and 2021, total expenditure and net loans rose from 1 411.6 billion CFAF to 2 867.2 billion CFAF. Over the same period, the share of total expenditure and net loans in GDP rose from 20.2% to 26.6%.

**Figure 7: Evolution of public finances between 2014 and 2021**



Source: Ministry of Economy, Finance and Forecasting

### 7.1.2 Detailed presentation of expenditure and revenue

The increase in total revenue between 2020 and 2021 is mainly attributable to an increase in tax revenue (+310.5 billion CFAF).

Tax revenue in 2021 was raised to the tune of 1 687.5 billion XAF out of a forecast 1 584.8 billion XAF, representing a collection rate of 106.5%. This represents an increase of 310.5 billion CFAF (+22.5%) compared to 2020, when the collection rate was 1 377.0 billion CFAF. This performance is mainly attributable

to Value Added Tax (615.0 billion CFAF or 98.1%), Corporate Tax (325.7 billion CFAF or 147.4%) and customs duties (191.6 billion CFAF or 99.1%).

At the end of December 2021, non-tax revenue amounted to 259.1 billion CFAF, out of a forecast of 204.7 billion CFAF. This is equivalent to a realization rate of 126.6%. This revenue is down by 23.0 billion CFAF compared to 2020. This performance is attributable to the decline in the collection of proportional fees (fees for granting, renewing, or transferring mining titles or administrative authorizations issued

under the mining code) and surface taxes (taxes paid by mining companies in exploration and exploitation, depending on the nature of their activities and the surface area occupied).

Current expenditure was implemented to the tune of 1 887.5 billion CFAF in 2021 out of a forecast of 1 769.8 billion CFAF, i.e., an implementation rate of 106.7%. Compared to 2020, there was an increase of 7.0%, representing an overall amount of 123.2 billion CFAF. This increase is attributable to almost all of its components.

Indeed, at the end of December 2021, personnel expenditure stood at 949.6 billion CFAF out of a forecast of 950.0 billion CFAF, i.e., an execution rate of almost 100.0%. Compared to 2020, there was an increase of 5.8% (+52.3 billion CFAF), which can be explained essentially by the impact of the measures taken by the government with the social partners from 2016 to 2019, additional staff and, to a lesser extent, statutory promotions.

Compared to 2020, expenditure on goods and services increased by 12.1% in 2021 to 197.5 billion CFAF out of an initial allocation of 199.0 billion CFAF, i.e., an implementation rate of 99.3% compared to 88.6% in 2020.

At the end of December 2021, interest on the debt had been paid to the tune of 192.5 billion CFAF, i.e., an execution rate of 101.7%. A comparative analysis between the two budget years, 2020 and 2021, shows an increase in the level of authorization of the said expenditure of 52.0 billion CFAF, explained mainly by the implementation of certain loan guarantees for public securities of the Burkinabe Broadcasting Company.

Capital expenditure in 2021 amounted to 969.5 billion CFAF out of a forecast of 897.7 billion CFAF, i.e., an implementation rate of 108.0%. Compared to 2020, the amount of the said expenditure recorded an increase of 189.5 billion CFAF. This increase is linked to an increase in investments made by the State of 241.6 billion CFAF and a drop in capital transfer expenditure of 52.1 billion CFAF.

The overall balance on a commitment basis, including grants, stood at -643.4 billion CFAF at the end of December 2021 against -564.6 billion CFAF in 2020, down by 78.8 billion CFAF. In 2021, this balance represented 5.96% of nominal GDP against 5.65% in 2020. The basic primary balance was -286.8 billion CFAF in 2021 against -454.6 billion CFAF in 2020.

**Table 34: Detailed presentation of Burkina Faso's expenditure and revenue between 2014 and 2021**

	2015	2016	2017	2018	2019	2020	2021
<b>Total revenues and donations</b>	<b>1 278.0</b>	<b>1 410.7</b>	<b>1 583.6</b>	<b>1 746.0</b>	<b>1 882.0</b>	<b>1 975.3</b>	<b>2 223.8</b>
<b>Total revenues excluding donations</b>	<b>1 047.9</b>	<b>1 230.5</b>	<b>1 389.3</b>	<b>1 530.9</b>	<b>1 747.7</b>	<b>1 659.4</b>	<b>1 946.6</b>
<b>Current revenues</b>	<b>1 047.9</b>	<b>1 230.5</b>	<b>1 389.3</b>	<b>1 530.9</b>	<b>1 747.7</b>	<b>1 659.1</b>	<b>1 946.6</b>
<b>Tax revenues</b>	<b>929.3</b>	<b>1 075.4</b>	<b>1 238.2</b>	<b>1 354.3</b>	<b>1 424.9</b>	<b>1 377.0</b>	<b>1 687.5</b>
Income and profit taxes	234.6	285.8	323.3	375.3	448.6	457.1	572.6
Labour tax	7.9	8.8	10.8	12.4	13.2	14.6	16.2
Property tax	7.5	10.7	8.4	7.8	8.6	10.3	58.9
Taxes on goods and services	528.9	601.6	702.9	744.9	746.8	701.2	822.5
Including VAT	388.5	440.6	511.9	537.7	536.7	485.0	615.5
Foreign trade tax	142.9	159.1	181.2	202.5	195.9	185.3	215.8
Other tax revenues	7.5	9.3	11.6	11.4	11.6	8.6	1.4
<b>Non-tax revenues</b>	<b>118.7</b>	<b>155.1</b>	<b>151.0</b>	<b>176.6</b>	<b>322.8</b>	<b>282.1</b>	<b>259.1</b>
<b>Capital revenues</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>
<b>Donations</b>	<b>230.0</b>	<b>180.2</b>	<b>194.3</b>	<b>215.1</b>	<b>134.3</b>	<b>316.0</b>	<b>277.2</b>
<b>Total expenditures and net loans</b>	<b>1 411.6</b>	<b>1 636.4</b>	<b>2 146.5</b>	<b>2 127.6</b>	<b>2 177.4</b>	<b>2 539.9</b>	<b>2 867.2</b>
<b>Total Expenditures</b>	<b>1 424.2</b>	<b>1 645.1</b>	<b>2 150.0</b>	<b>2 137.7</b>	<b>2 201.3</b>	<b>2 544.3</b>	<b>2 857.0</b>
<b>Current Expenses</b>	<b>923.2</b>	<b>1 118.7</b>	<b>1 318.7</b>	<b>1 383.4</b>	<b>1 644.5</b>	<b>1 764.3</b>	<b>1 887.5</b>
Wages	468.5	554.5	618.0	705.1	844.4	897.2	949.5

Operating Expenses	109.4	128.0	174.1	196.2	198.4	176.3	197.5
Interest due	43.8	65.3	69.5	97.2	117.1	140.6	192.5
on domestic debt	27.9	48.5	49.4	74.1	95.6	117.0	163.9
on external debt	15.9	16.8	20.2	23.1	21.5	23.5	28.6
Current transfers	301.5	370.9	457.1	384.8	484.6	550.2	547.9
<b>Capital expenditures</b>	<b>501.0</b>	<b>526.4</b>	<b>831.3</b>	<b>754.3</b>	<b>556.8</b>	<b>780.0</b>	<b>969.5</b>
Investments on own resources	302.5	338.6	570.4	447.0	419.0	432.9	518.7
Capital transfers and restructurings	46.9	7.0	16.5	82.2	1.3	61.7	9.5
Investments from external resources	151.6	180.8	244.4	225.2	136.5	285.4	441.3
<b>Net loans</b>	<b>-12.6</b>	<b>-8.7</b>	<b>-3.5</b>	<b>-10.1</b>	<b>-23.8</b>	<b>-4.4</b>	<b>10.2</b>
<b>Overall balance (Commitment basis)</b>	<b>-133.6</b>	<b>-225.7</b>	<b>-562.9</b>	<b>-381.7</b>	<b>-295.5</b>	<b>-564.6</b>	<b>-643.4</b>
<b>Overall balance excluding donations (Commitment basis)</b>	<b>-363.7</b>	<b>-405.9</b>	<b>-757.2</b>	<b>-596.7</b>	<b>-429.7</b>	<b>-880.5</b>	<b>-920.6</b>
<b>Basic primary balance</b>	<b>-168.3</b>	<b>-159.8</b>	<b>-443.2</b>	<b>-274.3</b>	<b>-176.2</b>	<b>-454.6</b>	<b>-286.8</b>
<b>Primary balance excluding donations</b>	<b>-398.4</b>	<b>-340.0</b>	<b>-637.6</b>	<b>-489.4</b>	<b>-310.4</b>	<b>-770.5</b>	<b>-564.1</b>
<b>Overall balance cash basis</b>	<b>-222.8</b>	<b>-138.7</b>	<b>-488.1</b>	<b>-478.3</b>	<b>-298.0</b>	<b>-532.8</b>	<b>-639.2</b>
<b>Financing</b>	<b>220.9</b>	<b>137.5</b>	<b>482.6</b>	<b>470.5</b>	<b>294.1</b>	<b>531.7</b>	<b>643.4</b>
External financing	89.2	105.7	74.3	75.9	97.2	152.4	235.4
Domestic financing	131.7	31.8	408.3	394.6	196.9	379.3	408.0
	As a percentage of GDP						
Budgetary revenues	15.0	16.2	17.0	17.2	18.7	16.3	18.0
Tax revenues	13.3	14.1	15.1	15.2	15.2	13.6	15.6
Total Expenditures	20.2	21.5	26.2	23.9	23.2	25.0	26.5
Current expenses	13.2	14.7	16.1	15.5	17.6	17.4	17.5
Capital expenses	7.2	6.9	10.1	8.5	5.9	7.7	9.0
Basic primary balance	-2.4	-2.1	-5.4	-3.1	-1.9	-4.5	-2.7

