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BURKINA FASO

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THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR BURKINA FASO

In the context of the Third Review Under the Extended Credit Facility Arrangement, Requests for Waivers of Nonobservance of Performance Criteria, Modification of Performance Criteria, and Financing Assurances Review, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on June 20, 2025, following discussions, that ended on April 9, 2025, with the officials of Burkina Faso on economic developments and policies underpinning the IMF arrangement under Extended Credit Facility. Based on information available at the time of these discussions, the staff report was completed on June 5, 2025.
- A **Statement by the Executive Director** for Burkina Faso.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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Washington, D.C.

IMF Executive Board Completes the Third Review under the Extended Credit Facility Arrangement for Burkina Faso

FOR IMMEDIATE RELEASE

- The IMF Executive Board completed today the third review under the Extended Credit Facility Arrangement for Burkina Faso. This enables an immediate disbursement of about US$32.8 million.
- Supportive policies and favorable weather conditions boosted agricultural output in 2024; however, widespread insecurity continues to weigh on economic activity in other sectors, especially gold mining, the primary source of export earnings for the country.
- Program performance has been broadly satisfactory. While end-December 2024 performance criteria for the primary fiscal deficit and net domestic financing were missed by 0.6 percent of GDP, the 2025 budget includes adequate corrective measures. On this basis, the Executive Board approved waivers of nonobservance of these performance criteria. All continuous performance criteria were met. Seven out of eight structural benchmarks were achieved, with the remaining one implemented later as a prior action.

Washington, DC – **June 20, 2025:** The Executive Board of the International Monetary Fund (IMF) completed the third review under the 48-month Extended Credit Facility (ECF) arrangement that was approved on September 21, 2023. The completion of the review enables the immediate disbursement of SDR 24.08 million (about US$32.8 million), bringing total IMF financial support under the arrangement to SDR 96.32 million (about US$131.3 million).

Real GDP growth is estimated to have reached 5.0 percent in 2024. Strong growth in agriculture and services outweighed contractions in mining and manufacturing. Real GDP growth is projected to average 4.2 percent in 2025, as growth in the agricultural output is expected to soften in line with average rainfall conditions. Inflation is projected to ease to 3.0 percent in 2025 amid moderating food prices.

Balance of payments strengthened, reflecting a positive shift in terms of trade. The current account deficit rose from 5.0 percent of GDP in 2023 to 5.7 percent in 2024 but is expected to narrow to 3.4 percent in 2025 due to record-high gold prices. Trade policy turbulences will likely have a marginal impact as the United States are not a major trading partner.

Elevated capital spending affected fiscal performance in 2024. Nonetheless, the overall fiscal deficit narrowed from 6.7 percent of GDP in 2023 to 5.8 percent in 2024. Building on the 2025 budget, fiscal policy is expected to be tightened considerably in 2025, with the overall fiscal deficit projected in the 3.3 to 4.0 percent of GDP range, depending on the availability of external concessional financing. Risks to the outlook are tilted to the downside due to terrorist threats.

Progress under the ECF arrangement has been broadly satisfactory. Due to fiscal pressures in late 2024, the end-December performance criteria (PCs) on the primary fiscal deficit and net domestic financing were missed by 0.6 percent of GDP, while all other PCs were met. Three out of six indicative targets (ITs) were missed by small margins. All three continuous PCs and five end-March 2025 ITs, including on the primary fiscal deficit and net domestic financing were met, while the remaining four ITs were missed by small margins.

The Burkinabè authorities advanced their structural reform agenda under the program. They met seven out of eight structural benchmarks (SBs) and have addressed the missed SB on the preparation of the clearance plan for domestic arrears as a prior action for the third review. They have also implemented two other prior actions: they shared a list of treasury deposit accounts and cleared all domestic arrears outstanding at end-2023. Three new SBs under the program aim to strengthen the governance in public procurement, uphold integrity in revenue administration, and increase control over the public wage bill.

At the conclusion of the Executive Board's discussion, Mr. Kenji Okamura, Deputy Managing Director, and Acting Chair, issued the following statement:

"Burkina Faso's economy has proven resilient notwithstanding security challenges, a difficult humanitarian situation, and weather shocks. A lasting improvement in socio-economic conditions will require progress on security and structural reforms to foster diversification, fiscal governance, and resilience.

"While the policy framework remains strong, fiscal pressures affected program performance in 2024. For the first time, and in difficult circumstances, performance criteria on the primary fiscal deficit and net domestic financing were missed. The margin of nonobservance—while not negligible—did not undermine the fiscal consolidation trend. The authorities counteracted the slippage with strong measures on the expenditure side and remain committed to reducing the overall fiscal deficit to three percent of GDP by the end of the ECF arrangement, while safeguarding fiscal space for poverty-reducing social spending. This commitment is reflected in the 2025 budget and fiscal performance through end-March.

"The authorities are on track and have expanded their structural reform agenda, focusing on fiscal governance and transparency. They have provided a list of treasury deposit accounts, adopted an arrears' clearance plan, and cleared all arrears outstanding at end-2023 following their audit. These measures are informed by the preliminary findings of the IMF's Governance Diagnostic Assessment (GDA). The GDA report is being finalized. The authorities intend to publish the final report in coming weeks and adopt, within four months from publication, an action plan reflecting its key recommendations. Structural conditionality for the fifth review has been strengthened with the addition of benchmarks on implementing the action plan from the procurement audit and strengthening further wage bill control and governance in revenue services."

Table 1. Burkina Faso: Selected Economic and Financial Indicators, 2023–29

Population (2023): 23.3 million		Gini Index (2021): 37.4
Per capita GDP (2023): 910 USD		Life Expectancy (years): 60
Share of population below the poverty line (2022): 43.7%		Literacy rate (2022): 34%

	2023	2024	2024	2025	2025	2026	2027	2028	2029
	Act.	ECF 2nd Review	Prel.	ECF 2nd Review	Proj.	Proj.	Proj.	Proj.	Proj.
	(Annual percentage change, unless otherwise indicated)								
GDP and Prices									
GDP at constant prices	3.0	4.2	5.0	4.3	4.2	4.9	4.7	4.7	4.7
GDP deflator	2.0	7.2	8.9	5.6	5.9	4.0	3.3	2.8	2.3
Consumer prices (annual average)	0.7	3.6	4.2	3.0	3.0	2.5	2.1	2.0	2.0
Consumer prices (end of period)	1.0	3.4	4.9	2.8	3.0	2.5	2.1	2.0	2.0
Money and Credit									
Net domestic assets (banking system) 1/	5.3	18.7	0.4	14.7	6.1	8.8	8.7	7.5	7.0
Credit to the government (banking system) 1/	3.0	9.8	3.7	8.1	3.8	3.4	3.3	2.3	2.1
Credit to private sector	5.9	13.1	-2.2	9.5	2.6	8.2	8.3	7.9	7.5
Broad money (M3)	-3.0	20.8	7.2	15.6	6.1	9.1	8.1	7.6	7.1
Private sector credit/GDP	31.6	30.7	27.0	30.5	25.1	24.9	24.9	25.0	25.1
External Sector									
Exports (f.o.b.; valued in CFA francs)	-3.1	10.5	2.0	10.5	25.3	7.8	5.3	4.2	2.7
Imports (f.o.b.; valued in CFA francs)	-1.5	5.3	4.8	3.5	10.8	6.3	6.5	6.4	5.7
Current account (percent of GDP)	-5.0	-5.2	-5.7	-3.5	-3.4	-3.1	-3.4	-3.7	-4.4
	(Percent of GDP, unless otherwise indicated)								
Central Government Finances									
Current revenue	20.6	20.1	20.6	18.6	19.8	20.1	20.4	20.8	20.9
of which: Tax revenue	18.2	17.8	18.3	16.9	18.1	18.4	18.8	19.1	19.3
Total expenditure and net lending	29.0	26.3	27.7	24.1	25.0	24.7	24.6	24.9	25.1
of which: Current expenditure	17.9	16.5	16.3	15.4	16.0	15.5	15.1	14.7	14.3
Overall fiscal balance, incl. grants (commitments)	-6.7	-5.0	-5.8	-4.3	-4.0	-3.5	-3.0	-3.0	-3.0
Total public debt 2/	56.2	53.0	56.9	52.2	56.1	55.0	54.0	53.0	52.3
of which: External debt	25.9	23.7	25.4	22.2	24.8	24.0	23.7	23.3	23.1
of which: Domestic debt	30.3	29.4	31.6	29.9	31.3	30.9	30.3	29.7	29.2
Memorandum Items:									
Nominal GDP (CFAF billion) 3/	12,328	14,330	14,098	15,791	15,561	16,973	18,355	19,755	21,153
Nominal GDP per capita (US$)	874	990	975	1,050	1,002	1,063	1,120	1,175	1,227
Nominal exchange rate (CFAF/US$, period average)	606	602	606	598	635	637	637	637	637
Gold price (USD/troy ounce)	1,943	2,342	2,387	2,608	2,821	2,963	3,096	3,198	3,244

Sources: Burkinabé authorities; IMF staff estimates and projections.

1/ Percent of beginning-of-period broad money.

2/ The 2nd review total public debt data has been retroactively adjusted to correct an exchange rate calculation error starting in 2023. In addition, the denominator (GDP) in the table has been revised (see footnote 3 below). Previously, total public debt in 2024 was estimated at 52.6 percent of GDP, while it was assessed to have reached 53.6 percent of GDP in 2023.

3/ Historical nominal GDP figures have been revised down, in line with the most recent publication of official estimates by the National Institute of Statistics.

INTERNATIONAL MONETARY FUND

BURKINA FASO

June 5, 2025

THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW

EXECUTIVE SUMMARY

Context. The authorities remain committed to the program's objectives, including fiscal consolidation, strengthening fiscal governance, and other structural reforms, despite the challenges posed by insecurity, poverty, weather shocks, and their interactions.

Program Performance. Excess capital spending in late 2024 led to a fiscal slippage. As a result, end-2024 performance criteria (PC) on the primary fiscal deficit and net domestic financing (NDF) were missed by 0.6 percent of GDP. The end-December 2024 PC on the amount of debt contracted or guaranteed was met. Three out of six end-December 2024 indicative targets (IT) were missed by small margins. All continuous PCs were met. Seven out of eight structural benchmarks (SBs) were met. The missed SB on the arrears' clearance strategy has become a prior action (PA) and has been subsequently implemented together with two other PAs calling for: (i) the clearance of 2023 domestic arrears; and (ii) the provision of data on treasury deposit accounts.

Key Program Policies. Discussions focused on the appropriate degree of fiscal consolidation, the macroeconomic outlook, and fiscal transparency and governance. Two new SBs on fiscal governance informed by the IMF's Governance Diagnostic Assessment (GDA) are proposed for the fifth review. Another new SB aims to strengthen the control over the public sector wage bill.

Staff's View. Given the authorities' redoubled commitment to fiscal consolidation enshrined in the 2025 budget, the broader track record of reform implementation, and a substantively strengthened fiscal governance agenda, staff support the requests for waivers and the modification of the end-June 2025 quantitative PCs, and recommend the completion of the third review under the ECF arrangement to enable the disbursement of SDR 24.08 million (20 percent of quota, 0.1 percent of GDP). Staff also welcome the authorities' decision to clear all remaining domestic arrears by end-2025.

Approved By
Annalisa Fedelino (AFR) and Bergljot Barkbu (SPR)

An IMF team comprising Mr. Wieczorek (head), Messrs. Cook, Kouassi, Stuermer (all AFR), Mr. Bird (FAD), Mr. Changeya (STA), and Mr. Coble (SPR) assisted by Messrs. Gbohoui (Resident Representative) and Sebre (Local Economist), held discussions with the authorities in Ouagadougou during April 1–9, 2025. Mr. Abdoulaye Tall (OED) participated in the meetings. The mission met with Finance Minister A. Nacanabo and BCEAO National Director A. Badiel, their teams, and other members of the government. The team also met with members of the diplomatic community and development partners, as well as representatives of the private sector. Mmes. Eckling, Kiggundu, and Prado (all AFR) provided administrative support.

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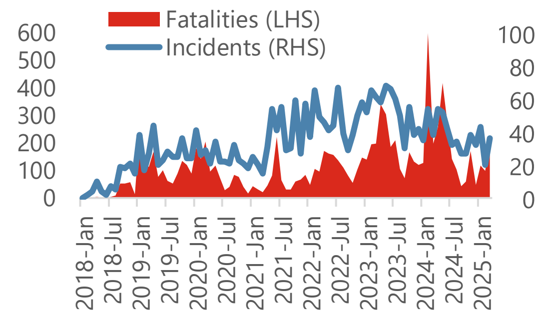
ANNEXES

APPENDIX

CONTEXT

1. **Burkina Faso's economy has proven resilient notwithstanding security challenges, ECOWAS exit, and weather shocks.** Despite fewer attacks, fatalities increased in 2024 (Text Figure 1), and Burkina Faso (BFA) topped the Global Terrorism Index for a second consecutive year.[1] Over 2 million people are estimated to remain internally displaced.[2] BFA withdrew from ECOWAS in early 2025 although it retained its membership privileges until the modalities of future engagement are determined and remains committed to WAEMU. A delayed rainy season dampened cotton harvest, but policy measures and ample rain later lifted overall agricultural output.

Text Figure 1. Fatalities from Terrorism Incidents, 2018–2025
(Monthly)

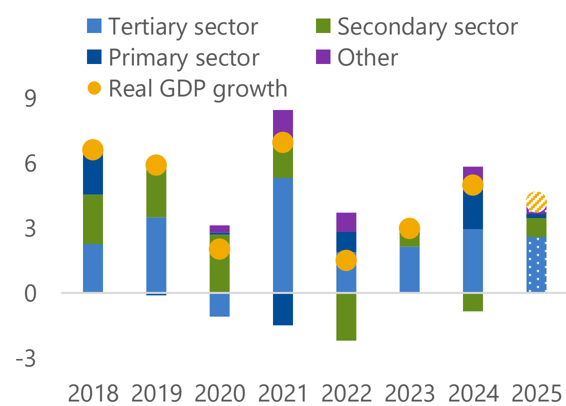


Sources: ACLED (Armed Conflict Location & Event Data); and IMF staff calculations.
Note: Terrorism fatalities are categorized as those from attacks on civilians, suicide bombings, or remote. explosions/IEDs. 2025 data are as of March.

RECENT ECONOMIC DEVELOPMENTS

2. **Strong agricultural output boosted growth.** Real GDP growth is estimated to have neared 5.0 percent in 2024 compared to 3.0 percent in 2023, as growth in agriculture and services outweighed contractions in mining and manufacturing (Text Figure 2).

Text Figure 2. Real GDP by Sector Contribution, 2018–2025



Sources: Burkinabè authorities; and IMF staff calculations.

3. **Consumer prices fluctuated widely reflecting movements in food and energy prices.** Driven by a 9-percent rise in food prices in 2024, twelve-month average inflation increased from 0.7 percent in 2023 to 4.2 percent, and subsided to 3.9 percent in February 2025, as prices of energy and other utilities dropped (Text Figure 3).[3]

[1] Source: The Institute for Economics & Peace.

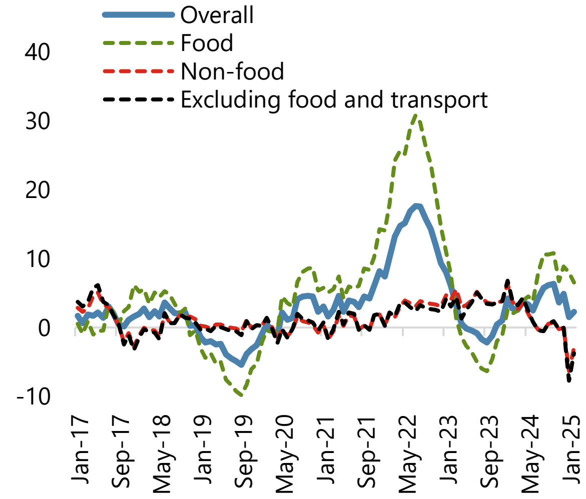
[2] The latest official figure published by UNHCR was 2.1 million as of March 2023.

[3] Since January 2025, the CPI base has been revised WAEMU-wide, making comparison across time difficult. In addition, the new BFA index now covers all 13 regions.

4. The current account (CA) deficit widened from 5.0 percent of GDP in 2023 to 5.7 percent in 2024. Main factors were a 15-percent drop in cotton exports, a 15-percent rise in petroleum imports, and a 10-percent rise in imports of intermediate and manufactured goods, the latter driven by public investment spending. A 3.3-percent rise in gold exports, lifted by higher prices despite their 5-percent drop in volume terms (Text Figure 4), mitigated downward pressure on the CA. Key financial inflows included direct and portfolio investments in agriculture and mining (notably the Kiaka mine), project loans, and government tapping the regional bond market.

Text Figure 3. Consumer Price Inflation, 2017–2025

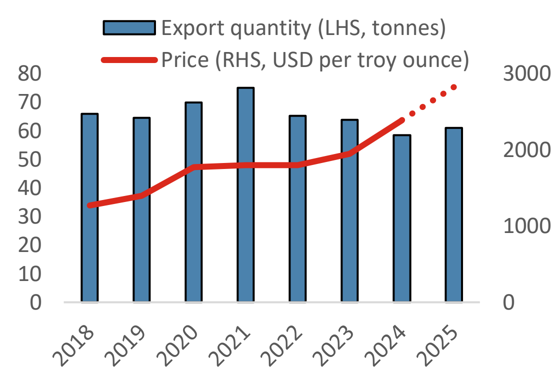
(YoY Percentage Change)



Sources: INSD; and IMF staff calculations.
Note: 2025 data are through February.

5. The 2024 fiscal outturn was broadly as projected, except for capital spending, causing an excess deficit of 0.8 percent of GDP. Revenues and grants totaled 21.9 percent of GDP, 0.6 percent of GDP higher than expected, while expenditure and net lending reached 27.7 percent of GDP, 1.4 percent of GDP more than estimated (Text Table 1, Table 3b). While current expenditure was slightly lower than projected due to firm wage bill control, capital spending increased, due to higher externally and domestically financed projects, as reflected in the 2025 supplementary budget. Key additional domestically financed investment projects—partly offset by reductions in other projects—included road construction in remote areas (0.6 percent of GDP), the purchase of two gold mines (0.3 percent of GDP), and an airplane acquisition (0.1 percent of GDP) to attract co-investors for the state-owned airline and improve regional interconnectivity. The authorities expected to meet the attendant funding needs with higher revenues, which materialized only partly. Consequently, the fiscal deficit reached 5.8 percent of GDP compared to 5.0 percent of GDP projected at the second review.[4]

Text Figure 4. Gold Exports and Prices, 2018–2025



Sources: Burkinabè authorities; and IMF staff calculations.
Note: Data for 2025 are projections.

[4] A downward baseline revision of nominal GDP in line with data from the National Statistical Institute changed ratios compared to the last staff report. Notably, the 2024 fiscal deficit-to-GDP ratio was revised up from 5.6 to 5.8 percent.

Text Table 1. Authorities' Budget vs. 2024 Projections and Outturn
(Percent of GDP)

	Initial Budget	Revised Budget (as of Sep. 2024)	Proj. 2nd Review	Outturn
Total Revenue and Grants	**21.7**	**22.9**	**21.3**	**21.9**
Total revenue	20.4	21.6	20.1	20.6
Tax revenue	18.5	19.3	17.8	18.3
Nontax revenue	2.0	2.3	2.3	2.3
Grants	1.3	1.3	1.3	1.3
Project	1.3	1.3	1.3	1.3
Expenditure and Net Lending	**27.2**	**28.1**	**26.3**	**27.7**
Current expenditure	16.6	16.8	16.5	16.3
Wages and salaries	8.5	8.5	8.4	8.3
Goods and services	2.3	2.3	2.3	2.2
Interest payments	2.1	2.1	2.0	2.2
Current transfers	3.8	3.8	3.8	3.6
Investment expenditure	10.6	11.3	9.9	11.4
Domestically financed	7.9	8.1	6.6	8.0
Externally financed	2.7	3.3	3.3	3.3
Net lending	-0.1	-0.1	-0.1	0.0
Overall Balance	**-5.4**	**-5.2**	**-5.0**	**-5.8**
Primary Fiscal balance (including grants)	-3.4	-3.2	-2.9	-3.6

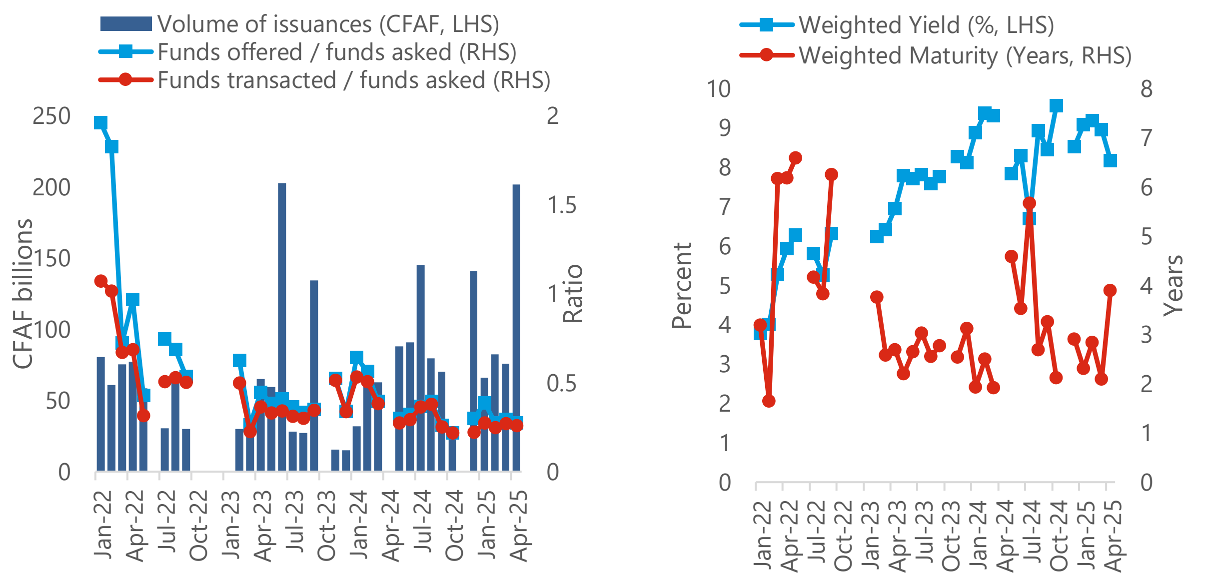
Sources: Burkinabè authorities; IMF staff estimates and projections.

6. **The government financed the deficit mostly by relying on the regional bond market.** Domestic (i.e., WAEMU) financing amounted to 4.7 percent of GDP, including commercial bank financing of 3.7 percent of GDP and domestic non-bank financing of 1.1 percent of GDP. This included a 0.9-ppt of GDP increase in the treasury float, mostly due to undisbursed transfers provided for in the 2024 budget, and net withdrawals of 0.7 ppt of GDP from government cash accounts that the authorities replenished by clawing back unspent allocations accumulated by government entities. Foreign financing amounted to 1.3 percent of GDP. The debt-to-GDP ratio increased from 56.2 percent in 2023 to 56.9 percent in 2024, reflecting a 15.8-percent increase in the debt stock against nominal GDP growth of 14.4 percent.

7. **Tight financing conditions persisted.**[5] Average yields on government securities rose from 7.5 percent in 2023 to 8.3 percent in 2024, compared with 6.1 percent and 6.7 percent, respectively, in the rest of WAEMU. The Treasury implemented its 2024 issuance plan, extending the weighted average maturity of bonds from 2.7 to 3.5 years (Text Figure 5), but still faces a high rollover risk with gross financing needs amounting to 10.8 percent of GDP of which 2.0 percent of GDP corresponds to the rollover of short-term (< 1-year) debt maturing in 2025.

[5] In 2024, issuances on WAEMU securities market amounted to CFAF 802 billion (T-bills: 31 percent; auctioned T-Bonds: 46 percent; syndicated T-bonds: 23 percent).

Text Figure 5. Security Issuances: Volumes, Yields, and Maturities, 2022–25



Sources: UMOA Titres; and IMF staff calculations.
Note: 2025 data are as of April.

8. **Sluggish credit weighs on financial sector soundness** (Tables 4–5). Compared with a 23-percent drop in 2023, caused by insecurity and monetary policy tightening, gross credit extension increased by 15 percent. As a result, outstanding credits decreased by 2.2 percent in 2024, and financial soundness indicators weakened. At end-June 2024, non-performing loans reached 8.4 percent of total loans. The deterioration in loan portfolio and a subsequent increase in provisions depressed the capital adequacy ratio to 9.4 percent, below the regulatory minimum of 11.3 percent. Regional banking regulators collaborate with affected banks to implement recapitalization plans, while government arrears' clearance should improve the performance of bank loan portfolios.

PROGRAM PERFORMANCE

9. **Budget pressures affected performance on quantitative targets.** The authorities missed the end-December 2024 quantitative PCs (QPCs) on the primary fiscal deficit and net domestic financing (NDF) by 0.6 percent of GDP each (Table 9a).[6] They met the end-December 2024 QPC on the amount of debt contracted and guaranteed and all three continuous PCs.

[6] The assessment of the primary fiscal deficit relied on a QPC definition underpinning the program, which was not symmetrically reflected in the Technical Memorandum of Understanding (TMU) accompanying the December 2024 Memorandum of Economic and Financial Policies (MEFP). The TMU definition excluded foreign-financed capital spending (which exceeded0.3 percent of GDP in 2024) from the primary fiscal deficit; however, foreign-financed capital spending was not excluded from the program targets in Table 9 of the last staff report. Discussions with the authorities clarified their understanding that the definition was inclusive of foreign-financed capital spending. The assessment of the net domestic financing QPC includes a 0.7-ppt of GDP draw on government cash accounts that were consolidated in the Treasury Deposit Bank. While not explicitly covered in the TMU definition, the reported data includes this item correctly. The TMU has been amended accordingly.

10. The authorities met three out of six end-December 2024 ITs. These include ITs on government revenue, primary current expenditure, and PPPs. The IT on domestic arrears (payments outstanding for more than 3 months) was missed. Domestic arrears increased by 0.2 percent of GDP in 2024, and their stock increased to 0.5 percent of GDP (Text Table 2). The authorities missed the IT on VAT refunds (outstanding by over 1 month) by less than 0.1 percent of GDP. The social spending IT was missed by 0.2 percent of GDP; however, the target was too ambitious, as its coverage exceeded the perimeter of the relevant current social spending in the TMU definition.[7] In this context, it is worth noting that social spending in BFA is higher than in comparator countries (see Annex III) and development partners, notably, the World Bank, second the view that BFA's performance on social spending has been strong, especially in the current challenging circumstances. At end-March 2025, the authorities met five ITs, including on the primary fiscal deficit and net domestic financing, while the remaining four ITs were missed by small margins.

Text Table 2. Arrears and Floating Debt Reconciliation
(At End-Dec. 2024)

	Arrears (More than 3 Months)		Floating debt (Less than 3 Months)	
	Billion FCFA	Percent of 2024 GDP	Billion FCFA	Percent of 2024 GDP
VAT reimbursements	49.0	0.3	8.1	0.1
Non-VAT	22.5	0.2	51.6	0.4
Total	**71.5**	**0.5**	**59.7**	**0.4**

Sources: Burkinabè authorities; and IMF staff calculations.

11. Structural reforms, including on fiscal governance, are mostly on track. The authorities met seven out of eight structural benchmarks (SBs) through end-2024. The 2025 budget featuring a deficit of 3.0 percent of GDP (compared with 4.3 percent of GDP projected at the second ECF review and aiming to reduce the recourse to domestic financing by 0.7 ppt of GDP relative to the level projected by staff) was prudent and well within the parameters of the program underpinning the related SB. The budget also included a detailed annex on climate budgeting. The missed SB on the adoption of arrears' clearance strategy has become a prior action (PA) for the third review. The authorities have subsequently implemented this PA as well as two PAs on the clearance of 2023 domestic arrears and the provision of a list of treasury deposit accounts.

12. A new trade restriction, which replicates a previously existing ECOWAS provision, has not been introduced on balance-of-payments grounds. A tax on imports of 0.5 percent, decided jointly by the Alliance of Sahel Countries (AES), came into force on March 31, 2025. The tax is meant to finance AES activities and replaces an import tax, also of 0.5 percent, which remains in force within ECOWAS, with the same exclusions (e.g., trade under preferential agreements, such as, intra-WAEMU trade) and characteristics. Pre-existing trade restrictions, namely import quotas on all locally manufactured products and bans on the exports of shea kernels and on imports of weaving yarns and woven loincloths, are designed to support local industry development based on domestic

[7] The coverage of the IT on poverty-reducing current social spending has been reassessed based on appropriate budget categories corresponding to 12 percent of current expenditure (TMU ¶29).

agricultural output. The authorities are committed to exploring alternative policy choices and to removing restrictions over the medium term (MEFP ¶66).

OUTLOOK AND RISKS

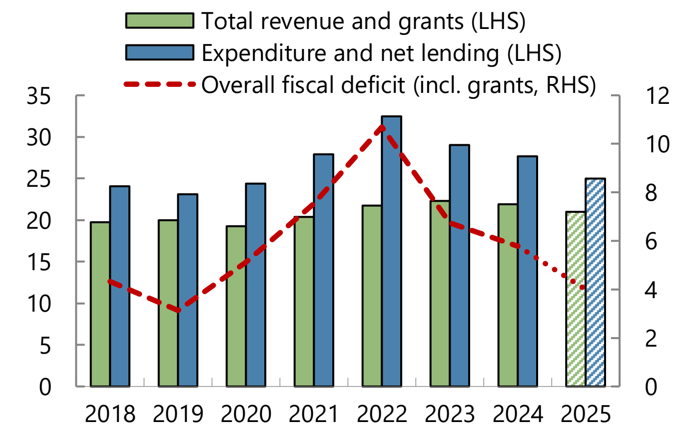
13. **Staff expect economic growth to moderate in 2025 and gradually revert to a long-term average of just below 5 percent.** Real GDP growth is projected at 4.2 percent y/y in 2025 (Text Figure 2). While mining is expected to rebound, growth in agriculture is expected to moderate following the exceptional performance in 2024. The imposition of tariffs by the US administration is estimated to have a marginal impact on BFA's economy as the United States is not a major trading partner of Burkina Faso. Projected GDP growth converges to 4.7 percent by 2028, assuming security improvements, but is slightly lower than projected at the second review due to a downward revision of mining investment. Insecurity and weather shocks tilt risks to the downside.

14. **Staff project inflation to ease to 3 percent in 2025.** The disinflation momentum ushered by a favorable cereals harvest in 2024 is expected to continue. Helped additionally by lagged effects of monetary tightening and moderation in international food prices, inflation could fall within the BCEAO's 1–3 percent target band already in 2025. Short-term risks are to the upside, as insecurity could affect food supply. Staff project the GDP deflator to increase by 5.9 percent in 2025, significantly exceeding average CPI growth due to a projected 18-percent increase in gold prices.

15. **The revised staff projections for 2025 feature a fiscal deficit of 4.0 percent of GDP.** Staff revised the fiscal deficit projection downward by 0.3 ppt of GDP compared to 4.3 percent of GDP in the second review. This revision accommodates a higher interest bill but features a reduced overall financing need (Text Table 3). The implied fiscal tightening of 1.8 ppt of GDP, more than twice the degree projected at the second review given the looser than expected 2024 outcome, is driven by a 2.4-ppt of GDP reduction in investment spending. This adjustment, while large, is appropriately ambitious to regain the consolidation momentum. It is realistic because many large capital investments in 2024 were one-off in nature (see also MEFP ¶33 on expenditure policies more broadly). It is less drastic than in the authorities' initial budget, which targets a deficit of 3.0 percent of GDP, featuring a 3.2-ppt of GDP reduction in investment expenditure. Total revenues and grants are expected to decline from 21.9 percent of GDP in 2024 to 21.0 percent in 2025, as large dividends and telecommunication licensing receipts collected in 2024 (1.4 percent of GDP) are not recurrent. Revenues are projected to

Text Figure 6. Fiscal Balance, 2018–2025

(Percent of GDP)



Sources: Burkinabè authorities; and IMF staff calculations.
Note: Data for 2025 are projections.

increase gradually starting in 2026 as the ongoing reforms bear fruit (MEFP ¶35). As sources of nonbank financing in 2025 cannot be credibly pinned down ex ante in staff's projections, bank financing (projected at a level comparable to the 2024 outturn, approximating its feasibility limits) covers all residual financing needs.[8]

Text Table 3. Authorities' Budget vs. 2025 Projections

(Percent of GDP)

	2024	2025			
	Outturn	Prog. 2nd Review	Initial Budget	Low-Case Scenario[1]	Prog.[2]
Total Revenue and Grants	**21.9**	**19.8**	**21.2**	**21.0**	**21.0**
Total revenue	20.6	18.6	19.9	19.8	19.8
Tax revenue	18.3	16.9	18.2	18.1	18.1
Nontax revenue	2.3	1.8	1.8	1.7	1.7
Grants	1.3	1.2	1.2	1.1	1.1
Project	1.3	1.2	1.2	1.1	1.1
Expenditure and Net Lending	**27.7**	**24.1**	**24.1**	**24.3**	**25.0**
Current expenditure	16.3	15.4	16.0	16.0	16.0
Wages and salaries	8.3	8.1	8.2	8.2	8.2
Goods and services	2.2	1.7	2.2	2.2	2.2
Interest payments	2.2	2.0	2.2	2.2	2.2
Current transfers	3.6	3.6	3.4	3.4	3.4
Investment expenditure	11.4	8.7	8.2	8.3	9.0
Domestically financed	8.0	5.9	5.5	5.7	5.8
Externally financed	3.3	2.8	2.7	2.7	3.1
Net lending	0.0	0.0	-0.1	-0.1	0.0
Overall Balance	**-5.8**	**-4.3**	**-3.0**	**-3.3**	**-4.0**
Primary balance	-3.6	-2.3	-0.8	-1.1	-1.8

Sources: Burkinabè authorities; IMF staff estimates and projections.

[1] Based on net external financing assumptions underpinning the 2025 budget.

[2] Program baseline scenario.

16. **Financing assumptions behind the fiscal deficit of 4 percent of GDP include a net external financing (NEF) contribution of 1.3 percent of GDP.** The exact timing of the external financing is, however, somewhat uncertain. As a mitigating strategy, to avoid substituting concessional external financing with non-concessional domestic financing, budget execution is projected to follow a path consistent with an annual fiscal deficit target of 3.3 percent of GDP (Low-Case Scenario in Text Table 3), pending the disbursement of external financing that would increase NEF above 0.3 percent of GDP assumed in the 2025 budget. To this effect, staff urged the authorities to identify budget contingencies (as reflected in the proposed adjustor to the primary deficit ceiling—see ¶21–22), while ensuring an orderly wind-down of capital spending, where the

[8] In the authorities' initial 2025 budget, bank financing is lower than in staff projection, as the authorities allocate more than half of domestic financing needs to nonbank sources, without identifying them.

adjustment margins are largest. Other downside risks include a further deterioration in security conditions, weather shocks, and lower than expected fiscal revenues.

17. Most official development assistance continues to be disbursed. Recent policy changes in major donor countries have not affected Burkina Faso substantially. Humanitarian aid was mostly exempted from cuts.

18. The CA is expected to improve further. BFA's 2024 CA was moderately weaker than the one implied by fundamentals and desirable policies (Annex II). Staff project the CA deficit to decrease to 3.4 percent of GDP in 2025 and 3.1 percent in 2026, reflecting strong gold exports growth through 2026 due to high prices and new mines starting production. Cotton exports will likely rebound in 2025 and stabilize in 2026 despite lower prices. A gold price correction is the main risk. Staff expects mining, manufacturing, and services investments to support the financial account.

19. Regional financing risks are balanced. Liquidity conditions in the WAEMU market eased due to a build-up of foreign reserves in recent months but are susceptible to negative regional and country-specific shocks. The authorities have established the 2025 plan for the issuance of securities via auctions, targeting CFAF 1,185 billion on a gross basis, with a net addition of CFAF 134 billion.[9] Offers received in January–April 2025 covered 116 percent of targeted amounts, compared to 107 percent in 2024 at yields averaging 8.7 percent, higher than 8.3 percent in 2024 as a whole, but broadly unchanged since 2024Q4.

20. Risks of external and public debt distress are moderate. The DSA indicates "low" risks of distress for external public debt and overall public debt. Due to insecurity, downside risks to the fiscal sector, and high gold price exposure, staff applied judgement and assess these risks as being "moderate." Fund and donor support are essential for financing. The risk of debt distress could rise considerably in the longer term, if the authorities decide to proceed with the construction of the nuclear power plant, which is not envisaged within the horizon of the current ECF arrangement.

POLICY DISCUSSIONS

A. Policies for Creating Fiscal Space and Ensuring Debt Sustainability

21. Discussions focused on calibrating the pace of fiscal consolidation against priority spending needs and availability of concessional financing. In response to a 5.8-percent of GDP fiscal deficit in 2024, the authorities adopted an initial 2025 budget with a fiscal deficit of 3.0 percent of GDP, assuming deep cuts in capital expenditures (Text Table 3). Discussions revealed, however, that a more gradual consolidation would be preferable to ensure fiscal space for social, security, and other priority spending. The program baseline therefore assumes that the 2025 fiscal deficit objective would be relaxed to 4.0 percent of GDP. Of this amount, however, 0.7 percent of GDP

[9] At end-2024, BFA's securities represented 12.4 percent of the total stock of securities issued through auctions. For a broader perspective on BFA's weight in the regional debt market, see the Debt Sustainability Analysis, ¶6.

would be contingent on the availability of NEF in excess of 0.3 percent of GDP assumed in the 2025 budget. To this effect, the envisaged relaxation of the primary fiscal deficit target is linked via an adjustor to the amount by which NEF exceeds the budgeted amount (see TMU and Table 9b).

22. The program also assumes the use of contingency measures to curb domestic financing and prevent arrears. To this end, the quarterly path for the primary deficit is constrained by the maximum amount of NDF (capped at 3.0 percent of GDP in 2025 as a whole). Around one-third of NDF is expected to be raised through the issuance of government securities by auction (¶19). The remainder of domestic financing needs is expected to be covered through syndicated bonds and direct loans from commercial banks and drawdown of deposits accumulated by public entities (amounting to nearly 9 percent of GDP at end-March 2025). To limit the use of domestic financing, the authorities are expected to keep budget allocations within the approved 2025 budget levels until additional external (concessional) financing is disbursed with appropriate spending provisions against downside risks on the revenue and financing side. Furthermore, it is expected that additional NEF in excess of 1.0 percent of GDP would be saved to reduce NDF further below 3.0 percent of GDP.