Source: Ministry of Economy, Finance and Forecasting

### 7.1.3 General presentation of the budget

The detailed presentation of the distribution of the budget according to the different ministries reveals the strategic choices that are made to finance the development of Burkina Faso. They are in line with the PNDES. Thus, the ministries with a social vocation are the primary beneficiaries of the budget. The Ministry of National Education and Literacy received 18.4% of the budget in 2021 compared to 10.7% in 2015. The Ministry of Health comes second with about 11.3% of the budget compared to 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 country's development. The Ministry of Economy has seen its allocation decrease to 12.4% of the total budget in 2021 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 6.8% in 2021 compared to 13.8% in 2015.

Table 35:

**Evolution of overall budgetary expenditure by ministry and institution  
excluding external financing**

Year	2015	2016	2017	2018	2019	2020	2021
<b>Total budget in billions of CFAF</b>	1 453.3	1 606.4	1 871	1 947.5	2 108	2 502	2 651.8
<b>Social Ministries (% of total budget)</b>							
National Education and Literacy	10.7	16.57	17.46	19.8	14.7	18.0	18.4
Health	7.28	9.13	9.76	10.1	13.9	13.6	11.3
Higher Education, Scientific Research and Innovation	-	7.66	5.46	4.5	3.6	4.0	3.8
<b>Regal Ministries (% of total budget)</b>							
Economy, Finance and Development	17.32	19.1	9.58	11.6	9.6	10.9	12.4
National Defense and Veterans Affairs	6.02	5.94	6.1	8.7	9.6	8.8	9.58
Territorial Administration and Decentralization	5.69	5.43	4.86	1.8	1.9	2.2	2.33
Transfer of Resources to Local Authorities	0.77	0.94	3.05	2.1	1.5	1.5	1.6
Presidency of Faso	1.03	1.19	1.47	1.1	2.2	1.7	1.26
First Ministry	1.71	1.31	1.32	1.3	3.8	1.1	1.08
Justice, Human Rights and Civic Promotion	1.13	1.18	1.26	1.4	1.0	1.2	1.11
Security	2.72	-	1.12	3.7	3.9	4.1	4.5
Foreign Affairs, cooperation and Burkinabe abroad	2.52	2.2	2.03	1.8	1.6	1.9	2.05
<b>Other strategically important ministries (as % of total budget)</b>							
Infrastructures	2.57	3.81	5.21	5.5	6.8	4.9	4.9
Water and Sanitation	-	1.57	4.09	2.6	2.5	1.9	2.12
Agriculture and Water Management	4.82	3.03	3.84	4.4	5.6	4.6	4.9
Common Interdepartmental Expenditure	24.63	13.32	14.2	9.0	7	8.9	6.8
Other ministries and institutions	13.79	7.63	9.18	10.6	11.1	10.7	11.87

Source: Ministry of Economy, Finance and Forecasting

## 7.2. Tax policy

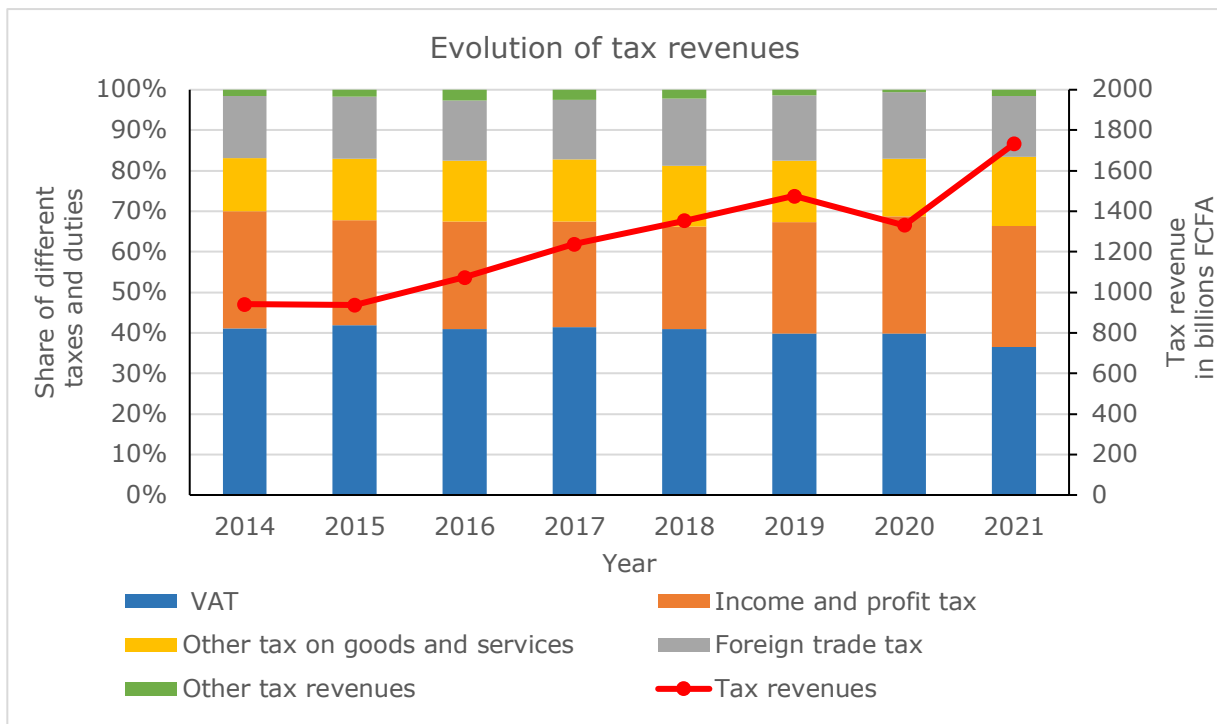
### 7.2.1 General budget revenue broken down by source

The structure of tax revenue has remained stable over the period 2014-2021, rising from 940.7 billion CFAF to 1 687.5 billion CFAF. According to the statistics, VAT is the most important source of tax revenue. It accounted for almost 36.5% of tax revenue

in 2021. Income tax is the second largest source of tax revenue in Burkina Faso, accounting for 33.9% in 2021.

Foreign trade tax is the third largest source of tax revenue, accounting for 12.8% of total tax revenue in 2021. Property taxes accounted for 3.5% of total tax revenue in 2021, making them the third largest source of tax revenue in Burkina Faso in 2021.

**Figure 8: Evolution of tax revenues between 2014 and 2021**



Source: MINEFIP

### 7.2.2 Presentation of new tax measures recently passed or under discussion and about to be passed

The Finance Act 2022 includes important tax provisions that make changes to the General Tax Code (CGI). The main tax innovations proposed are:

- **Transparency:** In accordance with the recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes, which Burkina Faso joined in 2012, companies, regardless of their form and activities, are now required to declare their beneficial owners to the tax authorities and to keep a register of their beneficial owners. For companies belonging to the same group, it is now mandatory to file an annual transfer pricing declaration according to a model form issued by the tax authorities
- **The fight against fraud:** the 2022 finance law institutes the procedure of flagrance fiscal which aims to repress hidden activities, delivery of fictitious invoices, deduction of fictitious expenses, actions depriving the accounts of probative value such as sales without delivery of invoices, use of accounting software or cash registers and fraudulent procedures leading to a concealment of turnover, imports under false identities. By the new reformulation of Article 614-1 of the CGI, the right of investigation, which was only exercised regarding taxpayers of indirect duties and taxes,

has been extended to all taxation and all taxpayers. Accordingly, the auditors now have the right to take copies of accounting documents deemed useful without the taxpayer being able to object.

- **In terms of real estate taxation:** the land tax is no longer calculated based on the value declared by the taxpayer but is now determined on the basis of the cadastral value of the land or buildings, as determined by the administration. In this sense, from now on, the owners of built and unbuilt land must fill in a declaration according to a model form of the tax administration.

In order to further improve the collection of ordinary revenue, the government will continue the reforms underway at the level of revenue authorities. The main actions will focus on:

- The continuation of the digitalization of the services of the General Tax Directorate through the implementation of the e-liasse module for the financial statements of the 2020 financial year
- The reinforcement of information and awareness-raising activities for taxpayers on the new tax declaration deadlines contained in the 2021 Finance Act
- Regular monitoring of taxpayers' reporting and payment obligations.

- The continuation of training and awareness-raising activities for large and medium-sized companies with a view to systematically using remote payment;
- Continuing to analyze and clear tax arrears for better targeting of collection actions;
- The effective application of the Tax on Financial Activities (TAF);
- Strengthening the control of taxation elements, in particular the value of goods
- The reinforcement of non-intrusive control through the use of scanners as a means of controlling homogeneous loads in the offices;
- The review of the texts relating to border offices to adapt their competences to current economic realities and at the same time reduce the loss of revenue during inland transport.

### 7.3. Finance act 2022

The 2021 finance law sets the budget at 2 349.1 billion CFAF in revenue and 2 919.1 billion CFAF in expenditure. The forecast for own revenue is 2 010.04 billion CFAF in 2022, compared with 1 799.518 billion CFAF in 2021, an increase of 210.522 billion CFAF in nominal terms and 11.7% in relative terms. They are essentially made up of tax revenues which represent 75.02% of the total in 2022. Own revenues represent 85.5% of the total revenues of the State budget in 2022 against 85.25% in 2021. External resources amounted to 339.07 billion CFAF in 2022 against 311.456 billion CFAF in 2021, an increase of 27.6 billion CFAF in absolute value and 8.8% in relative value.

State budget expenditure forecasts amount to 2 919.1 billion CFAF in 2022, compared with 2 651.7 billion CFAF in 2021. They are made up of current expenditure amounting to 1 913.2 billion CFAF and capital expenditure of 1 005.8 billion CFAF, corresponding to relative shares of 65.5% and 34.5%. These relative shares were 66.9% and 33.06% in 2021 and 65.93% and 34.07% in 2020.

The predominance of current expenditure in the 2022 budget is essentially explained by the evolution of personnel expenditure, which rose from 845.900 billion CFAF in 2019 to 878.000 billion CFAF in 2020, then to 950.000 billion CFAF in 2021 before reaching 1 012.03 billion CFAF in 2022. Their relative share in relation to total expenditure is 34.66% in 2022 against 35.83% in 2021 and 34.67% in 2020. They absorb 50.3% of the State budget's own resources in 2022 against 52.79% in 2021. As a proportion of tax revenue, personnel costs will account for 57.4% in 2022 compared to 59.95% in 2021.

Investment expenditure planned by the State amounts to 1 005.8 billion CFAF in 2022 against 856.725 billion CFAF in 2021, an increase of 149.1 billion CFAF. Investments financed from own resources amount to 649.6 billion CFAF against 511.1 billion CFAF in 2021, an increase of 138.5 billion CFAF.

Budgetary savings amount to 96.7 billion CFAF in 2022, as against 24.469 billion CFAF in 2021, an improvement of 72.231 billion CFAF. The budget deficit will amount to 570 billion CFAF in 2022 against 540.8 billion CFAF in 2021. It is expected to be covered by budget support announcements and bond issues.

The national and international environment carries risks that can affect economic development. This section deals with political and security risks, so-

cial and health risks, financial resource mobilization risks, health risks and environmental risks.

### 8.1. Political and security risks

Since the fall of former president Blaise Compaoré in October 2014, followed by a failed military coup in September 2015 and the election of President Roch Marc Christian Kaboré in 2016, the political climate in the country has been rather stable, despite the growing threat of terrorist attacks in the capital and the border regions with neighbors Mali and Niger.

Mr. Roch Marc Christian Kaboré was re-elected president with 57.74% of the vote at the end of 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 3 January to 17 July 2020 because of insecurity, according to the Independent National Electoral Commission (CENI).

The government has placed particular emphasis on securing the territory and its citizens through substantial resource allocations 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 the government's efforts and the establishment of the G5 Sahel, the security situation in Burkina Faso is still very volatile, although there was a lull 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 around 147 civilians in Solhan (in the Sahel region) on Friday night, 5 June 2021, was the most violent and deadly in Burkina Faso since 2015. This situation was aggravated by the attack on 14 November 2021 in Inata (in the Sahel region), which left 57 dead, including 53 gendarmes.

The Prime Minister and his government resigned on 8 December 2021 after several demonstrations

by the population denouncing its inability to fight against recurrent jihadist attacks. The next government did not last long, as it was dissolved following the military coup on 24 January 2022. A transitional government was set up on 5 March 2022 with the main tasks of regaining territorial integrity, returning internally displaced persons to their villages, and restoring the Burkinabe state.

### 8.2. Social risks

The number of incidents of social unrest increased over the period 2016-2020. Public sector strikes and social tensions affected revenue collection in the first half of 2019 and drove up wages and transfers. These strikes are driven by wage and benefit inequalities within and between 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 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 bonuses and allowances of public service workers. The situation continued to improve in 2021 but was sometimes punctuated by demonstrations by the population against the persistence of insecurity in certain regions of the country.

The economic consequences of the COVID-19 pandemic combined with the advent of pockets of drought in the 2021/2022 crop year have led to an increase in the price of certain foodstuffs, thus threatening the food security of vulnerable popula-



tions. This situation could be exacerbated by the war in Ukraine, given the weight of these two countries in the world production of wheat, which is an essential material for bread production. If appropriate responses are not found to this looming food crisis, the social climate could deteriorate in the coming months.

### 8.3. Macroeconomic risks

After a rebound in growth in 2021, it could weaken in 2022, as the deteriorating security and political situation could hamper activity. The Burkinabe economy is dependent on agricultural production, gold and cotton exports. Massive population displacements, linked to insecurity, will continue to disrupt agricultural production. Inflationary pressures will continue to be fueled by high food prices, which account for almost a third of the household basket of goods. On the domestic front, the main risks are political instability related to the coup d'état, the resurgence of COVID-19, new security problems and labour disputes that would further depress economic activity and hurt mining, cotton production, tourism and government revenues and expenditures.

Externally, Burkina Faso would be penalized by the fallout from increased protectionism, disruptions in the global supply chain due to COVID-19 and a downward revision of global growth due to the war in Ukraine. This could worsen the current account balance, which has been in surplus for the past two years, although the surplus has narrowed from 2.1% of GDP in 2020 to 0.3% of GDP in 2021. This improvement could be partly undermined by declining remittances and tourism receipts, and security and political issues or problems with COVID-19 could lead to disruptions in the gold production sector.

### 8.4. Risks concerning the mobilization of public and private financial resources

The 2022 budget law remains subject to the outlook for COVID-19 and the security crisis and relies on strong government efforts. The forecasts are based on an increase in own revenues of 11.7% compared with 2021, or 210.552 billion CFAF. As for external resources, they will increase by 8.8% compared to 2021 (+27.6 billion CFAF). Resources had fallen in 2021 (-38.7 billion CFAF) after the exceptional support that external partners provided in 2020 to help Burkina Faso in the fight against COVID-19. Political instability in the country could affect the mobilization

of public revenue, while expenditure needs will increase considerably, particularly expenditure related to the upcoming food crisis and security expenditure. Risks to the mobilization of public and private financial resources are also related to the risk of strikes in the civil service and the risks associated with political instability.

### 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 conducts response campaigns to control these epidemics and align with the global goals of polio eradication and measles control. 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 due to delays in vaccination, particularly against polio. The COVID-19 pandemic is responsible for an increase in the number of polio cases worldwide 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.

In order to contain the spread of COVID-19, Burkina Faso has developed and implemented a response plan valued at 394.05 billion CFAF. As of 28 March 2022, the country had recorded 20,822 cases of COVID-19, including 381 deaths.

The context of insecurity also increases the 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 Health Cluster 2020 report. According to the report, this results in insecure areas:

- Limited access to some districts that remained landlocked and prey to negative 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 workers and the closure of health facilities, exceeding the projections of the Health Cluster, with 13% of health facilities closed and another

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

- The numerous epidemics that have affected Burkina Faso (measles, polio, COVID-19 and hepatitis E) have had serious socio-economic consequences in addition to the health consequences.

## **8.6. Environmental risks**

In recent decades, Burkina Faso has seen 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.

As a Sahelian country, Burkina Faso is subject to high variability in annual rainfall with a high risk of drought from one year to the next. The country's geographical position makes it particularly vulnerable to climate change, which leads to an increase in temperature, an increase in the frequency and magnitude of extreme weather events, and a general decline in rainfall. The sectors most vulnerable to climate change will be water, agriculture, and forests. As the country's food system is mainly based on domestic agricultural production, climate change poses a significant risk to the country's food security. To mitigate this risk, the government is supporting agricultural producers to adopt adaptation strategies through several agricultural development projects and programs promoting water and soil conservation techniques.