23. The authorities continue to control the government wage bill to allow for priority spending. The authorities contained the wage bill growth in 2024 to 6.7 percent, well below the IT of 9.6 percent. Staff expect the nominal wage bill to grow at 8.9 percent in 2025, mostly to address staffing gaps in critical areas. As the wage bill envelope in the 2025 budget remains in line with the original program projection, the 2025 IT for wage bill growth was amended accordingly. In addition, a new SB (proposed for the fifth review) conditions the wage bill growth on tax revenue performance by capping the wage bill-to-tax revenue ratio at 49.5 percent.

24. Strong emphasis on domestic revenue mobilization (DRM) is one of BFA's policy priorities. Domestic tax revenue (18.2 percent of GDP in 2023) is in the upper range when compared to the average of 13.5 percent of GDP in WAEMU. To strengthen its revenue performance further, the government developed a DRM strategy for 2024–27 and operationalized it in several documents (SB for the third review). The government implements the strategy progressively (e.g., digitalization, opening of new tax offices, taxation of online commerce) (MEFP ¶32).

25. The authorities demonstrated commitment to clearing domestic arrears by taking strong prior actions (MEFP ¶18). Avoiding arrears both related to government suppliers and VAT refunds fosters a stable business environment. At the same time, the government often needs more than 90 days to process irregular claims, often requiring an audit, and protect the treasury against fraud. To remedy the non-observance of the continuous IT on non-accumulation of domestic arrears, the authorities cleared all audited arrears that were outstanding at end 2023 (Table 9b) as a prior action for the third review.[10] As a separate prior action, they prepared and adopted an arrears' clearance strategy that aims at eliminating all outstanding arrears by end-2025 (reducing non-bank

[10] The audit report is downloadable at Rapport_definitif_audit_dette_VF.pdf.

financing by CFAF 71.5 billion—see Table 3a). The repayment of arrears is expected to be gradual, guided by the intermediate non-zero ceilings at end-June 2025 and end-September 2025.

B. Strengthening Social Protection and Safety

26. The authorities plan to expand and modify the Economic Empowerment Support Program for Poor and Vulnerable Households (PAMPV). The new PAMPV will consist of a 5-year CFAF 112 billion plan focused on shock-responsiveness, supporting displaced households, and promoting economic inclusion. It will pivot from a cash transfer program to one focused on 100,000 households, providing multiple interventions, such as subsidized agricultural inputs, microcredits, and support for health and education. The PAMPV also aims to provide subsidized food to 200,000 poor households, and broader assistance to 23,000 displaced households. The World Bank, World Food Program and UNICEF are supporting the government's effort (MEFP ¶55), which will reinforce the performance with respect to the IT on social spending.

27. The government plans to continue the expansion of the Unique Social Registry (RSU) and introduce a universal health insurance scheme. Using CFAF 55 billion from PAMPV, the government plans to expand the RSU coverage. This will strengthen the government's ability to target social policies, though security considerations will shape the scope and pace of the expansion. The government also plans to introduce a universal health insurance with support from the International Labor Organization (MEFP ¶54–56).

C. Advancing the Governance Agenda

28. The authorities are implementing their fiscal governance agenda and broaden its scope. First, as a prior action for the third review (MEFP ¶42), they provided an exhaustive (as of end-March 2025) list of treasury deposit accounts showing their balances. As the ongoing audit of these accounts will continue through end-June, upon its completion, the authorities will provide an updated and definitive list that will benefit from auditor's opinion. Second, an audit of public procurement (five largest contract) is also under way. Based on its outcome, the Ministry of Finance will adopt a time-bound action plan to address the issues identified in the audit report (as reflected in the SB for the fourth review and the new SB for the fifth review).[11] In addition, based on the draft GDA report recommendations (see below) authorities also committed to a new multi-pronged SB to strengthen integrity in the tax and customs offices for the fifth review (Table 10b and MEFP ¶43).

29. The IMF's GDA will provide the basis for a comprehensive plan for further actions in the governance area. Consistent with the SB for the fourth review, the GDA was expected to be published and the action plan adopted before end-June 2025. However, due to the longer than expected production cycle of the report (including incorporation of authorities' observations on an earlier draft), the action plan, which was expected to be developed within six months from the

[11] Recently, four officials received prison sentences from 6 to 15 years for embezzlement at the Ministry of Humanitarian Action and fines totaling CFAF 6.1 billion (US$10.1 million).

availability of the report, will not be ready by end-June. As the delay occurred for reasons beyond the authorities' control, staff proposed to reformulate the SB, into two separate SBs: (i) the publication of the report by end-June 2025; and (ii) the adoption of the action plan by end-October 2025 (Table 10b).

30. **Strengthening the anti-money laundering (AML) framework is a key priority.** The authorities are addressing deficiencies in the AML framework to exit the Financial Action Task Force grey list. The government has fully or largely implemented 35 out of 37 actions. Remaining measures include addressing weaknesses in applying targeted financial sanctions, particularly to combat terrorism financing and the proliferation of weapons of mass destruction (MEFP ¶51–53).

31. **Efforts are ongoing to transfer public sector deposits to the Treasury Deposit Bank.** Annex IV discusses the issues involved in this undertaking. The government is consulting with the local banking community to ensure that transfers are implemented pragmatically and in stages to facilitate the management of potentially large liquidity impacts, while the BCEAO stands ready to provide, if needed, a mitigating liquidity support against acceptable collateral (MEFP ¶40).

D. Making the Economy More Resilient

32. **Weather shocks and desertification are major drivers of food insecurity, social discord, and broader economic challenges.** The Fund supports the authorities' resilience agenda through:

- **Extensive capacity development program.** The authorities laid out a broad agenda on resilience and climate policies. IMF TA missions on Climate-Public Investment Management Assessment (C-PIMA) and Climate Policy Diagnostics (CPD) will help the authorities to formulate a strong reform agenda (MEFP ¶57) and lay the groundwork for supporting a future RSF request.

- **Collaboration with other development partners.** The Fund continued discussions with the World Bank and other partners to identify strong policy measures to support long-term balance of payment stability.

- **Energy subsidies.** Staff discussed the TA report to support the authorities in developing a concrete energy sector reform (fourth review SB). The authorities have been in exchange on FAD's comments and staff finalized the report in April 2025.

PROGRAM MODALITIES, FINANCING ASSURANCES AND OTHER ISSUES

33. **Program monitoring.** The completion of the third review will enable the fourth disbursement under the ECF arrangement (SDR 24.08 million, 0.1 percent of GDP) (Table 7). Future reviews will continue to consider six-monthly QPCs and ITs. The authorities request the approval of modified QPCs for end-June 2025 (fourth review) to align the program with the updated understandings on fiscal policy and domestic arrears clearance over the remainder of 2025, which is

expected to be gradual, guided by the intermediate non-zero ceilings for end-June 2025 and end-September 2025. Revised ITs for end-June 2025 as well as new QPCs and ITs through end-December 2025 are proposed for the fifth review (Table 9b). Table 10b contains the newly proposed SBs.

34. Focus of reforms. In a capacity-constrained environment, reforms focus on improving fiscal governance (four SBs for the fourth review and two SBs for the fifth review), wage bill control (one SB for the fifth review), domestic revenue mobilization (one SB for the fourth review), enhancing governance and AML/CFT (one SB for the fourth review), and the energy sector (one SB for the fourth review).

35. Standard continuous performance criteria (PCs). The authorities have complied with the standard continuous PCs (footnote 2 in Table 9a).

36. Pre-HIPC initiative legacy external arrears. Arrears of US$47.1 million are due to Côte d'Ivoire, and US$6.9 million to Libya (0.2 and 0.03 percent of GDP in 2024, respectively). Consistent with the Fund's lending-into-official-arrears (LIOA) policy and reflecting the good progress being made in the discussions to settle legacy arrears, Côte d'Ivoire and Libya have consented to the IMF providing financing under the ECF.

37. Modification of continuous structural benchmark. The authorities requested to eliminate the reference to Food Shock Window (FSW) in the SB on budget execution. Staff supports this request, as FSW funds were spent in 2023. Their use was audited and reported at the second review.

38. Modifications of the TMU. Staff and authorities agreed on streamlined data requirements and modifications to the TMU to reflect the updated program, conditionality and ensure coherence between the English and French versions and Table 9b.

39. Burden sharing. The World Bank remains highly engaged and has disbursed about US$78 million so far under its Human Capital Protection Project (HCPP), with another US$22 million expected around June 2025. The World Bank confirmed management-level financial assurances for US$100 million for the 12-month period after the ECF Third Review board meeting. The HCPP funds are intended for specific budget lines in health and education that are fully budgeted in 2025 and included in the program baseline. The OPEC Fund for International Development will disburse additional funds from its US$30 million concessional financing envelope. Bilateral partners remain engaged on supporting development projects and humanitarian assistance but are not prepared to make budget support available. They see social spending and fiscal transparency as key issues. The program addresses these concerns through an indicative floor on current social spending of 1.9 percent of GDP and a strong emphasis on fiscal transparency in program conditionality. The cumulative financing gap is CFAF 321.0 billion during 2025–27, of which CFAF 190.9 billion would be covered by disbursements from other development partners (see Table 6). The Fund would finance the remaining CFAF 130.1 billion (134.3 percent of quota), about 40.5 percent of the BOP need.

Text Table 4. Burden Sharing Under the Program
(CFAF billions)

	2024	2025	2026	2027	Total	Percent
Total Projected Budget Support	**75.7**	**103.4**	**103.7**	**113.9**	**396.6**	**100.00**
IMF ECF	38.8	39.9	40.0	50.1	168.9	42.57
Other Donors (including IDA)	36.9	63.5	63.7	63.7	227.8	57.43

Source: IMF staff data and projections.
Note: Figures for 2024 regarding 'Other Donors' may differ from those provided by the authorities, due to the provisional nature of budget data.

40. The Fund-supported ECF program remains fully financed, with firm commitments in place over the 12 months after completion of the review and good prospects that financing will be adequate for the remainder of the program. Discussions by the authorities with partners on concessional financing, including with the World Bank, the African Development Bank, and other partners, are well advanced and would fill the financing gap under the program, as well as catalyze further external support.

41. The capacity to repay the Fund remains adequate with risks attenuated by improved terms of trade. Staff project total outstanding IMF credits to peak at 309.5 percent of quota by end-2027, about 1.7 percent of GDP (Table 8). Total obligations to the IMF peak at 43.5 percent of quota in 2029. If concessional and non-concessional borrowing become unavailable, WAEMU international reserves (a common pool with no formal restrictions) would help service IMF debt. Program policies and the authorities' strong record of servicing IMF debt mitigate risks.

42. Risks to the program. The GDA points to governance weaknesses. The authorities have already agreed to address key issues and intend to finalize the action plan within four months from the receipt of the final GDA report (SB). Continuous engagement with the authorities, conditionality, and the authorities' strong record of servicing IMF debt effectively mitigates IMF exposure risks.

43. IMF safeguards assessment. The 2023 assessment found that the BCEAO has well-established audit arrangements and a strong control environment. The BCEAO is addressing its recommendations to align its Statute with changes in the 2019 cooperation agreement with France.

44. Capacity development and Fund engagement remain critical. Adding to C-PIMA and CPD, the authorities have requested a Fiscal Transparency Evaluation and GDA follow-up activities.

STAFF APPRAISAL

45. The economy remains resilient despite the challenging humanitarian and security situation. Staff expect real GDP grow to moderate from 5.0 percent in 2024 to 4.2 percent in 2025 as rainfall normalizes and fiscal policy tightens, and inflation to slow from 4.2 percent in 2024 to 3.0 percent in 2025. The current account deficit is expected to narrow to 3.4 percent of GDP in 2025 due to higher gold prices. The risk of external and overall public debt distress remains moderate.

46. Overshooting the 2024 fiscal deficit target mobilized the authorities to initiate a sharp course correction. The slippage, driving the deficit to 5.8 percent of GDP, occurred mainly on the capital spending side, reflecting heightened needs to combat terrorism and support the affected population, while current spending remained within program limits. In response, the authorities have adopted a 2025 budget with a fiscal deficit of 3.0 percent of GDP.

47. Discussions revealed, however, that a more gradual consolidation would be preferable. The assessment of domestic financing conditions lends support to a limited relaxation of the 2025 fiscal deficit goal relative to the one retained in the 2025 budget (up to 3.3 percent of GDP). Its further relaxation (up to 4.0 percent of GDP), while potentially welcome to alleviate economic hardship associated with fiscal tightening, should remain contingent on the availability of the projected additional concessional external financing.

48. Program performance lagged due to fiscal pressures in late 2024 but the broad-based policy framework remains strong. For the first time, and in unusually difficult circumstances, the PCs on the primary fiscal deficit and net domestic financing were missed, while all other PCs were met. Three out of six indicative targets were missed by small margins. Among them, the floor for social spending was missed primarily due to the imprecisely defined perimeter of this IT, while, in staff's assessment, BFA performs favorably on social spending, as also evidenced by peer comparisons (see Annex III). The authorities met all three continuous PCs and five end-March 2025 ITs, including on the primary fiscal deficit and net domestic financing, while the remaining four ITs were missed by small margins.

49. Staff supports the requests for waivers of non-observance of two PCs at end December 2024. The **margin** of nonobservance (0.6 percent of GDP), while not negligible and entailing a corresponding increase in the public debt-to-GDP ratio, did not undermine the fiscal consolidation trend (the fiscal deficit narrowed by nearly 1 ppt of GDP in 2024). Subsequently, the authorities showed resolve to take corrective measures on the expenditure side as reflected in the 2025 budget and met the end-March 2025 indicative ceilings on primary fiscal deficit and net domestic financing. Staff also welcome the authorities' clearing of all audited arrears outstanding at end 2023 as a **prior action** and their commitment to clear all remaining domestic arrears to zero by end-2025 (as envisaged under the arrears' clearance plan also adopted as a **prior action**). Strengthened fiscal discipline and liquidity management will help to implement the arrears' clearance plan.

50. The authorities are on track and expanded their structural reform agenda, including on fiscal governance. They met seven out of eight structural benchmarks and shared an exhaustive list of treasury deposit accounts as another prior action. New SBs for the fifth review include the implementation of the action plan from the procurement audit, a wage bill-to-tax revenue ratio reduction, and strengthened governance in revenue services.

51. Staff support the authorities' strong commitment to enhancing resilience. Staff provided TA to help the authorities craft potential reforms supporting long-term BOP-stability.

52. Staff support the authorities' request for modification of the QPCs on net domestic financing of the government and the primary fiscal deficit for end-June 2025. This will align the QPCs with the revised, appropriately tighter path of the fiscal deficit.

53. Given the authorities' commitment to reforms and continued satisfactory program performance, staff supports the completion of the Third Review under the ECF arrangement and the Financing Assurances Review.

Table 1. Burkina Faso: Selected Economic and Financial Indicators, 2023–29

Population (2023): 23.3 million | Gini Index (2021): 37.4
Per capita GDP (2023): 910 USD | Life Expectancy (years): 60
Share of population below the poverty line (2022): 43.7% | Literacy rate (2022): 34%

	2023	2024	2024	2025	2025	2026	2027	2028	2029
	Act.	ECF 2nd Review	Prel.	ECF 2nd Review	Proj.	Proj.	Proj.	Proj.	Proj.
	(Annual percentage change, unless otherwise indicated)								
GDP and Prices									
GDP at constant prices	3.0	4.2	5.0	4.3	4.2	4.9	4.7	4.7	4.7
GDP deflator	2.0	7.2	8.9	5.6	5.9	4.0	3.3	2.8	2.3
Consumer prices (annual average)	0.7	3.6	4.2	3.0	3.0	2.5	2.1	2.0	2.0
Consumer prices (end of period)	1.0	3.4	4.9	2.8	3.0	2.5	2.1	2.0	2.0
Money and Credit									
Net domestic assets (banking system) 1/	5.3	18.7	0.4	14.7	6.1	8.8	8.7	7.5	7.0
Credit to the government (banking system) 1/	3.0	9.8	3.7	8.1	3.8	3.4	3.3	2.3	2.1
Credit to private sector	5.9	13.1	-2.2	9.5	2.6	8.2	8.3	7.9	7.5
Broad money (M3)	-3.0	20.8	7.2	15.6	6.1	9.1	8.1	7.6	7.1
Private sector credit/GDP	31.6	30.7	27.0	30.5	25.1	24.9	24.9	25.0	25.1
External Sector									
Exports (f.o.b.; valued in CFA francs)	-3.1	10.5	2.0	10.5	25.3	7.8	5.3	4.2	2.7
Imports (f.o.b.; valued in CFA francs)	-1.5	5.3	4.8	3.5	10.8	6.3	6.5	6.4	5.7
Current account (percent of GDP)	-5.0	-5.2	-5.7	-3.5	-3.4	-3.1	-3.4	-3.7	-4.4
	(Percent of GDP, unless otherwise indicated)								
Central Government Finances									
Current revenue	20.6	20.1	20.6	18.6	19.8	20.1	20.4	20.8	20.9
of which: Tax revenue	18.2	17.8	18.3	16.9	18.1	18.4	18.8	19.1	19.3
Total expenditure and net lending	29.0	26.3	27.7	24.1	25.0	24.7	24.6	24.9	25.1
of which: Current expenditure	17.9	16.5	16.3	15.4	16.0	15.5	15.1	14.7	14.3
Overall fiscal balance, incl. grants (commitments)	-6.7	-5.0	-5.8	-4.3	-4.0	-3.5	-3.0	-3.0	-3.0
Total public debt 2/	56.2	53.0	56.9	52.2	56.1	55.0	54.0	53.0	52.3
of which: External debt	25.9	23.7	25.4	22.2	24.8	24.0	23.7	23.3	23.1
of which: Domestic debt	30.3	29.4	31.6	29.9	31.3	30.9	30.3	29.7	29.2
Memorandum Items:									
Nominal GDP (CFAF billion) 3/	12,328	14,330	14,098	15,791	15,561	16,973	18,355	19,755	21,153
Nominal GDP per capita (US$)	874	990	975	1,050	1,002	1,063	1,120	1,175	1,227
Nominal exchange rate (CFAF/US$, period average)	606	602	606	598	635	637	637	637	637
Gold price (USD/troy ounce)	1,943	2,342	2,387	2,608	2,821	2,963	3,096	3,198	3,244

Sources: Burkinabé authorities; IMF staff estimates and projections.

1/ Percent of beginning-of-period broad money.

2/ The 2nd review total public debt data has been retroactively adjusted to correct an exchange rate calculation error starting in 2023. In addition, the denominator (GDP) in the table has been revised (see footnote 3 below). Previously, total public debt in 2024 was estimated at 52.6 percent of GDP, while it was assessed to have reached 53.6 percent of GDP in 2023.

3/ Historical nominal GDP figures have been revised down, in line with the most recent publication of official estimates by the National Institute of Statistics.