## 9.1. General description of the public debt

### 9.1.1 Overall picture

Over the past six years, the outstanding public debt has risen steadily from 2,497.11 billion CFAF at the end of 2016 to 4,777.67 billion CFAF in 2020, reaching 6,178.71 billion CFAF at the end of 2021, an average annual increase of 20.0%. In 2021, Bur-

kina Faso's public debt portfolio was made up of 46.2% external debt and 53.8% domestic debt, i.e., 2,852.48 billion CFAF and 3,326.23 billion CFAF respectively. It represented about 54.8% of GDP in 2021 compared with 32.8% in 2016.

**Table 36: Overview of Burkina Faso's public debt**

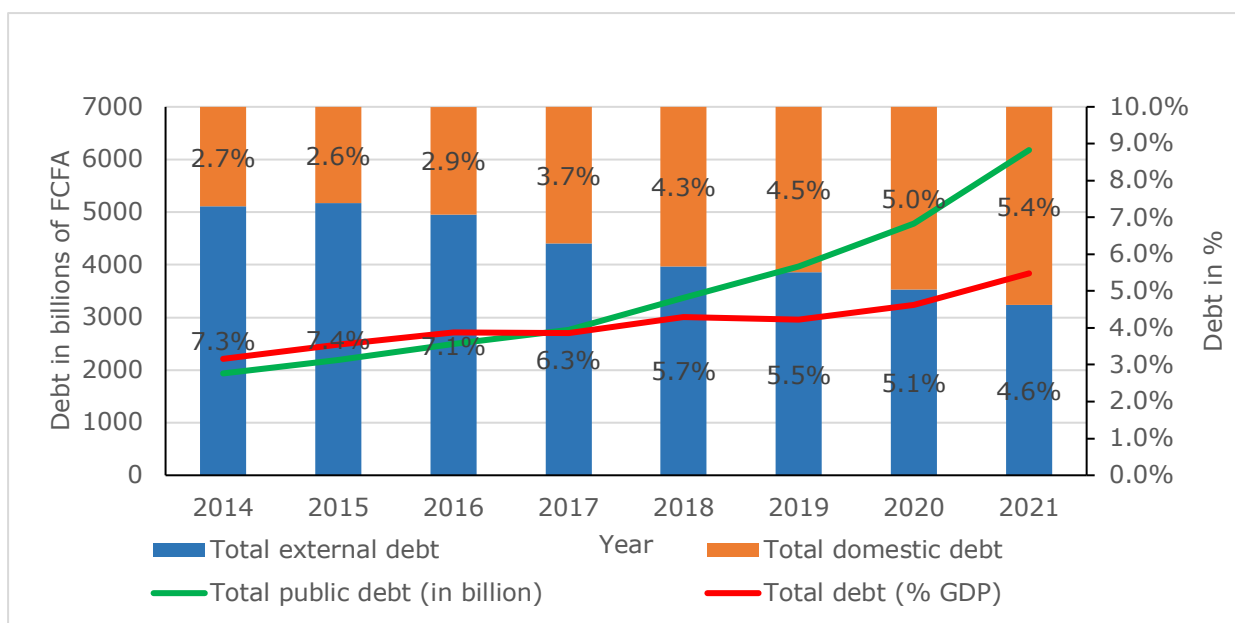
Burkina Faso	2016	2017	2018	2019	2020	2021
Total debt (% GDP)	32.8	33.8	37.7	42.3	46.3	54.8
Total debt (in billion CFAF)	2 497.11	2 767.19	3 365.95	3 967.53	4 777.67	6 178.71
<b>Remaining due</b>						
Arrears	0	0	0	0	0	0
Due	226.92	229.3	256.04	345.07	558.534	1 049.02
Paid	226.92	229.3	256.04	345.07	558.534	1 049.02
External debt (% GDP)	23.2	21.3	21.4	23.4	23.9	25.3
External debt (in billion CFAF)	1 766.14	1 742.99	1 909.56	2 188.57	2 464.25	2 852.48
<b>Remaining due</b>						
Arrears	0	0	0	0	0	
Due	56.33	70.37	78.14	80.45	84.91	101.16
Paid	56.33	70.37	78.14	80.45	84.91	101.16
Domestic debt (% GDP)	9.6	12.5	16.3	19.0	22.4	29.5
Domestic debt (in billion CFAF)	730.97	1 024.20	1 456.39	1 778.96	2 313.42	3 326.23
<b>Remaining due</b>						
Arrears	0	0	0	0		0
Due	170.59	158.93	177.9	264.62	473.62	947.86
Paid	170.59	158.93	177.9	264.62	473.62	947.86
Nominal GDP (billion CFAF)	7 605.12	8 191.30	8 920.42	9 369.19	10 310.05	11 275.82

Source: Public Debt Directorate

Over the period 2016-2021, the share of external debt in total debt is declining while that of domestic debt is steadily increasing. In 2021, external debt

would represent 46.2% compared with 32.8% in 2016. The domestic debt, for its part, would reach 53.8% in 2021 against 29.3% in 2016.

**Figure 9: Evolution of Burkina Faso's public debt from 2016 to 2021**



Source: Public Debt Directorate

### 9.1.2 Time profile of the debt to be repaid

As of 31 May 2021, Burkina Faso's total debt to the IMF by 2026 was 120,826,020 million SDR (Table

37). Indeed, 14.4 per cent of these debts are short-term (less than 1 year) and the rest are medium-term (1 to 5 years).

**Table 37: Time profile of debt to be repaid to the IMF as of 31 March 2022**

Period	Amount in million SDR	Total amount due expressed in %.
1 June 2022 to 31 December 2022	17 445 404	14.4%
1 January 2023 to 31 December 2023	14 226 904	11.8%
1 January 2024 to 31 December 2024	16 293 904	13.5%
1 January 2025 to 31 December 2025	30 683 904	25.4%
1 January 2026 to 31 December 2026	42 175 904	34.9%
<b>Total</b>	<b>120 826 020</b>	<b>100%</b>

Source: IMF

As for the domestic debt stock, it is composed of debt and 62.43% long-term debt (Table 38). 11.29% short-term debt, 26.26% medium-term

**Table 38: Central Government Domestic Debt Outstanding and Transactions (billion CFAF)**

Instruments	Amount in billions CFAF	Share in % (Period)
Treasury bills (BAT)	356.46	11.29% (Short term)
91 days	0	
182 days	0	
364 days	356.46	
Treasury bonds (OAT)	2 299.49	26.26% (Medium term)
3 years	403.85	
5 years	425.08	
7 years	1 470.56	
Securitized debt	41.64	62.43% (Long term)
Commercial banks	366.39	
Audited untitled arrears	0	
Other debts	91.64	
<b>TOTAL (in nominal value)</b>	<b>3 155.61</b>	
<b>TOTAL (in face value)</b>	<b>3 092.25</b>	

Source: Public Debt Directorate, 2022

### 9.1.3 Amount of debt to be repaid in the short term

Public debt service rose from 226.92 billion CFAF in 2016 to 1 049.02 billion CFAF in 2021. Debt service in 2021 will be made up of 947.86 billion CFAF in domestic debt (90.35%) and 101.16 billion CFAF in external debt (9.65%). Excluding treasury bills, debt service is 807.00 billion CFAF. The annual amount of domestic and external debt to be repaid has been multiplied by more than 4 between 2016 and 2021. Between 2020 and 2021, the amount of domestic debt service to be repaid increased by 100.13%.

This increase is the result of the increased recourse in recent years to domestic financing, particularly Treasury bills and bonds, in connection with the realization of development projects and programs in the framework of the implementation of the National Development Program. The small increase in external debt service is explained by the measures announced by the IMF (cancellation of service) and the countries participating in the G20 debt service suspension initiative as part of the response to the effects of the COVID-19 pandemic for the period from May 2020 to December 2021.

**Table 39: Evolution of debt service from 2016 to 2021 in Burkina Faso**

In billions of CFAF	2016	2017	2018	2019	2020	2021
<b>Amount of external debt to be paid in the year</b>	56.33	70.37	78.14	80.45	84.91	101.16
<b>Amount of domestic debt to be paid in the year</b>	170.59	158.93	177.9	264.62	473.62	947.86
<b>Total</b>	226.92	229.3	256.04	345.07	558.53	1 049.02

Source: 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 for distinguishing between external and domestic debt is currency and not residence.

### 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 im-

plemented over the period 2014-2016. The current MTDS covers the period 2022-2024. The main axes 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 the low exchange rate risk that it presents.
- Resort to a loan of non-concessional external resources denominated in euros to reprofile the

domestic debt in order to improve the average maturity of the debt portfolio.