Table 2. Burkina Faso: Balance of Payments, 2023–29

	2023	2024	2024	2025	2026	2027	2028	2029
	Act.	ECF 2nd Review	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.
	(CFAF billions, unless otherwise indicated)							
Current Account	-617.0	-743.7	-803.0	-528.6	-533.3	-616.1	-724.8	-925.5
Trade balance	-56.7	15.9	-150.0	309.0	388.7	359.7	282.3	153.0
Exports of goods	3,209.1	3,328.7	3,274.0	4,101.1	4,419.9	4,652.3	4,849.5	4,981.2
of which: Cotton	218.6	130.5	112.8	124.4	144.0	150.3	157.9	165.8
of which: Gold	2,409.2	2,757.1	2,715.4	3,506.1	3,791.2	4,004.6	4,179.6	4,282.2
Imports of goods	-3,265.8	-3,312.7	-3,423.9	-3,792.2	-4,031.2	-4,292.7	-4,567.2	-4,828.2
of which: Oil	-709.3	-747.1	-849.7	-991.6	-1,029.6	-1,088.8	-1,150.9	-1,193.4
Services, net	-502.7	-608.0	-574.9	-634.5	-692.1	-748.5	-805.6	-862.6
Primary income, net	-544.4	-447.5	-501.8	-500.6	-536.7	-542.2	-523.3	-544.1
Secondary income, net	486.9	295.8	423.6	297.6	306.9	314.9	321.8	328.1
of which: Official transfers, net	269.0	109.2	269.0	134.5	134.5	134.5	134.5	134.5
Capital Account	262.6	237.2	237.6	236.8	252.9	268.7	284.7	300.6
Project grants	203.5	179.6	178.5	177.7	193.8	209.6	225.5	241.5
Financial Account	605.3	580.8	875.5	293.1	288.3	339.7	488.6	687.8
Direct investment	39.0	130.2	224.9	118.8	153.1	187.8	144.7	165.8
Portfolio investment	299.5	192.6	546.3	287.2	374.3	453.1	392.2	416.6
Other investment	266.7	258.0	104.3	-112.8	-239.0	-301.1	-48.3	105.4
Commercial banks	555.9	-27.3	-47.6	-16.6	-15.8	0.5	0.5	0.5
General government	158.1	196.1	185.9	204.1	215.0	248.6	288.7	321.7
Project loans	295.1	286.7	292.2	309.5	337.6	365.1	392.9	420.7
Program loans	0.0	45.0	29.1	63.5	63.7	63.7	63.7	63.7
Amortization of public loans (excl. IMF)	-136.9	-135.6	-135.4	-169.0	-186.3	-180.2	-168.0	-162.8
Other private	-447.3	89.2	-34.1	-300.2	-438.3	-550.2	-337.5	-216.9
Errors and Omissions	-	-	-	-	-	-	-	-
Overall Balance	250.8	74.3	310.0	1.3	7.9	-7.7	48.5	62.9
Net change in foreign assets of the central bank	-250.8	-74.3	-310.0	-1.3	-7.9	7.7	-48.5	-62.9
of which: IMF net financing	-54.0	-25.8	-26.0	-16.5	-6.0	-18.4	34.6	42.5
Disbursements (past and prospective)	68.8	38.6	38.8	39.9	40.0	50.1	0.0	0.0
Repayments (excluding charges)	-14.8	-12.8	-12.7	-23.4	-34.1	-31.8	-34.6	-42.5
of which: SDR allocation	-	-	-	-	-	-	-	-
Residual Financing Gap	-	-	-	-	-	-	-	-
	(Percent of GDP, unless otherwise indicated)							
Memorandum Items:								
Exports of goods	26.0	23.2	23.2	26.4	26.0	25.3	24.5	23.5
Imports of goods	-26.5	-23.1	-24.3	-24.4	-23.8	-23.4	-23.1	-22.8
Trade balance (goods)	-0.5	0.1	-1.1	2.0	2.3	2.0	1.4	0.7
Trade balance (services)	-4.1	-4.2	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1
Trade balance (goods and services)	-4.5	-4.1	-5.1	-2.1	-1.8	-2.1	-2.6	-3.4
Current account (– = deficit)	-5.0	-5.2	-5.7	-3.4	-3.1	-3.4	-3.7	-4.4
GDP at current prices (CFAF billions)	12,328.3	14,330.3	14,097.7	15,560.8	16,972.8	18,355.4	19,754.9	21,152.5
BCEAO Reserves								
In billion USD	15.6	17.8	22.3	23.0	25.0	27.6	30.6	33.5
In months of next year's WAEMU imports	3.5	3.6	4.6	4.7	4.8	4.9	5.1	5.2
In percent of broad money	20.0	21.1	26.2	25.4	24.6	24.1	23.8	23.2

Sources: Burkinabè authorities; BCEAO; IMF staff estimates and projections.

Table 3a. Burkina Faso: Consolidated Operations of the Central Government, 2023–29
(CFAF billions)

	2023	2024	2024	2025	2025	2025	2026	2027	2028	2029
	Act.	ECF 2nd Review	Prel.	ECF 2nd Review	Initial Budget	Proj.	Proj.	Proj.	Proj.	Proj.
Total Revenue and Grants	**2,746.9**	**3,056.7**	**3,083.4**	**3,126.2**	**3,291.8**	**3,266.2**	**3,605.8**	**3,957.4**	**4,325.9**	**4,666.0**
Total revenue	2,543.4	2,877.1	2,904.9	2,938.9	3,104.0	3,088.6	3,412.0	3,747.8	4,100.3	4,424.5
Tax revenue	2,246.0	2,549.7	2,575.8	2,662.6	2,829.1	2,824.0	3,123.5	3,444.9	3,774.4	4,075.5
of which: Gold Mining CIT	120.5	131.0	129.0	122.5	-	140.2	151.6	160.2	167.2	171.3
Nontax revenue	297.4	327.3	329.1	276.4	274.9	264.5	288.5	302.9	326.0	349.0
of which: Royalties from gold	96.4	103.4	101.8	99.6	-	113.9	132.7	140.2	146.3	149.9
Grants	203.5	179.6	178.5	187.3	187.8	177.7	193.8	209.6	225.5	241.5
Project	203.5	179.6	178.5	187.3	187.8	177.7	193.8	209.6	225.5	241.5
Program	-	-	-	-	-	-	-	-	-	-
Expenditure and Net Lending 1/	**3,578.6**	**3,768.3**	**3,899.9**	**3,806.6**	**3,754.3**	**3,888.6**	**4,199.8**	**4,516.1**	**4,918.5**	**5,300.6**
Current expenditure	2,211.5	2,366.5	2,301.4	2,430.2	2,485.9	2,493.7	2,639.2	2,778.7	2,910.6	3,027.8
Wages and salaries	1,096.9	1,202.2	1,170.8	1,274.6	1,274.6	1,274.6	1,342.0	1,399.1	1,462.1	1,527.9
Goods and services	221.3	329.1	313.4	264.6	345.7	342.3	347.9	312.0	335.8	359.6
Interest payments	290.4	292.8	310.5	318.7	343.9	346.6	381.1	441.2	472.8	449.0
Domestic	247.0	248.3	263.2	284.8	289.8	307.0	341.1	400.5	430.6	404.3
External	43.5	44.5	47.2	34.0	54.1	39.5	40.0	40.7	42.3	44.7
Current transfers	602.8	542.4	506.7	572.3	521.6	530.2	568.1	626.3	639.9	691.4
of which: Energy subsidies	189.3	135.0	120.4	110.6	-	106.7	103.8	102.4	101.4	100.8
Investment expenditure	1,378.5	1,411.7	1,600.3	1,376.4	1,276.4	1,395.0	1,560.6	1,737.5	2,007.9	2,272.8
Domestically financed	880.0	945.4	1,129.6	936.5	863.6	907.8	1,029.2	1,162.8	1,389.4	1,610.5
Externally financed	498.6	466.3	470.7	439.9	412.8	487.2	531.4	574.7	618.5	662.3
Net lending	-11.5	-9.9	-1.8	-	-8.0	-	-	-	-	-
Overall Balance 1/	**-831.7**	**-711.6**	**-816.5**	**-680.4**	**-462.5**	**-622.4**	**-594.0**	**-558.7**	**-592.6**	**-634.6**
Financing	**867.6**	**711.6**	**841.6**	**680.4**	**462.5**	**622.4**	**594.0**	**558.7**	**592.6**	**634.6**
Foreign financing	158.1	196.1	185.9	164.9	51.9	204.1	215.0	248.6	288.7	321.7
Drawings	295.1	331.7	321.3	309.3	225.0	373.0	401.3	428.8	456.7	484.5
Project loans	295.1	286.7	292.2	252.7	225.0	309.5	337.6	365.1	392.9	420.7
Program loans	-	-	-	-	-	-	-	-	-	-
Other loans 2/	-	45.0	29.1	56.6	-	63.5	63.7	63.7	63.7	63.7
Amortization (excl. IMF)	-136.9	-135.6	-135.4	-144.4	-173.1	-169.0	-186.3	-180.2	-168.0	-162.8
Domestic financing	709.5	515.5	655.7	515.5	410.6	418.4	379.0	310.1	304.0	312.8
Bank financing	584.8	515.5	496.1	515.5	198.5	489.9	379.0	310.1	304.0	312.8
Central bank	114.6	25.8	-30.0	16.1	16.5	16.5	6.0	18.4	-34.6	-42.5
of which: IMF net financing	54.0	25.8	26.0	16.1	16.5	16.5	6.0	18.4	-34.6	-42.5
Disbursements	68.8	38.6	38.8	38.6	38.5	39.9	40.0	50.1	-	-
Repayments	-14.8	-12.8	-12.7	-22.5	-22.0	-23.4	-34.1	-31.8	-34.6	-42.5
Commercial banks	470.2	489.7	526.7	499.4	182.0	473.4	373.0	291.7	338.6	355.4
Nonbank financing 3/	124.7	-	159.5	-	212.1	-71.5	-	-	-	-
Other domestic financing	359.6	-	268.7	-	-	-71.5	-	-	-	-
Errors and omissions	-35.9	-	-25.0	-	-	-	-	-	-	-
Financing Gap	-		-	-	-	-	-	-	-	-
Memorandum Items:										
Mining revenue	508.8	573.5	564.8	617.5	-	706.8	776.4	820.1	856.0	877.0
Overall Balance excl. mining revenue	-1,340.5	-1,285.1	-1,381.4	-1,297.9	-	-1,329.3	-1,370.5	-1,378.9	-1,448.6	-1,511.6
Primary Fiscal balance (including grants)	-541.3	-418.8	-506.1	-361.7	-118.5	-275.9	-212.9	-117.6	-119.8	-185.6

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ Commitment basis (base d'engagement).

2/ Other loans include the new IDA financing modality.

3/ Nonbank financing represents (i) the treasury float, (ii) balance changes of Treasury accounts outside the banking system, (iii) revenues from the Patriotic Support Fund in 2023, (iv) the repayment of arrears (71.5 billion) in the 2025 projections, and (v) other net advances.

Table 3b. Burkina Faso: Consolidated Operations of the Central Government, 2023–29

(In percent of GDP, unless otherwise indicated)

	2023	2024	2024	2025	2025	2025	2026	2027	2028	2029
	Act.	ECF 2nd Review	Prel.	ECF 2nd Review	Initial Budget	Proj.	Proj.	Proj.	Proj.	Proj.
Total Revenue and Grants	**22.3**	**21.3**	**21.9**	**19.8**	**21.2**	**21.0**	**21.2**	**21.6**	**21.9**	**22.1**
Total revenue	20.6	20.1	20.6	18.6	19.9	19.8	20.1	20.4	20.8	20.9
Tax revenue	18.2	17.8	18.3	16.9	18.2	18.1	18.4	18.8	19.1	19.3
of which: Gold Mining CIT	1.0	0.9	0.9	0.8	-	0.9	0.9	0.9	0.8	0.8
Nontax revenue	2.4	2.3	2.3	1.8	1.8	1.7	1.7	1.7	1.7	1.7
of which: Royalties from gold	0.8	0.7	0.7	0.6	-	0.7	0.8	0.8	0.7	0.7
Grants	1.7	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.1
Project	1.7	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.1
Program	-	-	-	-	-	-	-	-	-	-
Expenditure and Net Lending 1/	**29.0**	**26.3**	**27.7**	**24.1**	**24.1**	**25.0**	**24.7**	**24.6**	**24.9**	**25.1**
Current expenditure	17.9	16.5	16.3	15.4	16.0	16.0	15.5	15.1	14.7	14.3
Wages and salaries	8.9	8.4	8.3	8.1	8.2	8.2	7.9	7.6	7.4	7.2
Goods and services	1.8	2.3	2.2	1.7	2.2	2.2	2.1	1.7	1.7	1.7
Interest payments	2.4	2.0	2.2	2.0	2.2	2.2	2.2	2.4	2.4	2.1
Domestic	2.0	1.7	1.9	1.8	1.9	2.0	2.0	2.2	2.2	1.9
External	0.4	0.3	0.3	0.2	0.3	0.3	0.2	0.2	0.2	0.2
Current transfers	4.9	3.8	3.6	3.6	3.4	3.4	3.3	3.4	3.2	3.3
of which: Energy subsidies	1.5	0.9	0.9	0.7	-	0.7	0.6	0.6	0.5	0.5
Investment expenditure	11.2	9.9	11.4	8.7	8.2	9.0	9.2	9.5	10.2	10.7
Domestically financed	7.1	6.6	8.0	5.9	5.5	5.8	6.1	6.3	7.0	7.6
Externally financed	4.0	3.3	3.3	2.8	2.7	3.1	3.1	3.1	3.1	3.1
Net lending	-0.1	-0.1	0.0	-	-0.1	-	-	-	-	-
Overall Balance 1/	**-6.7**	**-5.0**	**-5.8**	**-4.3**	**-3.0**	**-4.0**	**-3.5**	**-3.0**	**-3.0**	**-3.0**
Financing	**7.0**	**5.0**	**6.0**	**4.3**	**3.0**	**4.0**	**3.5**	**3.0**	**3.0**	**3.0**
Foreign financing	1.3	1.4	1.3	1.0	0.3	1.3	1.3	1.4	1.5	1.5
Drawings	2.4	2.3	2.3	2.0	1.4	2.4	2.4	2.3	2.3	2.3
Project loans	2.4	2.0	2.1	1.6	1.4	2.0	2.0	2.0	2.0	2.0
Program loans	-	-	-	-	-	-	-	-	-	-
Other loans 2/	-	0.3	0.2	0.4	-	0.4	0.4	0.3	0.3	0.3
Amortization (excl. IMF)	-1.1	-0.9	-1.0	-0.9	-1.1	-1.1	-1.1	-1.0	-0.9	-0.8
Domestic financing	5.8	3.6	4.7	3.3	2.6	2.7	2.2	1.7	1.5	1.5
Bank financing	4.7	3.6	3.5	3.3	1.3	3.1	2.2	1.7	1.5	1.5
Central bank	0.9	0.2	-0.2	0.1	0.1	0.1	0.0	0.1	-0.2	-0.2
of which: IMF net financing	0.4	0.2	0.2	0.1	0.1	0.1	0.0	0.1	-0.2	-0.2
Disbursements	0.6	0.3	0.3	0.2	0.2	0.3	0.2	0.3	0.0	0.0
Repayments	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Commercial banks	3.8	3.4	3.7	3.2	1.2	3.0	2.2	1.6	1.7	1.7
Nonbank financing 3/	1.0	-	1.1	-	1.4	-0.5	-	-	-	-
Other domestic financing	2.9	-	1.9	-	-	-0.5	-	-	-	-
Errors and omissions	-0.3	-	-0.2	-	-	-	-	-	-	-
Financing Gap	**-**	**-**	**-**	-	**-**	-	-	-	-	-
Memorandum Items:										
Nominal GDP (CFAF billion)	12,328.3	14,330.3	14,097.7	15,791.4	15,560.8	15,560.8	16,972.8	18,355.4	19,754.9	21,152.5
Wage bill to tax revenue ratio (percent) 4/	48.8	47.2	45.5	47.9	45.1	45.1	43.0	40.6	38.7	37.5
Primay fiscal balance (including grants)	-4.4	-2.9	-3.6	-2.3	-0.8	-1.8	-1.3	-0.6	-0.6	-0.9

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ Commitment basis (base d'engagement).

2/ Other loans include the new IDA financing modality.

3/ Nonbank financing represents (i) the treasury float, (ii) balance changes of Treasury accounts outside the banking system, (iii) revenues from the Patriotic Support Fund in 2023, (iv) the repayment of arrears (0.5 percent of GDP) in the 2025 projections, and (v) other net advances.

4/ Wage bill to tax revenue ratio in 2023 is adjusted to exclude Patriotic Support Fund (PSF) resources.

Table 4. Burkina Faso: Monetary Survey, 2023–27

	2023	2024	2024	2025	2026	2027
	Act.	ECF 2nd Review	Prel.	Proj.	Proj.	Proj.
	(CFAF billions, unless otherwise indicated)					
Net Foreign Assets	1,627.7	1,779.9	2,073.5	2,122.3	2,175.3	2,166.1
BCEAO 1/	-371.1	-296.9	-61.1	-59.8	-51.9	-59.7
Assets	524.2	570.2	910.5	987.5	1,047.6	1,093.5
Liabilities	895.4	867.1	971.6	1,047.3	1,099.5	1,153.1
Commercial banks	1,998.8	2,076.8	2,134.7	2,182.2	2,227.2	2,225.7
Net Domestic Assets	4,087.0	5,069.9	4,106.9	4,450.4	4,976.2	5,544.4
Domestic credit	4,771.3	5,799.3	4,956.1	5,272.3	5,798.2	6,366.4
Net Bank credit to government	450.0	965.5	646.2	862.8	1,068.8	1,287.1
BCEAO	206.3	232.1	178.3	194.8	200.8	219.1
Commercial banks	243.7	733.4	468.0	668.0	868.0	1,068.0
Credit to other sectors	4,321.2	4,833.8	4,309.8	4,409.5	4,729.4	5,079.3
of which: Credit to private sector	3,893.0	4,404.8	3,807.9	3,906.8	4,226.1	4,575.5
Other items (net)	-228.5	-183.4	-70.0	-97.2	-97.2	-97.2
Shares and other equities	912.8	912.8	919.2	919.2	919.2	919.2
Total Broad Money Liabilities	5,714.7	6,849.8	6,180.4	6,572.7	7,151.5	7,710.5
Liquid liabilities	5,257.0	6,352.0	5,637.2	5,983.5	6,526.5	7,058.1
Non-liquid liabilites (excl. from broad money)	457.7	497.8	543.3	589.2	625.1	652.4
	(Annual percentage change, unless otherwise indicated)					
Memorandum Items:						
Net foreign assets	-17.6	9.4	27.4	2.4	2.5	-0.4
Net domestic assets 2/	5.3	18.7	0.4	6.1	8.8	8.7
Net credit to government 2/	3.0	9.8	3.7	3.8	3.4	3.3
Credit to Private Sector	5.9	13.1	-2.2	2.6	8.2	8.3
Private sector credit (percentage of GDP)	31.6	30.7	27.0	25.1	24.9	24.9
Money supply	-3.0	20.8	7.2	6.1	9.1	8.1
Velocity of money (GDP/M2) 3/	2.3	2.3	2.5	2.6	2.6	2.6

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ Only includes current reserves in BCEAO Ouagadougou. It does not include all regional reserves.

2/ Annual change as a percentage of broad money from 12 months earlier.

3/ End-of-period average.