- Lengthen the maturities of domestic market instruments. This choice is also justified by the need to improve the average maturity of the domestic debt portfolio.

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 the evolution of Burkina Faso's debt indicators projected over a twenty (20) year horizon 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 the IMF and World Bank (WB) staff. The projected debt indicators incorporate the financing foreseen by the Medium-Term

Debt Management Strategy (MTDS-2022-2024) and are based on the macroeconomic framework developed by the unit.

The macroeconomic data used for this DSA are taken from the framework covering the period 2022-2042. The current economic policy is marked by the adoption of a new economic and social development framework covering the period 2021-2025, the suspension of the WAEMU Convergence, Stability, Growth and Solidarity Pact, and the continuation of negotiations for the conclusion of a new economic and financial program 2021-2024 with the IMF.

The dynamism of the mining sector should help keep the debt on a sustainable path. Indeed, 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 from 2022 to 2042 (Table 40).

To assess the sustainability of a country's debt, the evolution of the debt indicators is compared to their respective 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 44.29% in 2021, is below its reference point and would remain so over the entire projection period (2021-2032). However, this ratio would increase over the projection period to 60.56% in 2042.

**Table 40: Debt sustainability frameworks**

Title	Limit	2021	2022	2023	2024	2025	2026	2027	2032	2042
<b>Public debt sustainability framework</b>										
PV of public sector debt (as % of GDP)	<=55	44.29	44.66	44.42	44.77	44.30	45.33	46.63	53.19	60.56
<b>External debt sustainability framework</b>										
PV of external debt as % of GDP	<=40	13.45	17.42	17.44	17.86	18.02	18.17	18.36	20.58	30.19
PV of external debt as % of exports	<=180	39.40	56.49	55.04	58.76	62.57	63.58	67.15	83.36	135.04
Debt service to export ratio (%)	<=15	3.07	3.01	3.11	3.40	3.53	4.63	4.79	5.62	7.79
Debt service/revenue ratio (%)	<=18	6.24	5.40	5.61	5.69	5.62	7.31	7.17	7.22	8.05

Source: Technical Unit CNDP August 2021

In the new DSF, debt thresholds are determined based on a country's debt capacity as measured by the Composite Index (CI), which includes the CPIA (the only indicator used in the old framework) in addition to other macroeconomic framework variables: 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 the coverage of foreign exchange reserves at the union level to rank a country's debt capacity. However, where members of the Union have effectively lost access to pooled foreign exchange reserves or are about to lose it for a prolonged period, 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 "medium". The country's composite index, based on the October 2019 World Economic Outlook and the 2019 EPIN score, is 3.01, above the 3.0 threshold for "high", hence the "medium" rating. In addition, based on the previous DSA, the country was also placed in the "medium" category.

**Table 41: Evaluation of the Burkina Faso Composite Index (CI)**

Components	Coefficient (A)	Average value 10 years (B)	CI score of components (A*B)=(C)	Contribution of the component
<b>Evaluation of National Policy and Institutions (EPIN)</b>	0.385	3.586	1.38	46%
<b>Real growth rate (%)</b>	2.719	5.727	0.16	5%
<b>Foreign exchange reserve coverage of imports (%)</b>	4.052	38.402	1.56	52%
<b>Foreign exchange reserve coverage of imports ^2 (%)</b>	-3.990	14.747	-0.59	-20%
<b>Transfers (%)</b>	2.022	1.460	0.03	1%
<b>World economic growth (%)</b>	13.520	3.499	0.47	16%
<b>CI score</b>			<b>3.01</b>	100%
<b>CI class</b>			<b>Medium</b>	

Source: IMF, October 2020

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

Source: IMF

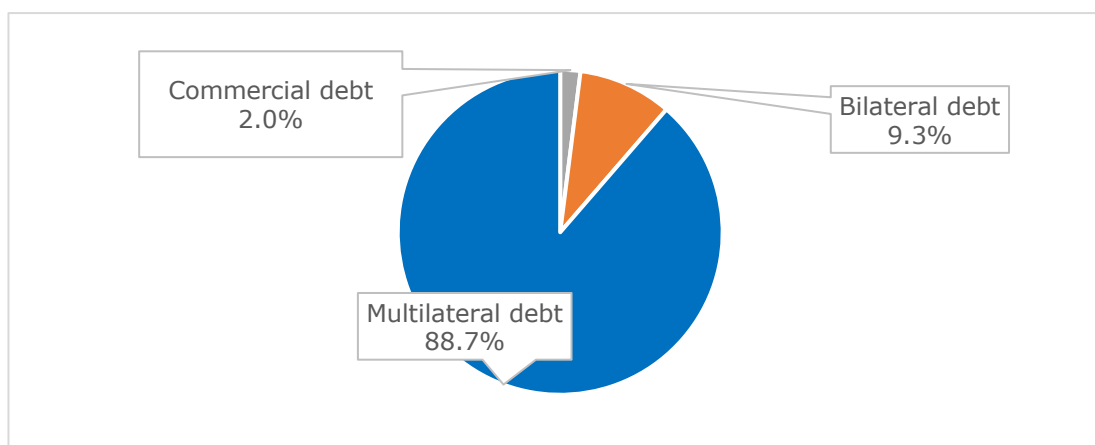
The indicative thresholds corresponding to this "average" category are: 40% for the PV of the debt/GDP ratio, 180% for the PV of the debt/export's ratio, 15% for the debt service/exports ratio and 18% for the debt service/revenue ratio. These thresholds are applicable to external debt contracted and guaranteed by the government. The threshold for PV of total public debt for an average debt capacity is 55% of GDP.

## 9.3. External debt

### 9.3.1 The owners

As of 31 December 2021, Burkina Faso's external debt stock stood at 2,852.48 billion CFAF. It is divided between multilateral, bilateral and commercial debt for respective amounts of 2 528.78 billion CFAF (88.7%), 266.42 billion CFAF (9.3%) and 57.28 billion CFAF (2.0%).

**Figure 10: Distribution of Burkina Faso's external debt by holder in 2021**



Source: Public Debt Directorate

According to the report on the public debt situation as of 31 December 2021, published at the end of May 2022, the World Bank, via the International Development Association (IDA), leads the way in the distribution of multilateral debt in 2021, with around 49.1% of this debt. It is followed respectively by the African Development Bank (AfDB) via the African Development Fund (ADF) with 14.2%, the Islamic Development Bank (IDB) with 10.8%, the West African Development Bank (WADB) with 8.4% and the International Monetary Fund (IMF) with 7.9%.

Between January and December 2021, the total amount of new disbursements was 423.20 billion CFAF. As for the distribution of multilateral creditors according to the level of drawings in 2021, the World Bank comes first with 147.99 billion CFAF, or 35.0% of the total amount of external debt borrowed in 2021. It is followed by BOAD with 77.38 billion CFAF, or 18.3%. The OPEC Fund for International Development (OFID) is in third place with 9.48 billion CFAF, or 2.2% of the total amount of external debt borrowed

in 2021. Other multilateral donors contribute 144.16 billion CFAF, or 34.1% of the total amount of new borrowings.

In terms of bilateral debt holders in 2021, non-Paris Club members are in first place with 162.64 billion CFAF, or 5.7% of Burkina Faso's total external debt, compared with 103.78 billion CFAF for Paris Club members, or 3.6%. The main countries are France (34.1%), Kuwait (11.2%) and Saudi Arabia (9.0%).

For the year 2021, the breakdown of new bilateral debt shows that AFD is in the lead with 1.66 billion CFAF, i.e., 0.4% of the total amount of new loans. The Kuwaiti fund (FKDEA) ranks second with 0.54 billion CFAF, i.e., 0.1% of the total amount of new borrowings. Other donors contribute about 20.51 billion CFAF, or 4.8% of the total amount of new loans.

Commercial debt in 2021 is estimated at 57.28 billion CFAF, or 2.0% of external debt. Regarding new loans, the Bank of China is in first place with 20.5 billion CFAF, or 4.8%.