Table 5. Burkina Faso: Selected Financial Soundness Indicators, 2021–24

(In percent)

	Dec-21	Dec-22	Jun-23	Dec-23	Jun-24
Capital Adequacy					
Reg. capital to risk-weighted assets	13.7	14.1	14.7	14.2	9.4
Asset Quality					
Gross NPLs / Total loans	7.4	5.6	6.3	7.4	8.4
Provisions / NPLs	71.4	80.2	72.4	68.1	64.7
Loan Concentration					
5 largest clients / equity	66.8	82.7	91.0	68.5	82.8
By Sector: (share of total)					
Agriculture	2.3	2.4	2.4	2.0	2.8
Extractive Industries	4.3	6.3	6.4	5.8	5.7
Manufacturing	11.2	11.2	11.3	11.7	11.6
Electricity, gas, water	2.8	2.1	2.1	2.3	2.0
Buildings/Public Works	16.1	12.4	12.5	11.1	9.6
Commercial (restaurants, hotels)	18.2	28.6	27.8	24.8	26.7
Transportation/communication	9.0	1.8	1.9	7.8	6.9
Insurance, real estate, business services	9.9	6.5	6.5	7.0	7.9
Other	26.2	28.7	29.1	27.5	27.0
Liquidity					
Loans to deposits	71.3	81.9	84.8	85.3	82.3
Liquid assets / total assets	18.7	21.2	22.4	22.9	21.7

Sources: Central bank (BCEAO) authorities; IMF staff estimates.

Table 6. Burkina Faso: External Financing Requirements, 2023–29
(CFAF billions)

	2023	2024	2024	2024	2025	2026	2027	2028	2029
	Act.	ECF 1st Review	ECF 2nd Review	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.
Financing Need	**-531.5**	**-506.9**	**-559.0**	**-471.5**	**-707.3**	**-755.7**	**-812.4**	**-802.8**	**-840.1**
Current account balance (excl. official transfers)	-886.0	-820.3	-852.9	-1,072.0	-663.1	-667.8	-750.6	-859.3	-1,060.0
IMF repayments	-14.8	-12.9	-12.8	-12.7	-23.4	-34.1	-31.8	-34.6	-42.5
Private capital flows	506.2	463.3	442.3	748.6	148.2	132.4	150.2	259.1	425.2
Amortization of public loans (excl. IMF)	-136.9	-137.0	-135.6	-135.4	-169.0	-186.3	-180.2	-168.0	-162.8
Financing	**531.5**	**410.4**	**475.5**	**403.6**	**603.9**	**652.0**	**698.5**	**739.0**	**776.3**
Project loans:	295.1	266.5	286.7	292.2	309.5	337.6	365.1	392.9	420.7
Official transfers, net	269.0	65.3	109.2	269.0	134.5	134.5	134.5	134.5	134.5
Change in NFA central bank (excl. prospective IMF disbursements and repayments)	-304.8	-97.1	-100.0	-336.0	-17.8	-13.9	-10.6	-13.9	-20.4
Past IMF financing	68.8	**0.0**	**0.0**	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Project grants	203.5	175.8	179.6	178.5	177.7	193.8	209.6	225.5	241.5
Errors and Omissions	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Financing Gap	**0.0**	**96.6**	**83.6**	**75.7**	**103.4**	**103.7**	**113.9**	**63.7**	**63.7**
IMF Financing (prospective)	0.0	38.9	38.6	38.8	39.9	40.0	50.1	0.0	0.0
Other Donors (including IDA)	0.0	57.6	45.0	36.9	63.5	63.7	63.7	63.7	63.7
Residual Financing Gap (after IMF and Donor Financing)	0.0	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Sources: Burkinabè authorities; IMF staff estimates and projections.

Table 7. Burkina Faso: Schedule of Disbursements and Phasing Under the Four-year ECF Arrangement, 2023–27

Amount	Percent of Quota	Availability Date	Conditions for Disbursement[1]
SDR 24.08 million	20.0	21-Sep-23	Executive Board Approval of a new arrangement under the Extended Credit Facility
SDR 24.08 million	20.0	31-Mar-24	Observance of continuous and end-December 2023 performance criteria, and completion of the first review under the arrangement
SDR 24.08 million	20.0	30-Sep-24	Observance of continuous and end-June 2024 performance criteria, and completion of the second review under the arrangement
SDR 24.08 million	20.0	31-Mar-25	Observance of continuous and end-December 2024 performance criteria, and completion of the third review under the arrangement
SDR 24.08 million	20.0	30-Sep-25	Observance of continuous and end-June 2025 performance criteria, and completion of the fourth review under the arrangement
SDR 24.08 million	20.0	31-Mar-26	Observance of continuous and end-December 2025 performance criteria, and completion of the fifth review under the arrangement
SDR 24.08 million	20.0	30-Sep-26	Observance of continuous and end-June 2026 performance criteria, and completion of the sixth review under the arrangement
SDR 30.1 million	25.0	31-Mar-27	Observance of continuous and end-December 2026 performance criteria, and completion of the seventh review under the arrangement
SDR 30.1 million	25.0	31-Aug-27	Observance of continuous and end-June 2027 performance criteria, and completion of the eighth review under the arrangement
Total			
SDR 228.76 million	190.0		

Sources: Burkinabè authorities; IMF staff estimates.

1/ In addition to the generally applicable conditions under the Extended Credit Facility.

Table 8. Burkina Faso: Indicators of Capacity to Repay the IMF, 2024–38

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
	Projections														
Fund Obligations Based on Existing and Prospective Credit															
(in millions of SDRs)															
Principal	16.3	32.5	40.4	41.2	40.9	52.4	44.5	38.5	48.8	51.8	38.5	28.9	19.3	9.0	0.0
Charges and interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Obligations Based on Existing and Prospective Credit															
In millions of SDRs	16.3	32.5	40.4	41.2	40.9	52.4	44.6	38.5	48.8	51.8	38.5	28.9	19.3	9.0	0.0
In billions of CFAF	13.1	26.9	33.6	34.3	34.2	43.8	37.3	32.2	40.8	43.3	32.2	24.2	16.1	7.6	0.0
In percent of government revenues	0.5	0.9	1.0	0.9	0.8	1.0	0.8	0.6	0.7	0.7	0.5	0.3	0.2	0.1	0.0
In percent of exports of goods and services	0.4	0.6	0.7	0.7	0.6	0.8	0.6	0.5	0.6	0.6	0.4	0.3	0.2	0.1	0.0
In percent of debt service 1/	9.8	17.8	19.7	19.5	17.5	21.1	17.2	14.9	17.5	17.9	12.8	9.2	5.6	2.4	0.0
In percent of GDP	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.1	0.0	0.0	0.0
In percent of quota	13.5	27.0	33.5	34.2	34.0	43.5	37.0	32.0	40.5	43.0	32.0	24.0	16.0	7.5	0.0
Outstanding IMF Credit Based on Existing and Prospective Drawings															
In millions of SDRs	330.2	345.9	353.7	372.6	331.7	279.3	234.8	196.3	147.5	95.7	57.2	28.3	9.0	0.0	0.0
In billions of CFAF	265.7	286.6	294.1	310.4	277.0	233.4	196.5	164.2	123.4	80.1	47.9	23.7	7.6	0.0	0.0
In percent of government revenues	9.1	9.3	8.6	8.3	6.8	5.3	4.1	3.2	2.2	1.3	0.7	0.3	0.1	0.0	0.0
In percent of exports of goods and services	7.2	6.3	6.0	6.0	5.1	4.1	3.4	2.7	1.9	1.2	0.7	0.3	0.1	0.0	0.0
In percent of debt service 1/	199.5	189.0	172.6	176.3	141.5	112.3	90.9	76.0	53.1	33.0	19.1	9.0	2.6	0.0	0.0
In percent of GDP	1.9	1.8	1.7	1.7	1.4	1.1	0.9	0.7	0.5	0.3	0.2	0.1	0.0	0.0	0.0
In percent of quota	274.3	287.3	293.7	309.5	275.5	232.0	195.0	163.0	122.5	79.5	47.5	23.5	7.5	0.0	0.0
Net Use of IMF Credit (in Millions of SDRs)	31.9	15.7	7.8	19.0	-40.9	-52.4	-44.6	-38.5	-48.8	-51.8	-38.5	-28.9	-19.3	-9.0	0.0
Disbursements	48.2	48.2	48.2	60.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and repurchases	16.3	32.5	40.4	41.2	40.9	52.4	44.6	38.5	48.8	51.8	38.5	28.9	19.3	9.0	0.0
Memorandum Items:															
Nominal GDP (in billions of CFAF)	14,097.7	15,560.8	16,972.8	18,355.4	19,754.9	21,152.5	22,690.9	24,348.7	26,135.5	28,062.0	30,139.7	32,381.0	34,799.4	37,409.6	40,227.6
Exports of goods and services (in billions of CFAF)	3,704.9	4,576.8	4,938.7	5,213.4	5,453.4	5,627.8	5,753.1	6,085.6	6,438.6	6,813.3	7,211.2	7,633.7	8,082.4	8,559.0	9,065.2
Government revenue (in billions of CFAF)	2,904.9	3,088.6	3,412.0	3,747.8	4,100.3	4,424.5	4,783.5	5,172.8	5,595.1	6,053.3	6,550.7	7,090.6	7,676.9	8,313.8	9,005.9
Debt service (in billions of CFAF) 1/ 2/	133.2	151.6	170.4	176.1	195.8	207.8	216.1	216.0	232.6	242.4	251.1	262.1	289.7	317.6	348.7
CFAF/SDR (period average)	804.8	828.6	831.6	833.0	835.0	835.7	836.8	836.8	836.8	836.8	836.8	836.8	836.8	836.8	836.8

Sources: IMF staff estimates and projections.

1/ Total external debt service includes IMF repurchases and repayments.

2/ Includes state-owned enterprises debt.

Table 9a. Burkina Faso: Quantitative Performance Criteria and Indicative Targets for ECF Arrangement, June 2024–March 2025

	2024								2025		
	June			Sept. 1/		Dec.			Mar. 1/		
	Prog.	Prel.	Status	Prog.	Prel.	Prog.	Act.	Status	Prog.	Prel.	Status
Quantitative Performance Criteria 2/											
Ceiling on net domestic financing of the government 3/ 4/ 5/	286.3	219.9	Met	429.4	359.4	572.5	655.7	Not met	140.6	32.0	Met
Ceiling on the amount of external debt contracted or guaranteed by the government (PV) 3/ 6/ 7/	410.0	218.5	Met	410.0	...	410.0	303.4	Met	410.0	74.5	Met
Ceiling on the accumulation of external payment arrears by the government 8/	-	-	Met	-	...	-	-	Met	-	-	Met
Ceiling on the guaranteeing of new domestic loans to suppliers and contractors by the government 8/	-	-	Met	-	...	-	-	Met	-	-	Met
Ceiling on government guarantees of new bank pre-financing for public investments 8/	-	-	Met	-	...	-	-	Met	-	-	Met
Ceiling on the primary fiscal deficit including grants 3/	209.5	167.8	Met	314.2	251.5	418.9	506.1	Not met	90.4	0.9	Met
Indicative Targets											
Ceiling on the accumulation of domestic arrears by the government 8/	-	52.6	Not met	-	...	-	71.5	Not met	-	61.4	Not met
Floor on total government revenue 3/	1,314.3	1,417.3	Met	1,971.4	2,116.1	2,723.5	2,904.9	Met	661.3	655.1	Not met
Floor on poverty-reducing current social expenditures 3/	151.7	155.1	Met	227.6	255.4	309.0	274.2	Not met	82.8	79.5	Not met
Ceiling on the stock of unpaid, certified VAT refunds older than 30 days	40.0	35.2	Met	40.0	13.8	40.0	57.1	Not met	40.0	57.1	Not met
Ceiling on primary current expenditure 3/	1,007.8	1,006.4	Met	1,511.7	1,497.1	2,015.6	1,990.9	Met	492.4	460.8	Met
Ceiling on the value of PPPs contracted 3/	200.0	19.7	Met	200.0	19.7	200.0	154.6	Met	200.0	-	Met

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ March and September figures are indicative targets, except for continuous performance criteria. June and December figures are performance criteria.

2/ The Standard Continuous Performance Criteria will also apply: (i) not to impose new or intensify existing restrictions on the making of payments and transfers for current international transactions; (ii) not to introduce new or intensify existing multiple currency practices; (iii) not to conclude bilateral payments agreement that are inconsistent with the IMF's Articles of Agreement (Article VIII); and (iv) not to impose new or intensify existing import restrictions for balance of payments reasons.

3/ Cumulative from beginning of the year.

4/ The ceiling on net domestic financing will be adjusted to reflect the shortfall in program grants and loans, while the overall deficit will be adjusted to reflect the shortfall in program grants.

5/ The ceiling on net domestic financing will be adjusted upward by the amount of securitization of unpaid VAT refunds by end-December 2023, up to a maximum of CFAF 85 billion, as specified in the TMU.

6/ The limit is not tied to specific projects.

7/ The ceiling on the amount of external debt will be increased up by the present value of the full amount of any concessional loan used for debt management purposes as specified in the TMU.

8/ To be observed continuously.

Table 9b. Burkina Faso: Quantitative Performance Criteria and Indicative Targets for ECF Arrangement, 2025

	2025				
	Mar. 1/	June	June	Sept. 1/	Dec.
	Prog. (2nd Review)		Proposed		
Quantitative Performance Criteria 2/					
Ceiling on net domestic financing of the government 3/ 4/	140.6	283.5	220.0	340.0	418.0
Ceiling on the amount of external debt contracted or guaranteed by the government (PV) 3/ 5/ 6/	410.0	410.0	410.0	410.0	410.0
Ceiling on the accumulation of external payment arrears by the government 7/	-		-	-	-
Ceiling on the guaranteeing of new domestic loans to suppliers and contractors by the government 7/	-		-	-	-
Ceiling on government guarantees of new bank pre-financing for public investments 7/	-		-	-	-
Ceiling on the primary fiscal deficit including grants 3/ 4/	90.4	198.9	100.0	140.0	280.0
Indicative Targets					
Ceiling on the accumulation of domestic arrears by the government 7/	-	-	50.0	30.0	-
Floor on total government revenue 3/	661.3	1,322.5	1,450.0	2,200.0	3,080.0
Floor on poverty-reducing current social expenditures 3/	82.8	167.7	140.0	220.0	290.0
Ceiling on the stock of unpaid, certified VAT refunds older than 30 days	40.0	40.0	40.0	40.0	40.0
Ceiling on primary current expenditure 3/	492.4	902.0	1,050.0	1,600.0	2,150.0
Ceiling on the value of PPPs contracted 3/	200.0	200.0	200.0	200.0	200.0
Memorandum Item					
Net external financing	...	...	52.0	52.0	204.0

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ March and September figures are indicative targets, except for continuous performance criteria. June and December figures are performance criteria.

2/ The Standard Continuous Performance Criteria will also apply: (i) not to impose new or intensify existing restrictions on the making of payments and transfers for current international transactions; (ii) not to introduce new or intensify existing multiple currency practices; (iii) not to conclude bilateral payments agreement that are inconsistent with the IMF's Articles of Agreement (Article VIII); and (iv) not to impose new or intensify existing import restrictions for balance of payments reasons.

3/ Cumulative from beginning of the year.

4/ For proposed test dates: Will be adjusted in relation to net external financing, as defined in the TMU.

5/ The limit is not tied to specific projects.

6/ Will be increased by the present value of the full amount of any concessional loan used for debt management purposes as specified in the TMU.

7/ To be observed continuously.

Table 10a. Burkina Faso: Continuous Structural Benchmarks, 2023–27

Benchmarks	Objective	Timeline	Progress
Do not grant any new wage agreement (except for the security sector) that could impact the wage bill trajectory and push it beyond 45 percent of tax revenues by 2027.	Wage bill control.	Continuous structural benchmark.	Met.
Publish information on the beneficial owners of entities awarded public procurement contracts to address food insecurity on the Ministry of the Economy, Finance and Perspective's website on a quarterly basis the quarter after the contract is awarded.	Improve fiscal transparency and governance.	Continuous structural benchmark.	Met. The information is published weekly in the Revue des marchés publics.1/
Publish on the Ministry of the Economy, Finance and Perspective's website annual (and to the extent possible, quarterly) budget execution reports.	Improve fiscal transparency and governance.	Continuous structural benchmark.	Met.
Share an exhaustive list of treasury deposit accounts ("comptes de dépôts du trésor") with balances and the net position of the government as standard annexes to the TOFE on a quarterly basis, allowing the identification of those opened for the benefit of non-personalized services.	Improve fiscal transparency and governance.	Continuous structural benchmark. Starting with the data for end-June 2025.	

1/ See webpage of the Ministry of Economics, Finance and Perspective at https://www.finances.gov.bf/informations/actualites.

Table 10b. Burkina Faso: Structural Benchmarks and Prior Actions, 2023–27

Benchmark	Objective	Completion date	Status
First Review			
Adopt performance contracts with SONABHY and SONABEL.	Improve efficiency in the energy sector.	End-December 2023.	Not met. Implemented with delay in June and October 2024.
Second Review			
Adopt the tripartite performance contract between the government, SONABHY and SONABEL.	Improve efficiency in the energy sector.	Prior action	Met on December 3, 2024.
Conduct a review of energy subsidies and an assessment of the application of the price mechanism to move towards a reduction in subsidies over the program period.	Improve efficiency in the energy sector and reduce fiscal risks.	End-June 2024.	Met
Publish an audit of all the government arrears and floating spending on the Ministry of Economy, Finance and Perspective's website.	Improve fiscal transparency and governance.	End-June 2024.	Not met. Implemented with delay in November 2024.
Raise the ceiling on VAT credit reimbursements to the CAST account to a level consistent to avoid accumulation of arrears.	Reduce fiscal risks.	End-June 2024.	Met
Third review			
Clear arrears that have been audited, amounting to CFAF 43.4 billion at end-December 2023 (ASCE-LC audit report)	Improve fiscal transparency and governance.	**Prior action**	Met on May 28, 2025.
Share the exhaustive list of Treasury Deposit Accounts as of March 2025, including their balances and the government's net position.	Improve fiscal transparency and governance.	**Prior action**	Met on May 22, 2025.
Prepare and adopt a strategy for clearing government's arrears.	Improve fiscal transparency and governance.	**Prior action**	Met on May 22, 2025.
Submit the draft budget for the next fiscal year in line with program objectives, including a budget document or annex detailing plans to combat climate change and climate-related budget appropriations, based on an agreed climate budget tagging methodology.	Improve fiscal transparency and governance.	End-December 2024.	Met.
Adopt a new strategic plan for revenue mobilization for the period 2024–27, based on the 2021 self-assessment.	Improve domestic revenue mobilization.	End-December 2024.	Met.