**Table 42: Distribution of Burkina's external debt in 2021**

Estimates	Total debt in 2021 (expressed in value, CFAF billion)	Expressed in % of total external debt in 2021	Expressed in % of nominal GDP in 2021	Amount of new loans (Disbursement from Jan - Dec. 2021 in billion CFAF)	Expressed in % of new borrowing
<b>Total external debt</b>	<b>2 852.48</b>	<b>100.00</b>	<b>26.41</b>	<b>423.20</b>	<b>100.00</b>
<b>Commercial debt</b>	<b>57.28</b>	<b>2.0</b>	<b>0.5</b>	<b>21.47</b>	<b>5.1</b>
Commercial banks	57.28	2.0	0.5	21.47	5.07
including Bank of China	41.52	1.5	0.4	20.22	4.78
<b>Bilateral</b>	<b>266.42</b>	<b>9.3</b>	<b>2.5</b>	<b>22.72</b>	<b>5.4</b>
Including Paris Club	103.78	3.6	1.0	2.08	0.5
No Paris Club	162.64	5.7	1.5	20.64	4.9
AFD	91.30	3.2	0.8	1.66	0.4



FKDEA	29.90	1.0	0.3	0.54	0.1
Other donors	145.21	5.1	1.3	20.52	4.8
<b>Multilateral</b>	<b>2 528.78</b>	<b>88.7</b>	<b>23.4</b>	<b>379.01</b>	<b>89.6</b>
Including IDA	1 242.36	43.6	11.5	147.99	35.0
AfDB Group	358.94	12.6	3.3	6.93	1.6
Including IMF	199.17	7.0	1.8	0.00	0.0
Including BOAD	213.45	7.5	2.0	77.38	18.3
IsDB	272.17	9.5	2.5		
Other donors	242.70	8.5	2.2	146.71	34.7

Source: Public Debt Directorate

### 9.3.2 External debt payment status

The total amount of external debt service paid in 2021 was 101.2 billion CFAF, of which 72.5 billion CFAF was principal repaid and 28.6 billion CFAF interest. The total amount of external debt service paid

on behalf of multilateral institutions in 2021 was 84.9 billion CFAF, of which 60.3 billion CFAF was principal repaid and 24.6 billion CFAF was interest. On behalf of bilateral institutions, the total amount of external debt repaid was 15.5 billion CFAF, of which 12.3 billion CFAF was principal and 3.2 billion CFAF interest.

**Table 43: External debt payment status (December 2021 in billions of CFAF)**

	Multilateral			Bilateral			Commercial			Total		
	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total	Capital	Interest	Total
Outstanding balance on 31 December 2019	0	0	0	0	0	0	0	0	0	0	0	0
New draw	-	-	-	-	-	-	-	-	-	-	-	-
Service due	41.6	18.0	59.6	14.7	2.9	17.6	2.6	0.7	3.3	58.9	21.5	80.5
Total	41.6	18.0	59.6	14.7	2.9	17.6	2.6	0.7	3.3	58.9	21.5	80.5
At maturity 2019	0	0	0	0	0	0	0	0	0	0	0	0
Arrears	0	0	0	0	0	0	0	0	0	0	0	0
Paid service	41.6	18.0	59.6	14.7	2.9	17.6	2.6	0.7	3.3	58.9	21.5	80.5
Total	41.6	18.0	59.6	14.7	2.9	17.6	2.6	0.7	3.3	58.9	21.5	80.5
At maturity 2018	0	0	0	0	0	0	0	0	0	0	0	0
Arrears	0	0	0	0	0	0	0	0	0	0	0	0
In respect of arrears dating from 2018 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
Outstanding on 31 December 2020	0	0	0	0	0	0	0	0	0	0	0	0
Service due on 31 December 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
Service due on 31 December 2021	60.3	24.6	84.9	12.3	3.2	15.5	0.00	0.8	0.8	72.5	28.6	101.2
Paid service	60.3	24.6	84.9	12.3	3.2	15.5	0.00	0.8	0.8	72.5	28.6	101.2
Total	60.3	24.6	84.9	12.3	3.2	15.5	0.00	0.8	0.8	72.5	28.6	101.2

Source: Public Debt Directorate

### 9.3.3 Debt currencies

At the end of 2021, the distribution of Burkina Faso's total debt in CFAF, according to the currencies in which it is issued, is as follows:

- 3,727.66 billion CFAF, i.e., 60.3% of the total outstanding debt.
- 1,104.18 billion Euros, or 17.9%.
- 779.11 billion SDRs, or 12.6%. The SDR is a basket of currencies consisting of the US Dollar, the Euro, the Pound Sterling, the Japanese Yen, and the Chinese Yuan (Renminbi).
- 335.36 billion US dollars, or 5.4%;
- 93.34 billion IDI, or 1.5%;
- 139.06 billion for all other currencies, or 2.3% (KWD, GBP, UCC, SAR, EAD, JPY, CNY).

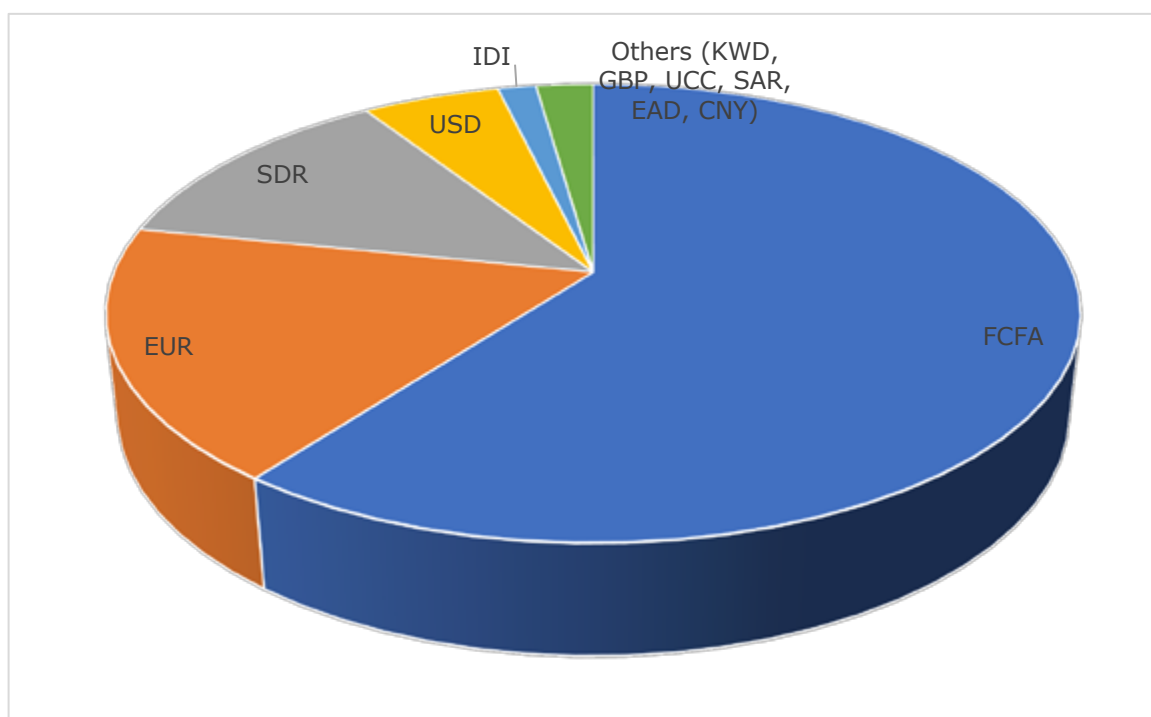
**Table 44: Currencies in which public debt is denominated in 2021**

Currency	Total debt originally denominated in this currency (in thousands)	CFAF exchange rate on 31 December 2021	Total debt in billions of CFAF	Exchange rates in EUR on 31 December 2020	Total debt in EUR million	Debt distribution by currency (%)
<b>CFAF</b>	3727660 296.00	1	3 727.66	655.957	5 682.78	<b>60.3</b>
<b>EUR</b>	1104181076.00	655.957	1 104.18	655.957	1 683.31	<b>17.9</b>
<b>SDR</b>	779 109 507.00	808.3969509	779.11	655.957	1 187.74	<b>12.6</b>
<b>USD</b>	335 360 974	576.5891211	335.36	655.957	511.25	<b>5.4</b>
<b>IDI</b>	93 337 957.00	808.3969509	93.34	655.957	142.29	<b>1.5</b>
<b>Others (KWD, GBP, UCC, SAR, EAD, CNY)</b>	139 060 190.00		139.06	655.957	212.00	<b>2.3</b>
<b>TOTAL</b>	<b>6178710000.00</b>		<b>6 178.71</b>		<b>9 419.38</b>	<b>100</b>

Source: Public Debt Directorate.

Thus, Burkina's public debt portfolio at the end of 2021 is marked by a proportion of floating currencies of 21.8% against 78.2% for that at fixed rates (Euro, CFAF).

**Figure 11: Distribution of Burkina Faso's public debt in foreign currency as of 31 December 2021**



Source: Public Debt Directorate.

## 9.4. Domestic debt

### 9.4.1 Presentation of the situation on 31 December 2021

With an amount of 3 326.23 billion CFAF at the end of 2021, the outstanding domestic debt increased by 43.8% compared to the end of 2020 when it was 2

313.42 billion CFAF. This increase is essentially explained by bonds for a total amount of 2 299.49 billion CFAF and Treasury bills for a cumulative amount of 356.46 billion CFAF. The outstanding amount of these public securities stood at 2 655.95 billion CFAF and represented 79.8% of the domestic debt.

**Table 45: Breakdown of Burkina's domestic debt as at 31 December 2021**

	Domestic debt by value (billion CFAF)	Domestic debt as % of total domestic debt	Domestic debt as % of nominal GDP in year 2021
<b>Total domestic debt</b>	<b>3 326.23</b>	<b>100</b>	<b>30.8</b>
<b>Public title</b>	<b>2 655.95</b>	<b>79.8</b>	<b>24.6</b>
Treasury bills	356.46	10.7	3.3
Treasury bonds (OAT)	2 299.49	69.1	21.3
Other types	0	0.0	0.0
<b>Bank loan</b>		<b>0.0</b>	<b>0.0</b>
BCEAO	91.64739127	2.8	0.8
Commercial bank	366.25176	11.0	3.4
<b>Others</b>	<b>212.3832878</b>	<b>6.39</b>	<b>2.0</b>

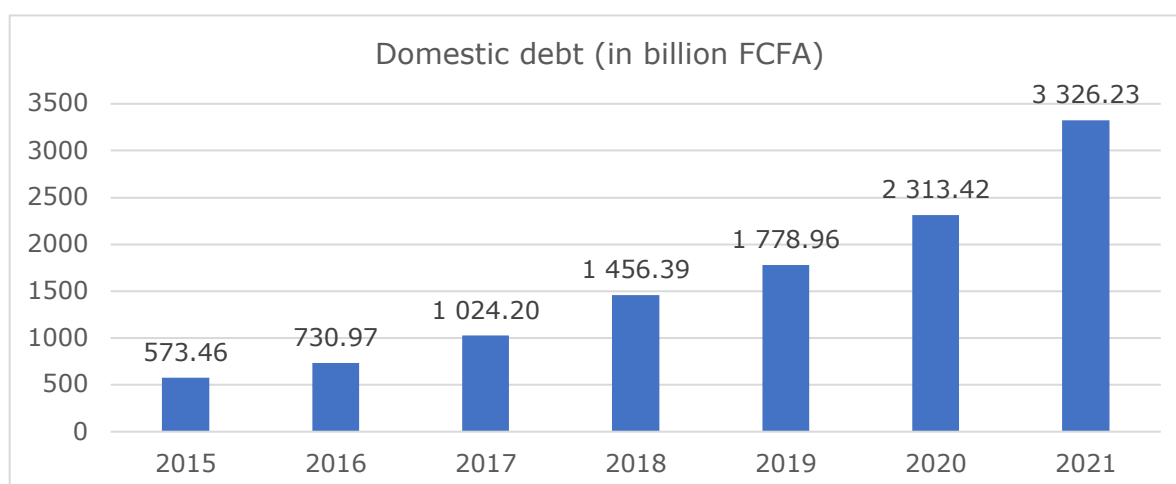
Source: Public Debt Directorate.

### 9.4.2 Evolution of the composition of domestic debt over the last 5 years

Over the past six years, Burkina Faso's domestic debt stock has been rising steadily, from 573.46 billion CFAF in 2015 to 1,024.20 billion CFAF in 2017, reaching 2,313.42 billion CFAF in 2020 and 3,326.23

billion CFAF in 2021, i.e., an average annual rise of 34.3%. The evolution of the stock of domestic debt in recent years is mainly attributable to the issuance of public securities (bonds and notes) and the assumption by the state of the debt or liabilities of certain public enterprises (debt buyback, capital losses of SONABHY, etc.).

**Figure 12: Evolution of Burkina Faso's domestic debt from 2015 to 2021 (billions of CFAF)**



Source: Public Debt Directorate

### 9.4.3 Status of domestic debt payments

Total domestic debt service as of 31 December 2021 was 947.85 billion CFAF, of which 784.64 billion CFAF was principal and 163.21 billion CFAF interest.

The amount of domestic debt service repaid to the banking sector is estimated at 175.55 billion CFAF, of which 157.95 billion CFAF is principal and 17.60 billion CFAF is interest. For the non-banking sector,

the amount of debt service repaid was 772.31 billion CFAF, of which 626.69 billion CFAF was principal and 145.62 billion CFAF interest.

**Table 46: Status of domestic debt payments in Burkina Faso in 2021**

	Banking sector			Non-banking sector *			Total		
	Princi- pal	Interest	Total	Princi- pal	Interest	Total	Princi- pal	Interest	Total
<b>(1) Debt service due at the end of December 2021</b>	157.95	17.60	175.55	626.69	145.62	772.31	784.64	163.22	947.85
<b>Of which maturing in 2021</b>	157.95	17.60	175.55	626.69	145.62	772.31	784.64	163.22	947.85
<b>Including arrears from 2020 onwards</b>	0	0	0	0	0	0	0	0	0
<b>(2) Debt service paid during 2021</b>	157.95	17.60	175.55	626.69	145.62	772.31	784.64	163.22	947.85
<b>For the 2021 maturities</b>	157.95	17.60	175.55	626.69	145.62	772.31	784.64	163.22	947.85
<b>For arrears from 2020 onwards</b>	0	0	0	0	0	0	0	0	0
<b>(3) Restructured debt service</b>	0	0	0	0	0	0	0	0	0
<b>For the 2021 maturities</b>	0	0	0	0	0	0	0	0	0
<b>For arrears from 2020 onwards</b>	0	0	0	0	0	0	0	0	0
<b>(4) Arrears at 31 Dec. 2021</b>	0	0	0	0	0	0	0	0	0
<b>(1)-(2)-(3)</b>	0	0	0	0	0	0	0	0	0
<b>Of which arrears dating from 2020 taken over</b>	0	0	0	0	0	0	0	0	0
<b>Of which new arrears from 2021</b>	0	0	0	0	0	0	0	0	0
<b>(5) Outstanding end of Dec. 2021</b>	0	0	0	0	0	0	0	0	0
<b>(6) Total debt due 31 Dec 2021 (4)+(5)</b>	0	0	0	0	0	0	0	0	0

Source: Public Debt Directorate

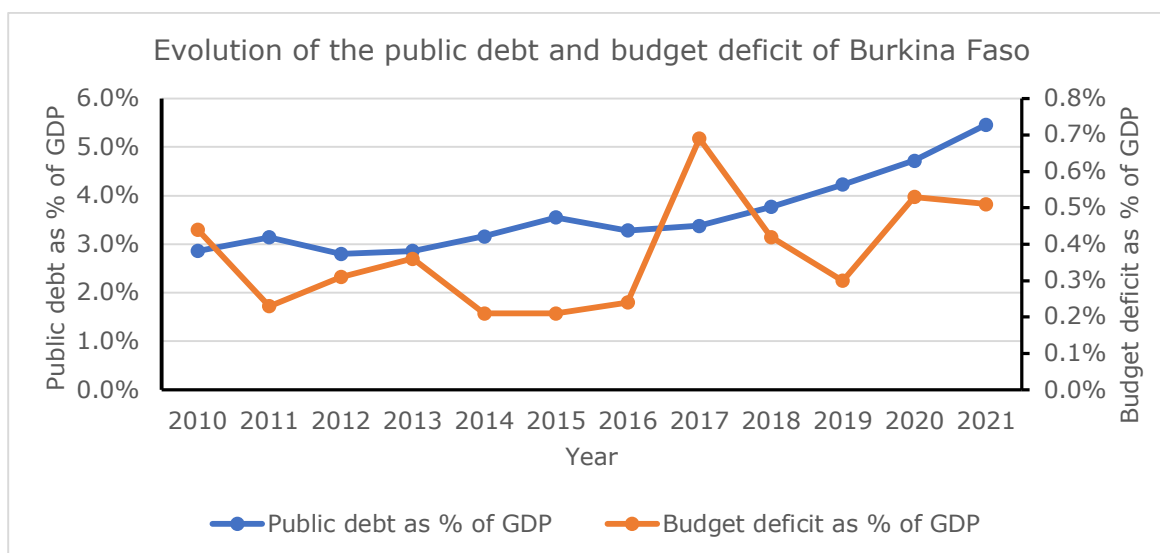
## 9.5. Viability and sustainability

The debt-to-GDP ratio has been increasing since 2010 in line with the evolution of the budget deficit. It increased from 26.5% to 42.3% of GDP over the period 2010 and 2019. In 2021, the debt level would be 54.8% of GDP. Although the country's debt ratio

is increasing, it remains below the EU norm of 70% of GDP.

As regards the budget deficit, it has been reduced from 2019 to around 3.0% of GDP, compared with 6.9% of GDP in 2017. With COVID-19, the budget deficit to GDP ratio increased to 5.96% in 2021. It is projected to decline to around 3.0% in 2024.