Table 10b. Burkina Faso: Structural Benchmarks and Prior Actions, 2023–25 (Continued)

Benchmark	Objective	Completion Date	Status
Contain wage bill growth to ensure that the wage bill to tax revenue ratio is below 51.8 percent.	Wage bill control.	End-December 2024.	Met.
Present to IMF staff alternating annual reconciliations between personnel registers and payroll registers either at the level of the Ministry of Education and other ministries covering around 50 percent of the civil service workforce (excluding the security sector), or, in alternation, at the level of the Ministry of Health and the rest of other ministries covering the remaining around 50 percent of the civil service workforce (excluding the security sector).	Wage bill control.	End-December 2024.	Met. The report on the reconciliation covering 2024 was submitted to Fund staff on March 26, 2025. 1/
Fourth Review			
Put in place a beneficial ownership registry accessible to government authorities and financial institutions with customer due diligence obligations.	Improve governance and the fight against money laundering and terrorism financing.	End-June 2025	
Present a concrete energy sector reform to rationalize energy subsidies, enhance transparency, and improve energy sector efficiency, including an implementation timeline.	Improve efficiency in the energy sector and reduce fiscal risks.	End-June 2025	
Publish the final report of the IMF Governance Diagnostic Assessment (GDA) mission.	Improve fiscal transparency and governance.	End-June 2025	
Prepare, in consultation with IMF staff, and adopt a time-bound action plan to implement priority recommendations from the GDA report.	Improve fiscal transparency and governance.	End-October 2025	
Share with IMF staff the report on a value-for-money audit of public procurement by the High Authority for State Control and the Fight Against Corruption (ASCE-LC) of the five largest public procurement contracts, covering at least two different ministries outside the defense and security sectors, to assess their legality and value for money.	Improve fiscal transparency and governance.	End-June 2025	

1/ As the reconciliation was based on data for all of 2024, the authorities submitted the report in the shortest possible time

Table 10b. Burkina Faso: Structural Benchmarks and Prior Actions, 2023–25 (Concluded)

Benchmark	Objective	Completion date	Status
Adopt and share with IMF staff an action plan to implement key recommendations of the public procurement audit, including the responsible institutions and an implementation timeline, within a maximum period of 4 months from the availability of the final report.	Improve fiscal transparency and governance.	End-October 2025	
Fifth Review			
Submit to IMF staff a report on the implementation of the action plan to address issues in public procurement identified through the audit of the five largest public procurement contracts.	Improve fiscal transparency and governance.	End-December 2025	
Adopt and share with IMF staff operational plans with timelines for each action to foster integrity at the General Directorate of Taxes and the General Directorate of Customs. These plans will include: (i) the dissemination and training of all staff on the codes of ethics of the tax and customs administration; (ii) the publication of these codes on the websites of the two general directorates; (iii) disciplinary councils and the anti-corruption committees of those structures; as well as (iv) maintaining annual statistics on offenses and disciplinary measures.	Improve fiscal transparency and governance.	End-December 2025	
Contain wage bill growth to ensure that the wage bill to tax revenue ratio is below 49.5 percent.	Wage bill control.	End-December 2025	

Table 11. Burkina Faso: Decomposition of Public Debt and Debt Service by Creditor, 2024–26

	Debt Stock (end of period) 2024			Debt Service					
				2024	2025	2026	2024	2025	2026
	(CFAF, bns)	*(% total debt)*	*(% GDP)*	*(CFAF billions)*			*(Percent GDP)*		
Total	**8,027.1**	**100**	**56.9**	**1,138.2**	**1,577.2**	**1,475.4**	**8.1**	**10.1**	**8.7**
External	**3,574.6**	**44.5**	**25.4**	**181.4**	**231.9**	**255.8**	**1.3**	**1.5**	**1.5**
Multilateral creditors 1/	*3,222.3*	*40.1*	*22.9*	*142.9*	*177.0*	*197.1*	*1.0*	*1.1*	*1.2*
IMF	339.5	4.2	2.4	13.0	23.7	34.3	0.1	0.2	0.2
World Bank	1,587.4	19.8	11.3	40.8	45.8	53.7	0.3	0.3	0.3
Other Multilaterals	1,295.4	16.1	9.2	89.1	107.5	109.0	0.6	0.7	0.6
Bilateral Creditors	*352.4*	*4.4*	*2.5*	*38.4*	*54.9*	*58.7*	*0.3*	*0.4*	*0.3*
Paris Club	133.4	1.7	0.9	15.2	16.2	20.3	0.1	0.1	0.1
o/w: France	116.7	1.5	0.8	12.9	17.0	12.1	0.1	0.1	0.1
Japan	4.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Paris Club	218.9	2.7	1.6	23.2	38.6	38.5	0.2	0.2	0.2
o/w: China (including Bank of China)	53.1	0.7	0.4	5.5	8.0	8.0	0.0	0.1	0.0
Kuwait	29.7	0.4	0.2	3.0	2.9	3.0	0.0	0.0	0.0
Domestic	**4,452.4**	**55.5**	**31.6**	**956.8**	**1,345.3**	**1,219.5**	**6.8**	**8.6**	**7.2**
T-Bills	*297.1*	*3.7*	*2.1*	*152.5*	*437.9*	-	*1.1*	*2.8*	*0.0*
Bonds	*3,345.8*	*41.7*	*23.7*	*485.0*	*613.1*	*914.5*	*3.4*	*3.9*	*5.4*
Loans	*809.5*	*10.1*	*5.7*	*319.4*	*294.3*	*305.1*	*2.3*	*1.9*	*1.8*

Sources: IMF estimates and projections, based on data based on Burkinabe authorities, according to their classification of creditors. Debt coverage is the same as the DSA. There is no information on collateralized debt.

1/ "Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

Table 12. Burkina Faso: Actual External Borrowing, January–December 2024

PPG External Debt	Volume of New Debt in 2024 1/		PV of New Debt in 2024 (Program Purposes) 1/	
	USD million	Percent	USD million	Percent
Sources of Debt Financing	**791.6**	**100.0**	**478.7**	**100.0**
Concessional Debt, of which 2/	**491.5**	**62.0**	**190.6**	**40.0**
Multilateral debt	491.5	62.0	190.6	40.0
Bilateral debt	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Non-Concessional Debt, of which 3/	**300.0**	**38.0**	**288.1**	**60.0**
Semi-concessional	250.0	32.0	238.1	50.0
Commercial terms 4/	50.0	6.0	50.0	10.0
By Creditor Type	**791.6**	**100.0**	**478.7**	**100.0**
Multilateral	791.6	100.0	478.7	100.0
Bilateral - Paris Club	0.0	0.0	0.0	0.0
Bilateral - Non-Paris Club	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Uses of Debt Financing	**791.6**	**100.0**	**478.7**	**100.0**
Infrastructure	599.2	76.0	404.7	85.0
Social Spending	0.0	0.0	0.0	0.0
Budget Financing	0.0	0.0	0.0	0.0
Other	192.3	24.3	74.0	15.5
Memorandum Items:				
Indicative Projections 5/				
2025	**196.6**		**148.8**	
2026	**214.9**		**136.3**	

Source: Burkinabè authorities and IMF Staff Calculations

Note: No collateralized debt was contracted.

1/ Contracting and guaranteeing of new debt. The present value of debt is calculated using the terms of individual loans and applying the 5 percent program discount rate.

2/ Debt with a grant element that exceeds a minimum threshold. This minimum is typically 35 percent, but could be established at a higher level.

3/ Debt with a positive grant element which does not meet the minimum grant element.

4/ Debt without a positive grant element. For commercial debt, the present value would be defined as the nominal/face value.

5/ IMF staff estimates.

Annex I. Risk Assessment Matrix[1]

Source of Risks	Likelihood	Expected Impact if Realized	Possible Policy Response
External			
Trade Policy and Investment Shocks	**High**	**Medium**	
Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.		Drop in export volume and investments from lower global demand and FDI. Deterioration in fiscal balance from subsidies in on energy and food prices.	Sectoral reforms to stimulate investment. Rationalize food and energy price subsidies. Seek concessional financing.
Sovereign Debt Distress	**High**	**High**	
Higher interest rates, stronger U.S. dollar, and shrinking development aid amplified by sovereign-bank feedback result in capital outflows, rising risk premia, loss of market access, abrupt expenditure cuts, and lower growth in highly indebted countries.		Lower public investments and social spendings, higher unemployment, lower production, fiscal balance deterioration.	Fiscal consolidation to create fiscal space. Reform financial sector. Seek concessional emergency financing.
Regional Conflicts	**Medium**	**High**	
Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.		Higher food, fertilizer and energy prices, subsidies spending and deterioration of the fiscal balance.	Create fiscal space; re-prioritize spending to address food insecurity; seek budget support and concessional financing.
Commodity Price Volatility	**Medium**	**High**	
Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.		Higher oil prices deteriorate the fiscal balance if fuel subsidies are maintained.	Activate the fuel price mechanism to reduce subsidies to preserve fiscal space. Pursue energy sector reforms.
Deepening Geoeconomic Fragmentation	**High**	**High**	
Persistent conflicts, inward-oriented policies, protectionism, weaker international cooperation, labor mobility curbs, and fracturing technological and payments systems lead to higher input costs, hinder green transition, and lower trade and potential growth.		Challenges for export diversification and higher import prices if global supply is disrupted and lower FDI.	Implement reforms to improve competitiveness; diversify exports; pursue efforts to promote regional trade.

[1] As of February 20, 2025. Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Source of Risks	Likelihood	Expected Impact if Realized	Possible Policy Response
External			
Extreme Climate Events	**High**	**High**	
Extreme climate events driven by rising temperatures cause loss of human lives, severe damage to infrastructure, supply disruptions, lower growth, and financial instability.		Lower agricultural output and exports; food insecurity and rising energy prices; rising poverty and internally displaced people.	Re-prioritize spending to address food emergency; seek concessional financing to invest in infrastructure to enhance resilience to climate-related shocks.
Domestic			
Security Disruptions	**High**	**High**	
Intensification of terrorist attacks generates social discontent and political instability.		Adverse impact on activity, revenues and FDI; risk of higher fiscal deficits and financing needs	Re-prioritize spending to address social emergencies; implement social and financial inclusion; seek support from the international community.
Spending Pressures	**High**	**High**	
Pressures for higher spending on wages, energy subsidies and security.		Crowding out of investment spending; pressures on fiscal deficit targets and prices.	Contain the wage bill; reform energy subsidies; intensify efforts to mobilize revenues.
Rollover and Interest Rate Risks	**Medium**	**High**	
Higher interest rates, lack of regional bond market access		Pressures on fiscal deficit targets and prices. Possible accumulation of domestic arrears.	Accelerate fiscal adjustment, prioritize spending, seek concessional financial support from bilateral/multilateral partners.
WAEMU Exit	**Low**	**High**	
A deliberate exit could cause financing challenges and macroeconomic policy turmoil		Adverse impact on activity, revenues and FDI; risk of higher fiscal deficits and financing needs; loss of access to regional bank financing.	Clear communication of a continued commitment to WAEMU.
Insufficient Revenue Collection	**Medium**	**High**	
Delays in revenue mobilization.		Reduced fiscal space and risk of higher fiscal deficits and financing needs.	Pursue tax policy reforms, optimize current spending, and re-prioritize public investment, identify contingencies to facilitate course correction.
Loss of Public Trust in Reforms	**Medium**	**High**	
Reforms lead to social discontent and political instability		Reduced fiscal space and risk of higher fiscal deficits and financing needs.	Clear communication and early engagement in fostering public trust in reforms.

Annex II. External Sector Assessment[1]

Overall Assessment: *The external position of Burkina Faso in 2024 is estimated to have been moderately weaker than the level implied by medium-term fundamentals and desirable policies. The 2024 current account deficit widened relative to 2023, despite higher gold exports in value terms due to gold price increases. At the same time, gold production and export volumes fell sharply in 2023, and further in 2024. The current account deficit was exacerbated by a sharp increase in imports of petroleum products and intermediate goods, primarily driven by an increase in public investment spending.*

For 2025 and 2026 the current account deficit is expected to narrow below the historically reported levels, due to new mines starting operation and record-high global prices of gold. Cotton output and exports are expected to rebound in 2025 and stabilize in 2026 despite the expected decreases in cotton prices. In the medium term, the current account is expected to gradually reach its medium-term fundamentals, as gold and cotton production and exports increase in line with an expected stabilization in the security situation, and fiscal consolidation and structural reforms take place.

Potential Policy Responses: *Further fiscal consolidation is needed to anchor fiscal balances and control debt accumulation. Continuing to avoid excessive increases in the wage bill, and strengthening fiscal discipline—particularly, by reining in capital spending—will support fiscal consolidation, while providing space for priority spending on social security, defense, and poverty alleviation. Governance reform and structural policies should support private sector growth, facilitating export growth, and import substitution, while encouraging foreign investment.*

Foreign Assets and Liabilities: Position and Trajectory

Background. The assessment of the net international investment position (NIIP) is based on 2023 data. The NIIP was –42.39 percent of GDP in 2023 compared with -35.3 percent of GDP in 2021 and –38.6 percent of GDP in 2022. The drop in the NIIP reflected large current account deficits, driven by the rapid increase in imports from 22.4 percent of GDP in 2021 to 26.5 percent of GDP in 2023, mirrored in the growth of gross liabilities toward the rest of the world that outpaced the growth of gross assets. Gross external assets are composed mostly of portfolio investments (27.7 percent of GDP) particularly debt instruments; and other investments with Fund record for SDR allocations (32.6). The 27.5-percent increase in NFA projected for 2024 reflects an 18-point increase in claims (mainly from the CB's Other foreign assets) and a 9-point decrease in liabilities (mainly ODC liabilities).

Assessment. Burkina Faso's NIIP is assessed as sustainable under the baseline, although since 2022 the current account has switched to a deficit in line with its long-term norm. The negative NIIP is driven partly by external debt (around 24 percent of GDP in 2023), as well as financial flows to finance the current account deficit. Burkina Faso's external public debt is financed entirely by official creditors. Risks stem from slower than projected fiscal consolidation, reduced donor support, a deterioration in the terms of trade, and a slowdown in real GDP growth. Liabilities on the financial account include both direct and portfolio investments. Burkina Faso's external debt is assessed as sustainable, and at medium risk of debt distress as part of the 2025 DSA (see DSA Supplement).

Data for 2023 (Percent of GDP)	NIIP: -42.39	Gross Assets: 65.9	Debt Assets: 24.99	Gross Liabilities: 107.97	Debt Liabilities: 31.6

[1] The official 2024 balance-of-payments data are not available. All 2024 figures are based on staff estimates. The latest available actual figures are for 2023.

Current Account

Background. The current account deficit is estimated to have widened from 5 percent of GDP in 2023 to 5.7 percent of GDP in 2024. Due to the increase in international gold prices—the primary export commodity for BFA—the value of gold exports rose by 3.3 percent, even though the volume decreased by 5 percent. This increase in value mitigated the effects of a 15-percent drop in cotton exports caused by a delayed growing season, alongside a 15-percent rise in petroleum product imports. The current account deficit was exacerbated by a 10-percent increase in imports of intermediate and manufactured goods, primarily driven by significant public investment spending.

Burkina Faso: EBA-Lite Model Estimates 2024
(Percent of GDP)

	CA model 1/	REER model 1/
CA-Actual	**-5.7**	
Cyclical contributions (from model) (-)	0.5	
Natural disasters and conflicts (-)	0.6	
Adjusted CA	**-6.8**	
CA Norm (from model) 2/	**-5.6**	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	**-5.6**	
CA Gap	**-1.2**	**-0.4**
o/w Relative policy gap	0.3	
Elasticity	-0.2	
REER Gap (in percent)	**5.8**	**2.1**

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

For 2025 and beyond, the current account is anticipated to narrow more rapidly than usual, driven by new mining operations, such as the *Kiaka* mine, which in turn will contribute to increased gold production and exports. This growth is further supported by expected increases in international gold prices. In line with the full implementation of the IMF program, further fiscal consolidation, governance, and structural reforms are expected to take place.

Assessment. The current account gap is estimated at -1.2 percent of GDP. This calculation adjusts the current account for the business cycle and the security situation and compares the adjusted current account balance to a current account norm, namely, the current account that would be expected based on country fundamentals and if policies are adjusted to their desirable stance from the domestic and the external equilibrium perspective. As a result, the external position of the country in 2024 is assessed as moderately weaker than the level implied by medium-term fundamentals and desirable policies.

Real Exchange Rate

Background. Burkina Faso is part of the WAEMU currency union, with the CFA franc pegged at 655.96 units to the euro. The country's real effective exchange rate (REER) appreciated slightly in 2024, due to the strengthening of the Euro against third currencies. The REER started appreciating gradually and consistently starting in 2020, with a 2024 average REER 12 percent higher than its level in 2019.

Assessment. Consistent with the negative current account gap of -1.2 percent, the EBA-Lite Current Account (CA) model suggests a REER overvaluation of 5.8 percent at end-2024. Staff assesses this is largely a result of the rise in the price of gold, which is Burkina Faso's main export commodity, accounting for about 3/4 of total exports. The REER model also suggests an overvaluation, but only in the order of 2.1 percent during the same period.

Capital and Financial Accounts: Flows and Policy Measures

Background. Burkina Faso does not have access to external financial markets outside of the WAEMU regional market; therefore, capital, and financial account flows comprise funding from donors and official creditors, bond issuances on the regional market, and foreign direct investment.

Burkina Faso's capital and financial account featured net inflows of 6.2 percent of GDP in 2024. The main sources of official funding included project grants and loans of around 2.6 percent of GDP. Portfolio investment inflows of around 3.9 percent of GDP reflect sovereign bond issuances on the WAEMU regional financial market. In addition, the financial account was supported by private capital investments in mining (such as the *Kiaka* gold mine), manufacturing, and services. The outlook for 2025 remains uncertain, and capital and financial net inflows are expected to moderate. Support from development partners and official financial flows remain also uncertain. Against the backdrop of tightening global financial conditions, and Burkina Faso's volatile security situation, financing conditions on the regional financial market remain tight, as inflationary risks in the region continue. Burkina Faso's ability to raise funds on the regional market may therefore be limited by liquidity constraints and uncertainty.

Assessment. High interest rates and rising risk premia on Burkinabe debt make for a challenging environment. Fund credit and donor support are essential to meet financing needs. Continuing fiscal consolidation efforts will help reduce borrowing needs over the medium term.

FX Intervention and Reserves Level

Background. The WAEMU pooled reserves recovered from about 9.5 trillion CFAF (3.3 months of prospective imports) at end-2023 to about 13.5 trillion in 2024 (about 4.5 months of prospective imports) and are projected to further recover to about 12 percent of union GDP (5.5 months of imports) by 2026. While Burkina Faso's net foreign assets have remained negative since June 2022, staff estimates indicate that foreign assets increased over the course of 2023 and 2024, while foreign liabilities diminished.

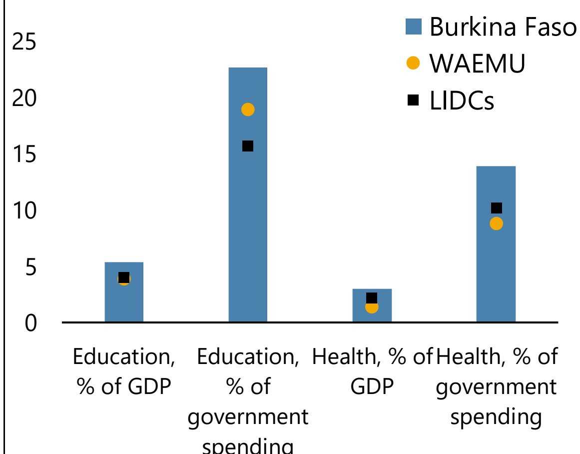
Assessment. The ARA metric for credit constrained economies based on 2023 data, estimates an adequate range for reserves of 4.4 to 6.4 months of prospective imports for WAEMU, with the lower end calibrated on fragile states and the higher end calibrated on non-resource rich countries. Based on the model, the reserves in 2024 (4.5 months of imports) are slightly above the estimated lower bound, while the reserves projected for the medium term (6.4 months of prospective imports by 2029) would reach the higher bound. Growth-friendly fiscal consolidation, tighter monetary policy, and structural reforms will be key to sustain reserve accumulation.

Annex III. Social Spending and Outcomes[1]

Spending levels on education, health and social assistance in Burkina Faso are above peers, while outcomes are mixed. The ECF supported program aims to gain fiscal space for priority spending, including on social protection. The IT on social spending focuses on the domestically financed current spending (excluding the wage bill) that, from a broad policy perspective, contribute to poverty reduction. The aim of the IT is to ensure that fiscal consolidation under the program does not impair poverty reduction. Current social spending has either increased or been maintained in recent years, despite needs for additional military spending. Capital spending in the social areas declined in 2023 and 2024 but is expected to rebound in 2025. Looking forward, maintaining rising current social spending will be critical, while focusing on key capital investments needed to improve social outcomes.