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



Source: Public Debt Directorate

Table 47: Details of securities alive at the end of 2021

Identifier (ISIN Code)	Maturity at issue	Average time remaining	Value date	Expiry date	Outstanding in billions of CFAF	Coupon Rate	Periodicity	Amortization method	Year Deferred
<b>Treasury Bonds</b>									
BF0000001172	3 years	0.84 month	24/01/2019	24/01/2022	13.23	6.15	A	IF	
BF0000001206	3 years	1.68 months	21/02/2019	21/02/2022	17.21	6.15	A	IF	
BF0000001248	3 years	4.2 months	09/05/2019	09/05/2022	29.42	6.15	A	IF	
BF0000001297	3 years	6.36 months	11/07/2019	11/07/2022	27.50	6.15	A	IF	
BF0000001313	3 years	7.2 months	07/08/2019	07/08/2022	22.00	6.15	A	IF	
BF0000000760	5 years	9 months	29/09/2017	29/09/2022	25.39	6.15	A	IF	
BF0000000828	5 years	10.8 months	23/11/2017	23/11/2022	3.34	6.20	A	IF	
BF0000001396	3 years	1.06 years	23/01/2020	23/01/2023	22.00	6.15	A	IF	
BF0000000992	5 years	1.11 years	09/08/2018	09/08/2023	4.83	6.25	A	ACD	3
BF0000001404	3 years	1.12 years	13/02/2020	13/02/2023	34.54	6.15	A	IF	
BF0000000570	7 years	1.17 years	02/09/2016	02/09/2023	25.00	6.50	A	ACD	3
BF0000001511	3 years	1.39 years	22/05/2020	22/05/2023	26.25	6.15	A	IF	
BF0000001578	3 years	1.52 years	07/07/2020	07/07/2023	25.00	6.15	A	IF	
BF0000001602	3 years	1.61 years	12/08/2020	12/08/2023	27.50	6.15	A	IF	
BF0000001628	3 years	1.67 years	02/09/2020	02/09/2023	22.00	6.15	A	IF	
BF0000001677	3 years	1.88 years	19/11/2020	19/11/2023	27.95	6.15	A	IF	
BF0000001719	3 years	2.06 years	21/01/2021	21/01/2024	33.00	6.15	A	IF	
BF0000001800	3 years	2.33 years	29/04/2021	29/04/2024	14.50	5.55	A	IF	
BF0000001255	5 years	2.35 years	09/05/2019	09/05/2024	20.08	6.25	A	IF	
BF0000001834	3 years	2.4 years	27/05/2021	27/05/2024	15.00	5.55	A	IF	
BF0000001875	3 years	2.48 years	24/06/2021	24/06/2024	10.51	5.55	A	IF	
BF0000001917	3 years	2.58 years	29/07/2021	29/07/2024	16.50	5.55	A	IF	
BF0000001339	5 years	2.68 years	05/09/2019	05/09/2024	22.00	6.25	A	IF	
BF0000001990	3 years	2.84 years	04/11/2021	04/11/2024	5.67	5.55	A	IF	
BF0000001453	5 years	3.27 years	09/04/2020	09/04/2025	54.28	6.25	A	IF	
BF0000001479	5 years	3.29 years	17/04/2020	17/04/2025	34.24	6.25	A	IF	
BF0000001685	5 years	3.88 years	19/11/2020	19/11/2025	27.05	6.25	A	IF	
BF0000001735	5 years	4.1 years	04/02/2021	04/02/2026	33.00	6.25	A	IF	
BF0000001776	5 years	4.27 years	08/04/2021	08/04/2026	28.15	6.05	A	IF	
BF0000001792	5 years	4.33 years	29/04/2021	29/04/2026	51.50	5.80	A	IF	
BF0000001883	5 years	4.48 years	24/06/2021	24/06/2026	38.91	5.80	A	IF	
BF0000001958	5 years	4.77 years	07/10/2021	07/10/2026	9.80	5.80	A	IF	
BF0000002006	5 years	4.84 years	04/11/2021	04/11/2026	30.80	5.80	A	IF	
BF0000002022	5 years	4.92 years	02/12/2021	02/12/2026	29.25	5.80	A	IF	
BF0000001651	7 years	5.81 years	22/10/2020	22/10/2027	22.00	6.40	A	IF	
BF0000001669	7 years	5.85 years	05/11/2020	05/11/2027	40.40	6.40	A	IF	
BF0000001768	7 years	6.27 years	08/04/2021	08/04/2028	59.85	6.25	A	IF	
BF0000001842	7 years	6.4 years	27/05/2021	27/05/2028	43.25	6.10	A	IF	
BF0000001891	7 years	6.48 years	24/06/2021	24/06/2028	54.31	6.10	A	IF	
BF0000001966	7 years	6.77 years	07/10/2021	07/10/2028	33.95	6.10	A	IF	
BF0000001826	10 Years	9.4 years	27/05/2021	27/05/2031	57.18	6.20	A	IF	
BF0000001925	10 Years	9.58 years	29/07/2021	29/07/2031	38.50	6.20	A	IF	

		<b>Total Treasury Bonds:</b>			<b>1 176.83 billion CFAF</b>				
<b>Treasury bills</b>									
BF0000001701	1 year	0.24 month	07/01/2021	05/01/2022	32.98				
BF0000001750	1 year	2.76 months	25/03/2021	23/03/2022	33.00				
BF0000001784	1 year	3.36 months	15/04/2021	13/04/2022	33.00				
BF0000001859	1 year	5.28 months	10/06/2021	08/06/2022	32.24				
BF0000001909	1 year	6.24 months	08/07/2021	06/07/2022	36.50				
BF0000001941	1 year	8.76 months	23/09/2021	21/09/2022	45.50				
BF0000001974	1 year	9.36 months	11/10/2021	09/10/2022	47.06				
BF0000001982	1 year	9.6 months	21/10/2021	19/10/2022	31.20				
BF0000002014	1 year	10.56 months	18/11/2021	16/11/2022	31.98				
BF0000002030	1 year	11.52 months	16/12/2021	14/12/2022	33.00				
<b>Total Treasury bills:</b>					<b>356.46 billion CFAF</b>				

Source: UMOA-Titres

**Auction (for government securities):** an auction of securities admitted by the central government. In the WAEMU area, it is organized 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 IGS. 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's and banks' situations relating to their operations with the outside world. It is obtained by deducting from gross external assets, all external commitments, including medium- and long-term commitments.

**Government borrowing requirement:** the overall amount needed to cover the primary budget deficit and the interest and amortization 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 (EC):** 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 + Net government position (see NGP).

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

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

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

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

**Foreign public debt:** central government borrowing from non-residents.

**Domestic public debt:** borrowing by the central government from residents.

**Non-concessional debt:** debt contracted on market terms.

**Public debt:** sum of all central government debt (external and domestic).

**Donation 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 include a grant element of at least 35%.

**Euro-bond:** a dollar bond on the London financial market.

**Inflation:** a general rise in consumer prices. This results in a loss of purchasing power of the currency.

**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,

which aims to provide comprehensive debt relief sufficient to achieve debt sustainability.

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

**Treasury bonds:** medium- or long-term government securities issued through auctions or public calls for savings.

**Contingent liabilities:** debts contracted by other public entities except the central government (local authorities and the parastatal sector).

**Net government position (NGP):** net claims or liabilities of the Treasury to 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 pressure:** the ratio of tax revenues to GDP.

**Refinancing risk:** risk associated with the rollover of maturing debt. It may relate to the cost of refinancing or the inability to obtain the desired amounts.

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

**Foreign exchange risks:** risks associated with fluctuations in foreign exchange rates.

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

**Primary balance:** (see primary deficit).

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

**Public debt stock:** this is a measure of how well a country's economic performance is in line with its economic and social development objectives.

**Exchange rate:** price of a currency in terms of another currency.

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

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

**Poverty rate:** number of poor people among the total population. It is usually calculated on the basis of a poverty line equivalent to 1.25 \$ set by the World Bank.

**The terms of trade:** express for a country the ratio between the price of exports and the price of imports. They are generally calculated from price indices and indicate a change relative to a base year ( $T = [\text{export price index} / \text{import price index}] \times 100$ ). The terms of trade improve over time ( $T > 100$ ) if an economy exports a smaller quantity of goods to obtain the same quantity of imported goods (in other words, the same quantities exported allow the purchase of an increased quantity of imported goods): export earnings improve in this case. This price ratio thus reflects the evolution of the purchasing power of exports over imports, for a given volume of trade (the structure of trade is fixed): it reflects the price competitiveness of a country (independently of the quantity effect).



# BUILDING A BENCHMARKED GOVERNMENT SECURITIES MARKET FOR DEVELOPMENT OF WAMU STATES



*Together, let's build  
the WAMU of tomorrow*



Benin



Burkina



Côte d'Ivoire



Guinea-Bissau



Mali



Niger



Senegal



Togo