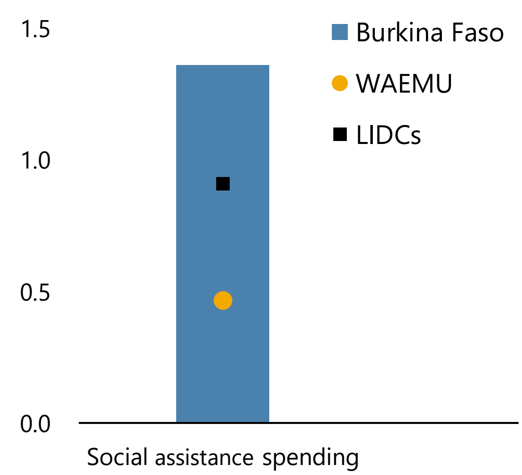
1. **For education, health, and social assistance, both government spending levels and the share of total government spending are above peer countries.** Government spending on education is 5.4 percent of GDP, more than the averages for low-income developing countries (LIDCs) (4 percent) and WAEMU countries (3.9 percent). Similarly, government spending on health is above peers at 3 percent of GDP, compared to 1.4 for WAEMU and 2.2 percent for LIDCs (Figure III.1). Moreover, health and education spending as a share of total government spending—at 22.7 percent and 13.9 percent, respectively—are also higher than in peer countries, indicating comparatively greater allocations to social spending in Burkina Faso. Finally, government spending on social assistance is 1.4 percent of GDP, above the averages for both LIDCs (0.9 percent) and WAEMU (0.5 percent) (Figure III.2).

Figure III.1. Government Spending in Health and Education



Source: IMF staff calculations based on the IMF Expenditure Assessment Tool (EAT).

Figure III.2. Social Assistance Spending
(Percent of GDP)

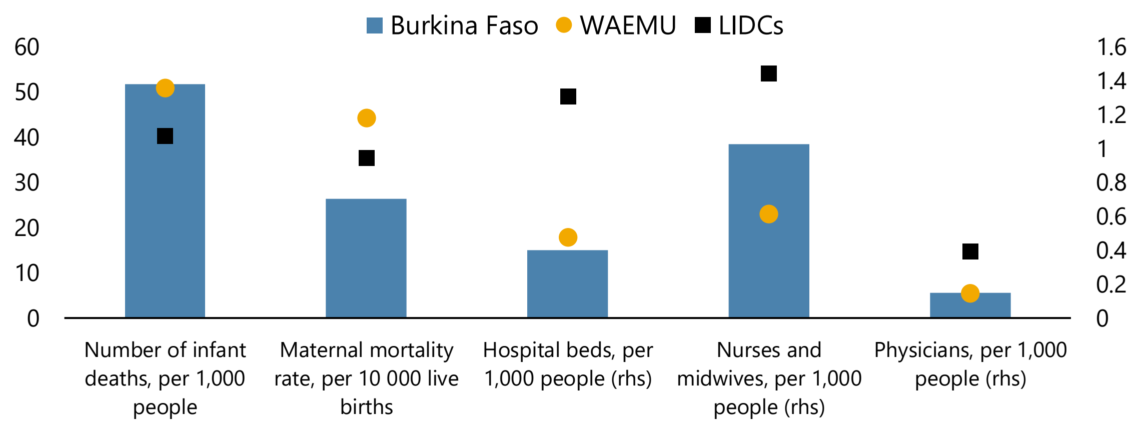


Source: IMF staff calculations based on the IMF Expenditure Assessment Tool (EAT).

[1] Prepared by Nicolo Bird.

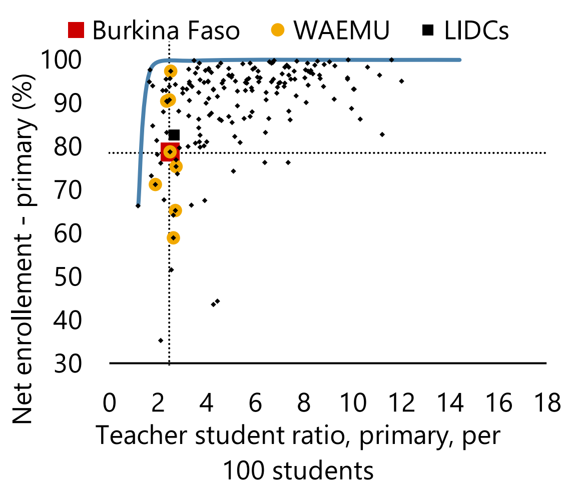
2. Improving social outcomes is an ongoing challenge compounded by the security situation. Despite higher spending as a share of GDP, performance on social outcomes varies compared to peers. For instance, physicians per capita are in line with WAEMU averages but perform worse than LIDC averages. Meanwhile, the maternal mortality rate is below both LIDC and WAEMU peers. Education outcomes show large heterogeneities across WAEMU, though teacher-to-student ratios in Burkina Faso are slightly below peer averages. Meanwhile, net enrollment rates drop significantly between primary and secondary education, from 78.6 to 31 percent (Figures III.4. and III.5.). The security situation has worsened social outcomes. For instance, the completion rate of primary education between the 2021/22 and 2022/23 school years declined from 62.0 to 54.6 percent, with the brunt of the decline driven by regions affected by conflict.

Figure III.3. Health Outcomes



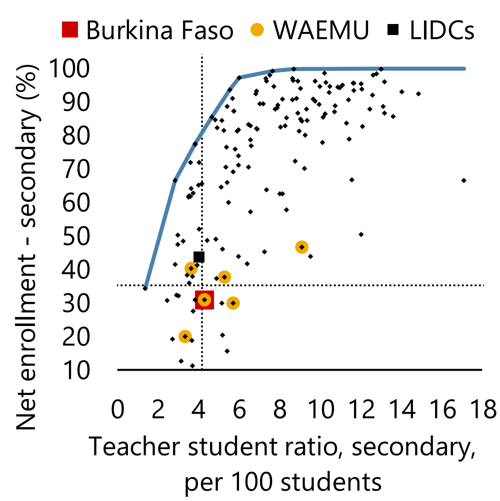
Source: IMF Staff's illustration based on information from the authorities

Figure III.4. Primary Net Enrollment Rate and Teacher-Student Ratio



Source: IMF staff calculations based on the EAT.

Figure III.5. Secondary Net Enrollment Rate and Teacher-Student Ratio



Source: IMF staff calculations based on the EAT.

Annex IV. Managing the Transfer of Public Sector Funds to the Treasury Deposit Bank[1]

The government has initiated reforms within the Treasury to consolidate public funds, for a more efficient cash management, and progress toward the establishment of a Treasury Single Account (TSA). As the authorities are implementing several steps of this reform, the transfer of public funds from commercial banks to the Treasury has the potential to affect financial sector liquidity. While the government has taken mitigating measures to minimize the potential impact on commercial banks, in its view, banks should transition to a model less reliant on public sector liquidity.

1. **Since 2023, the government of Burkina Faso has enacted regulatory changes with a view to centralize public funds in the Treasury.** Although mandated by Burkina Faso's public finance laws, the centralization of public funds has been hampered, as public entities complained about the lack of high-quality banking services within the Treasury compared to what was offered by commercial banks. On March 13, 2023, the Treasury Deposit Bank (TDB), an accounting unit under the Treasury tasked with managing treasury deposits accounts, was created by decree[2] and organized by a ministerial order.[3] This initiative was modeled on similar arrangements that exist in Morocco and in Côte d'Ivoire with the goal to consolidate public funds and, hereby, provide the Treasury with better access to government liquidity. According to the government, the TDB will help establishing the Treasury Single Account (TSA), a WAEMU-wide reform. The TSA is a unified structure of government bank accounts, usually consolidated within the central bank, which allows for a more efficient use of government cash resources and governments have implemented it across the world.[4]

2. **Funds of public entities outside the central government are integrated within the Treasury Single Account through the Treasury Deposit Bank** (See Figure IV.1). A TSA can be designed anywhere between a centralized structure with a single account at the central bank or a unified structure with distributed accounts kept at commercial banks, whose balances are netted (typically daily) into a principal account at the central bank. The first option, which is close to the Morocco case, is what is likely to be adopted in the case of Burkina Faso. The TDB would be the means through which funds from public institutions outside the central government are consolidated within the Treasury and then integrated in the TSA. To this effect, operating accounts for public entities are opened at the TDB, before integrating their funds into the TSA. The TDB aims

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[1] Prepared by Régis Kouassi and Martin Stuermer.

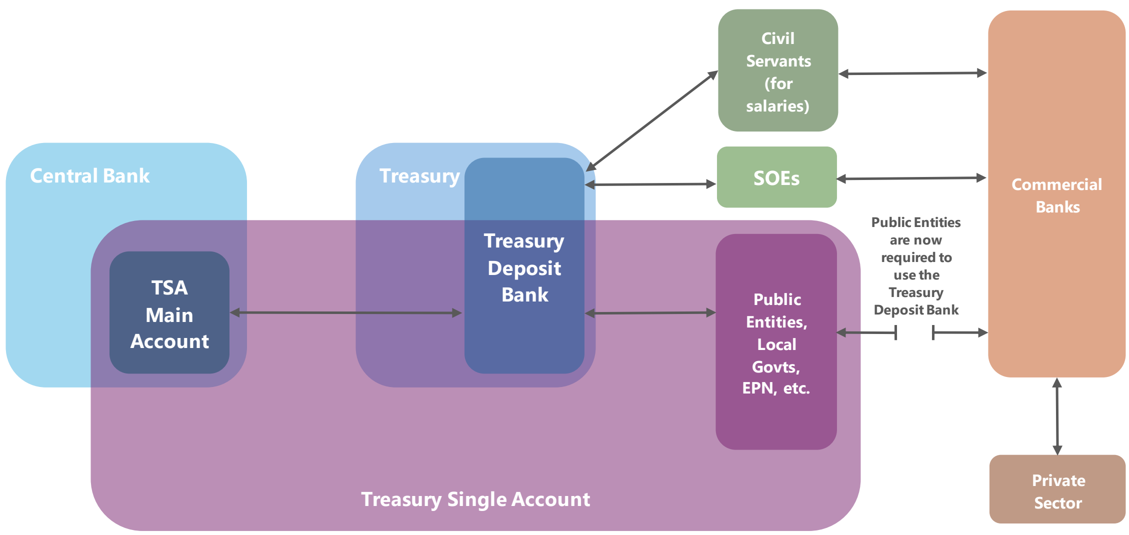
[2] N° 2023–198/PRES-TRANS/PM/MEFP portant organisation du Ministère de l'Economie, des finances et de la prospective.

[3] No. 2023–167 /MEFP/SG/DGTCP relating to the attributions, organization and operation of the General Directorate of the Treasury and Public Accounting (DGTCP).

[4] Treasury Single Account: An Essential Tool for Government Cash Management.

to improve the quality of banking services offered to public entities required to deposit their funds at the Treasury.

Figure IV.1. Relationships between the Treasury Deposit Bank and other Key Entities



Source: IMF Staff based on information from the authorities.

3. Challenges have emerged related to the transfer of funds to the Treasury.[5] The revision of the status of mandatory and optional depositors to the Treasury undertaken in March 2024 could potentially affect financial sector liquidity. First, civil servants have become required to receive salaries through an account opened at the TDB, with an 18-month time window to comply with the decree (Article 18). Second, although SOEs are not designated in the decree as mandatory depositors, the authorities issued communications,[6] indicating that SOEs could be required to transfer a portion of their term deposits to the TDB. This raises concerns about a potential impact on banking system liquidity, and on SOEs' ability to autonomously implement commercially oriented strategies. Finally, private citizens and other legal entities become eligible to deposit their funds at the Treasury, which could create competition for deposits. Table IV.1 presents potential gains and risks related to the TDB reform.

[5] The implementation of the TSA presents challenges in the context of fragile states and low-income developing countries, that call for a progressive and careful approach and that are discussed in IMF How To Notes Volume 2022 Issue 001: How to Build Cash Management Capacity in Fragile States and Low-Income Developing Countries (2022)

[6] Seydou Barro, directeur de la Banque des dépôts du Trésor : « Le texte donne 18 mois pour virer les salaires des fonctionnaires à la BDT » | Quotidien Sidwaya

Table IV.1. Burkina Faso: Potential Gains and Risks of TDB Reform

Potential Gains	Potential Risks
Efficient Use of Government Cash Resources - Elimination of unnecessary interest expenses by using idle balances - Availability of excess balances with reduced delays - Improved oversight of government cash transactions for better planning	**Banking Services of Reduced Quality for Public Entities, SOEs, and Civil Servants** - Pace for settlement of transactions - Availability and cost of credit - Availability of funds **On Commercial Banks' Activity** - Lower liquidity ratios - Viability of fragile banks - Lower credit to the private sector

4. **The authorities are aware that the reform could impact the financial sector and have prepared mitigating measures to ensure its smooth implementation.** Regarding civil servants' payroll, the authorities are working with commercial banks for the possibility to automatically transfer salaries from TDB accounts to commercial bank accounts. Regarding SOEs, the government requires only SOEs exclusively owned by the government or by public entities, and with an adequate liquidity position, to transfer 25 percent of their term deposits, and henceforth, to only create new term deposits at the TDB. The authorities have initiated this process in August 2024 through a letter from the Ministry of Finance to SOEs. According to the government, the TDB remunerates SOEs' term deposits at comparable rates like in commercial banks to minimize the financial costs for SOEs. By March 2025, only 10 percent of SOEs' term deposits had been effectively transferred to the TDB. There are discussions between the government and commercial banks for a concerted implementation of a phased transfer of funds, with the possibility for banks to propose repatriation plans. Finally, the Treasury intends to use the additional liquidity to repay domestic debt, circling back some liquidity to commercial banks.

Appendix I. Letter of Intent

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431
USA

Ouagadougou, June 4, 2025

Dear Madam Managing Director:

The attached Memorandum of Economic and Financial Policies (MEFP) reports on recent economic developments, the implementation of our program, and the structural reforms we plan to pursue. The program supported by the IMF's Extended Credit Facility (ECF) is intended to: (i) create fiscal space for priority spending and reduce debt vulnerability; (ii) strengthen resilience to shocks while reducing poverty and inequality; and (iii) improve fiscal discipline and governance. The reforms are informed by our Stabilization and Development Action Plan (SDAP 2023–25) and its new version (2025–27), currently under development, to promote more inclusive macroeconomic growth, generating more jobs with higher productivity, including through investment in human and physical capital.

The program's performance was generally good in view of the challenges related to the security and humanitarian situation. Despite the efforts of the defense and security forces, which have achieved significant successes on the ground, the security situation remains difficult, and extreme weather conditions have exacerbated the impact of various shocks on economic activity. We are stepping up our efforts to address the security crisis, which has had a negative impact on mining, agriculture, and other economic activities. In this context, the Patriotic Support Fund (PSF), which was created in 2023 and whose contribution was increased in 2025, remains an essential part of our response to restore security in the affected regions.

The achievement of the program's quantitative indicators was mixed. Four of the six performance criteria, including those relating to external debt ceilings, the accumulation of external arrears, guarantees on loans to suppliers, and bank prefinancing of public investments, were met. Ceilings on the primary deficit and domestic financing were not observed due to emergency capital expenditures, including those for the opening of roads to facilitate the deployment of security forces as part of territorial liberation activities. The indicative targets relating to the floor on government revenues, the ceilings on primary current expenditure, including the wage bill, and contractual arrangements for PPPs were observed, testifying to the effectiveness of reforms to strengthen the mobilization of domestic resources and the optimization of expenditure. Despite increased efforts to combat poverty and inequality, reflected in a 10 percent increase in total social spending compared to 2023, the floor on current social spending has not been observed. The ceilings on domestic arrears and the stock of VAT credit refunds have also not been observed. We have finalized a domestic arrears clearance strategy that addresses domestic arrears for 2023 and 2024, including VAT credit refunds. At end-March 2025, five ITs were met, while the remaining four ITs were missed by small margins.

Most of the eight structural benchmarks for 2024 have been met. All three continuous benchmarks have been achieved. Out of the five measures with a deadline of end-December 2024, four have been met. The structural benchmark for the arrears' clearance strategy has become a prior action.

All the prior actions were carried out on time. The full finalization of the 2023 and 2024 arrears clearance strategy, elevated to a prior action, was completed on **May 22, 2025.** In addition, it was agreed with the IMF team that the government will clear the stock of 2023 arrears of CFAF 43.4 billion as a prior action. This prior action was completed on **May 28, 2025.** We are also committed to making the necessary efforts to reduce the stock of arrears to zero by end-December 2025. In addition, we have launched a comprehensive audit of the treasury's deposit accounts in accordance with the objectives of transparency and good governance that the government has set for itself as part of its development program. In this context, as a third prior action, we shared with IMF staff the exhaustive list of treasury deposit accounts with their balances, as well as the government's net position at end-March 2025 on **May 22, 2025.** As the audit has not yet been finalized, the list sent reflects the situation as of March 31, 2025, as we understood it. As this measure is taken up as a continuous structural benchmark from June 2025, we will transmit the definitive list to the IMF team once the final audit results are available.

We reaffirm our commitment to strengthening governance and fiscal transparency and also to optimizing energy subsidies. New structural benchmarks underscore this commitment:

- We will establish a beneficial ownership register accessible to the relevant government authorities and financial institutions subject to customer due diligence and verification obligations by end-June 2025 at the latest.
- We will present a concrete plan for reform of the energy sector, accompanied by a timetable for implementation, with a view to optimizing energy subsidies and improving the efficiency of the energy sector by end-June 2025 at the latest.
- We will publish the final report of the Governance Diagnostic Assessment (GDA) conducted by the IMF technical assistance mission (structural benchmark for end-June 2025), and within four months after publication, we will prepare, in consultation with IMF staff, and adopt a time-bound action plan to implement priority recommendations from the GDA report (structural benchmark for end-October 2025).
- The Supreme State Audit and Anti-Corruption Authority (ASCELC) has launched an audit of the five largest public procurement contracts in terms of value awarded by at least two ministries, excluding the defense and security sectors, to determine their legality and value for money. The audit report will be shared with IMF staff by end-June 2025 at the latest.
- We will adopt a detailed action plan with a timetable to implement the recommendations of the audit of the five largest public procurement contracts in terms of value currently under way,

including the institutions responsible for implementing the measures, no later than four months after the transmission of the final report (end-October 2025).

- We will share with IMF staff a list of treasury deposit accounts and the government's net position as standard annexes to the Table of Government Financial Operations (TOFE) on a regular basis each quarter beginning at end-June 2025.

In addition, we undertake to make every effort to ensure the regular and timely publication of the annual public reports of the Auditor's Office, which should also reflect monitoring of the implementation of previous recommendations, and to step up anti-money laundering and combating the financing of terrorism (AML/CFT) efforts.

The objective of our fiscal policy continues to be freeing up space for priority spending. In this context, the revenue authorities will continue to implement their various strategic revenue mobilization plans. To this end, the Directorate General of Taxes and the Directorate General of Customs will implement their 2025–2027 operational action plans. Efforts to optimize current expenses will be continued in order to control the development of this category of expenditure, with the aim of freeing up more fiscal space for productive investments. We will stay the course on controlling the wage bill and we will present to IMF staff annual reconciliations between personnel and payroll records.

In terms of trade and monetary policies, we are committed to exploring other alternatives to support the emerging local industrial sector and to removing trade restrictions imposed to support local industry in the medium term. We also remain committed to Burkina Faso's membership in the West African Economic and Monetary Union (WAEMU).

We reaffirm our interest in accessing the Resilience and Sustainability Facility (RSF) to support our efforts to strengthen the resilience of our country to climate change shocks. In this regard, we appreciate the approval of our requests for technical assistance in the assessment of climate sensitive public investment management (PIMA/CPIMA) and climate policy diagnostics (CPD). Our teams have begun initial preliminary discussions, and the work for these two missions has gone well. We are awaiting the reports with recommendations so that we can identify reform measures with a view to the eventual consideration of our request for access to the RSF.

To support our efforts in the current challenging environment, we request waivers of the two quantitative criteria not met at end-December 2024, the completion of the third review of the arrangement under the IMF's Extended Credit Facility, revised QPCs and ITs for end-June 2025 (forth review), the setting of new QPCs and ITs through end-December 2025 (fifth review), the completion of the review of financing assurances, and the disbursement of the fourth tranche in an amount equivalent to SDR 24.08 million. We believe that the policies described in the attached MEFP are adequate to achieve the program's objectives in future reviews. We stand ready to take additional measures should they be needed to meet the program objectives, and we will consult with the IMF in advance of any necessary revisions to the policies described in this letter and the attached memorandum, in line with Fund policies on such matters. We also undertake to improve the timetable for providing IMF staff with all the data and information needed to assess the results of implementing these policies, in particular those mentioned in the Technical Memorandum of Understanding.

We accept the publication of this Letter of Intent, the attached Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding, and the Staff Report on the Third Review of the 48-Month Arrangement under the Extended Credit Facility, following approval by the IMF's Executive Board.

Very truly yours,

/s/
Aboubakar Nacanabo
Minister of Economy and Finance
Officer of the Order of the Etalon

Attachments:

- Memorandum of Economic and Financial Policies
- Technical Memorandum of Understanding

Attachment I. Memorandum of Economic and Financial Policies

I. INTRODUCTION

1. The Memorandum of Economic and Financial Policies (MEFP) updates data on the implementation of Burkina Faso's economic and financial program agreed with the International Monetary Fund (IMF) under the Extended Credit Facility (ECF) for the period 2023–2027.

2. This economic and financial program is organized around three main pillars, which are: (i) creating fiscal space for priority spending and reducing debt vulnerabilities; (ii) strengthening resilience to shocks while reducing poverty and inequality; (iii) strengthening fiscal discipline, governance, and anti-money laundering and combating the financing of terrorism (AML/CFT).

3. This Memorandum describes recent trends in the Burkinabè economy and reports on performance under the program as of end-December 2024. It also presents the main directions for 2025 and projections for the medium term.

II. RECENT ECONOMIC DEVELOPMENTS AND PROGRAM IMPLEMENTATION

A. RECENT DEVELOPMENTS IN THE MACROECONOMIC FRAMEWORK IN 2024

4. Economic activity in 2024 unfolded in an international context marked by political and geostrategic tensions, including the persistence of the Russia-Ukraine crisis, the conflict in the Middle East, the socio-political situation in the West African subregion, and the operationalization of the Alliance of Sahel States (AES). Global economic activity continued to be resilient in 2024. Economic growth remains subdued, supported by a gradual easing of monetary policies and a sharp deceleration of inflation. At the national level, the difficult security and humanitarian situation, the momentum for the reconquest of territory, and the favorable agro-pastoral season have also influenced the economic framework. Economic activity in 2024 recorded accelerated growth (+5.0 percent) compared to 2023 (+3.0 percent). This growth is driven by the primary sector at 11 percent, the tertiary sector at 6.3 percent, and net taxes and duties at 13.4 percent, offset by a contraction of 3.4 percent in the secondary sector.

5. Inflation is accelerating due to a rise in food prices. The year-on-year inflation rate at end-December 2024 stood at 4.9 percent compared to 1.0 percent in December 2023. On an annual average basis, inflation stood at 4.2 percent at end-December 2024, compared to 0.7 percent at end-December 2023, an acceleration of 3.5 percentage points. The government has taken steps to limit the full impact of price rises on imported products and to secure supplies. Furthermore, the Central Bank of West African States (BCEAO) has kept key rates constant since the beginning of the year.

6. Burkina Faso's economic transactions with the rest of the world were impacted in 2024 by a decline in the price of cotton fiber (–4.7 percent) and a 15-percent drop in cotton exports. Despite the 16-percent increase in the price of gold, and a 3.3 percent rise in gold exports, the current account deficit widened from 5.0 percent of GDP in 2023 to 5.7 percent of GDP in 2024 as imports also surged. In nominal terms, the current account deficit increased by 30.2 percent compared to 2023 to CFAF 803 billion in 2024. The dollar exchange rate, for its part, remained almost stable. Exports increased by 2 percent in 2024, driven mainly by shipments of gold. During the same period, imports increased by 4.8 percent due in particular to increased supplies of manufactured goods (+201.9 billion, or +10.3 percent), including an equivalent of 129.2 billion in acquisitions of capital goods. The deficit in balance of services worsened by 14.4 percent to CFAF 575 billion, while the secondary income balance deteriorated by 63 billion to 424 billion in 2024.

7. At end-December 2024, the money supply stood at CFAF 5,932.2 billion, up CFAF 380.2 billion (+6.8 percent) from its end-December 2023 level. This increase was influenced both by the net foreign assets of depository institutions, which increased by CFAF 448.9 billion (+27.6 percent), and by domestic claims, which increased by CFAF 184.8 billion (+3.9 percent), driven by a 44 percent increase in net claims on the central government, despite a 0.3 percent decrease in outstanding credit to the economy.

8. In terms of public finances, the FY 2024 budget was executed in a context marked by continued difficult financing conditions on the regional financial market, continued efforts to regain the entire national territory, and continued implementation of the economic and financial program with the IMF. In addition, budget execution is marked by the implementation of the Action Plan for Stabilization and Development (PA-SD).

- **In terms of resource mobilization**, the implementation of new tax measures, reforms, and actions, as well as the continuation of those already initiated by the revenue agencies, contribute to a positive impact on the collection of domestic resources. Good domestic taxation performance can be explained, among other things, by the introduction of a specific tax on cement, the authorization of transfers after the deadline for bare land development for residential and non-residential use, and the expansion of the scope of the specific tax on telecommunications enterprises to enterprises engaged in the promotion of electronic money and money transfers, as well as the continued digitalization of tax procedures. Taxation at the port is explained by the regular monitoring of the handling and valuation of goods at the office level, pending manifest clearance, the collection of past assessments related to the goods removal credit, and the interconnection of the Customs and Motor Vehicle Inspection Center (CCVA) IT systems.

- As part of its annual policy to mobilize resources on the WAEMU financial market, the government has auctioned a cumulative total (in bills and bonds) of CFAF 1,066.392 billion for 2024. Of this requested amount, investors offered a total of CFAF 1,106.315 billion and the government retained a cumulative total of CFAF 1,036.083 billion for its financing, representing an auctioned proportion of 97.16 percent. This amount was raised through 21 issuances, including 19 by auction and 2 by syndication. The instruments used include maturities of 3 months, 6 months, and 12 months for bills, 3 years, 5 years, and 7 years for bonds issued by auction, and 5 years, 7 years, and 8 years for bonds issued by syndication. Yields on securities range from 6.13 percent to 9.83 percent.

- The mobilization of total revenues and grants, including resources from the Patriotic Support Fund (*Fonds de soutien patriotique* – FSP), stood at CFAF 3,083.4 billion at end-December 2024 compared to CFAF 2,747.2 billion at end-December 2023, an increase of 12.2 percent. This change was driven by a 14.7 percent increase in tax revenue and a 10.6 percent increase in non–tax revenue, while grants fell by 12.3 percent. The tax burden reached 18.8 percent, compared to 17.8 percent in 2023.

- With regard to the mobilization objectives by revenue agency in 2024, the DGI's failure to achieve them is due, on the one hand, to an increase in corporate operating expenses, particularly related to insecurity (supply and provision costs that impacted income for the year and resulted in a CFAF 78.43 billion collection gap relative to the target established in the supplementary budget law for income taxes and profits) and, on the other hand, to lower (VAT−TAF) collection of CFAF 25.07 billion. As for the DGD, the gap amounted to CFAF 23.35 billion relative to the target set by the supplementary budget law.

- **In terms of expenditure**, priority is given to the defense and security of the national territory and the response to the social and humanitarian crisis, combined with optimization of government expenses. Total expenditures and net lending amounted to CFAF 3,899.9 billion (or 28.5 percent of GDP) at end-December 2024 compared to CFAF 3,578.6 billion (or 28.7 percent of GDP) a year earlier, representing an increase of 9.0 percent. This increase is attributable to the increase in capital expenditure (16.1 percent) owing to the purchase of the WAHGNION GOLD OPERATION and BOUNGOU GOLD OPERATION SA mines (CFAF 36 billion), the purchase of an aircraft for AIR BURKINA (CFAF 7.28 billion), the release of Faso Réassurance capital in the amount of CFAF 5.10 billion, the construction of road infrastructure to open up and facilitate the deployment of defense and security forces in areas with significant security challenges (CFAF 114.86 billion), and current expenditure (4.1 percent).

- At end-December 2024, the overall balance on a commitment basis showed a deficit of CFAF 816.5 billion compared to a deficit of CFAF 831.4 billion during the same period in 2023, an improvement of CFAF 14.9 billion.

9. As part of efforts to keep the wage bill under control, an audit of the payroll of employees registered in the personnel and payroll system (SIGASPE) made it possible to recover at end-December 2024 revenues in the amount of CFAF 2.85 billion on an adjusted stock of improperly received salary payments of CFAF 6.69 billion, representing a recovery rate of 42.64 percent. In addition, the savings on the 2024 personnel expenses forecast in the budget in connection with the adjustments made to salaries and the salary suspensions made during the audit of the 2023 payroll are estimated at CFAF 12.80 billion. It should also be noted that, following consolidation work on the status of employees whose salaries were suspended during the 2023 OCP, CFAF 7.85 billion in individual revenue orders was issued in respect of 1,424 employees for undue collection of salaries. In addition, an operation to audit the payroll of the National Agency for the Management of Primary

Health Care (AGSP) resulted in savings of CFAF 4.023 billion, in line with the trend in the AGSP's 2024 forecasts.

10. As regards the SIGASPE audit, the firm selected to conduct this engagement effectively started its work on January 9, 2025. The work is scheduled to be completed by May 8, 2025, that is, within a completion period of 120 calendar days. To date, a preliminary report and a midterm report have been produced and submitted by the firm on February 20, 2025, and March 24, 2025, respectively. The interim and final reports are expected by end–April 2025 and May 7, 2025, respectively.

11. To reconcile the personnel registers of the former Ministry of National Education, Literacy, and the Promotion of National Languages (MENAPLN) with the SIGASPE payroll, the technical staff of the Directorate General of the Budget (DGB) and of the Human Resources Directorates (DRHs) of the two ministries resulting from the division of the former MENAPLN held a series of working sessions in the fourth quarter of 2024 to analyze the consistency between the registers kept by the DRH and the payroll for government personnel. An analytical report with a summary of the recommendations was submitted to the Minister of Economy and Finance, who notified his counterparts in charge of primary and secondary education of these results in official correspondence in January 2025 for assessment and follow-up. An oral communication project is underway with a view to submitting to the Council of Ministers the results of this reconciliation of the personnel and payroll records of the former MENAPLN staff.

12. In terms of public debt, the government is pursuing its debt policy in accordance with sustainability indicators and ratios. Outstanding public debt stood at CFAF 8,001.03 billion (58.4 percent of GDP) as of December 31, 2024, compared to CFAF 6,947.31 billion (55.6 percent of GDP) as of December 31, 2023, an increase of 15.2 percent. Public debt service as of December 31, 2024, amounted to CFAF 1,047.67 billion, compared to CFAF 1,223.76 billion in 2023, representing a decrease of 14.39 percent.

13. The application of the hydrocarbon price readjustment mechanism in Burkina Faso remained limited throughout 2024. The freezing of prices at the pump since February 2023 and the relatively downward trend in petroleum product prices on the international market led to gains of CFAF 67.84 billion on the sale of hydrocarbons as of December 31, 2024, compared to losses of CFAF 46.64 billion seen in 2023. As of December 31, 2024, subsidies on butane gas and SONABEL fuels reached CFAF 80.41 billion and CFAF 77.51 billion, respectively, for a total of CFAF 155.29 billion.

14. A total of CFAF 121.4 billion was paid in VAT refunds, and the Special Allocation Account (CAS) showed a credit balance of CFAF 100.6 billion on December 31, 2024. The outstanding stock is 76 tax-free certificates worth a total of CFAF 38.6 billion on December 31, 2024. This amount is made up of 8 certificates that are less than 90 days old (CFAF 1.4 billion) and 68 certificates that are more than 90 days old (CFAF 37.2 billion).

15. At end-December 2024, the stock of arrears amounted to CFAF 71.5 billion, including CFAF 49.03 billion in VAT refund arrears older than 90 days. There are a number of reasons for this accumulation, one of which is noncompliance with the submission of various types of proof of service made by some suppliers. Because of their significance, certain strategic expenditures are also prioritized in file processing. This prevents pre-existing expenditures from being handled in time. Cash flow pressures are also another factor behind the increase in arrears. An arrears clearance strategy is being finalized to bring the stock of arrears to zero by end-December 2025.

16. With regard to land management, the authorization for transfers after the deadline for the development of undeveloped land for residential and non-residential use was renewed for 2024, and a special operation was introduced for the issuance of urban residence permits and certificates for the allocation of plots to buyers of housing and plots from private real estate developers and housing cooperatives. In this respect, the transfer taxes collected in 2024 amount to CFAF 17.8 billion compared to CFAF 7.8 billion in 2023. It should be noted that the sharp increase is also linked to the launch of platforms such as eTITRE for the prompt processing of land title requests. This made it possible to recover CFAF 4.4 billion under the Flat-Rate Transfer Tax (DMF). As regards the clearance of land liabilities, as of December 31, 2024, some 312,096 cadastral entries have been digitized, 382,022 owners have been identified and entered in eCadastre, and 234,628 parcels have been assessed.

17. Implementation of public-private partnership (PPP) contracts. As of December 31, 2024, the nominal value of PPPs contracted in 2024 is CFAF 154.623 billion, consisting of (i) a project for the financing, construction, and maintenance of a system for issuing polycarbonate biometric passports equipped with an electronic chip (e-PASSPORT) and for electronic archiving of files (CFAF 19.725 billion); (ii) CFAF 14.598 billion for the production of secure biometric consular cards for the benefit of nationals living in the Republic of Côte d'Ivoire; and (iii) the construction and operation of a 50 MW biomass plant in Darsalami (Bobo–Dioulasso; CFAF 120.030 billion).

B. PROGRAM IMPLEMENTATION

18. Program performance at end-December 2024 was mixed, but key targets remain achievable. The majority of the structural benchmarks and quantitative criteria were met at end–December 2024, except for the two criteria regarding the ceiling on net domestic financing and the ceiling on the primary deficit, including grants (Table 1a).

- Four of the six quantitative performance criteria (PCs) were met (see Table 1a). The criteria not met relate to domestic financing and the primary deficit, including grants. Net domestic financing amounted to CFAF 655.7 billion, as against a target of CFAF 572.5 billion. As for the primary deficit, including grants, with a ceiling of CFAF 418.9 billion set for end-December 2024, the primary fiscal deficit including grants stood at CFAF 506.1 billion. The three continuous PCs were met.

- The indicative targets were achieved, with the exception of the accumulation of domestic arrears, the floor on poverty-reducing social expenditures, and the ceiling on the stock of certified and unpaid VAT refunds older than 30 days. There was an accumulation of domestic arrears of CFAF 71.5 billion at end-December 2024, compared to a target of zero. An arrears clearance plan was prepared and adopted (**prior action** for the third review, see below). The clearance of arrears that have been verified by the audit (structural benchmark for the second review), amounting to CFAF 43.4 billion, becomes a prior action for the third review and has been implemented. All arrears will be cleared by end-2025. The floor on poverty-reducing current social expenditures reached CFAF 274.18 billion at end-December, compared to a target of CFAF 309 billion, representing a shortfall of CFAF 34.82 billion. At end-March 2025, five ITs were met, while the remaining four ITs were missed by small margins.

- In terms of structural benchmarks (SB), including continuous ones, seven out of eight reforms have been fully implemented. As for the five SBs with a deadline of end-December 2024, four have been met. The adoption of the arrears' clearance strategy has been implemented as a **prior action**. This strategy includes both the arrears at end-December 2023 arising from the ASCE-LC audit report and the 2024 arrears.

C. IMPLEMENTATION OF THE NATIONAL DEVELOPMENT POLICY

19. The National Development Policy (PND) is implemented through the Action Plan for Stabilization and Development (PA-SD), which is built around four pillars: (i) combating terrorism and restoring territorial integrity; (ii) responding to the humanitarian crisis; (iii) rebuilding the state and improving governance; and (iv) working towards national reconciliation and social cohesion. All these pillars contribute to the goal of poverty reduction. Major progress was made during 2024.

20. With regard to **combating terrorism and restoring territorial integrity**, government actions increased the rate of reconquest of the national territory from 69 percent in 2023 to 71 percent as of December 31, 2024, and reduced the number of offenses (crimes and misdemeanors) from 17 percent to a target of 5 percent. The actions taken focused on strengthening the operational capacities of the Defense and Security Forces (FDS) and Volunteers for the Defense of the Homeland (VDP), with a corresponding increase in personnel, improvement of tactical and operational equipment, consolidation of the reorganization of the security architecture through the creation of special units, and rehabilitation and construction of security infrastructure. Progress has also been made in drying up sources of supply of all kinds of resources for terrorists with the tightening of controls. New partnerships have also been established as part of the diversification of defense and security partnerships.

21. With regard to the **response to the humanitarian crisis**, there are convincing results related to support for the voluntary return of 1,010,146 internally displaced persons (IDPs) to their areas of origin, the provision of food assistance to them, the supply of 822,433 tons of improved seeds and 6,031.83 tons of fertilizer to vulnerable people, including IDPs, the provision of production equipment to 16,720 vulnerable households as well as breeding animals, and the financing of 441 IDP entrepreneurship projects. Efforts have been made to provide educational continuity to 1,500 displaced students, an education grant to 29,800 students in the fallback areas, and 10,070 desk benches to schools. In addition, 217 boreholes equipped with PMHs, 33 PEAs, and 24 AEPSs have been set up and 78 other boreholes have been rehabilitated in the IDPs' areas of origin. Also, 2,983 family latrines were built in the IDPs' host households. Psychosocial support is also being provided to 2,000,000 poor and vulnerable people affected by terrorism and 29,491 women and girls (including IDPs) who are victims of violence.

22. With regard to **rebuilding the government and improving governance**, the progress made has been consolidated and includes, among other things, improvements to the functioning of the courts through better equipment, the recovery of 84.5 percent of criminal fines, the reduction of the average radius of access to a regional court to 62.98 km thanks to the reopening of regional courts, the granting of legal aid to 1,683 people, the availability of an assessment document on the implementation of Law No. 081–2015/CNT, and the timely signing of career documents (placement, reclassification, retirement) for many civil servants.

23. With regard to **health, education, higher education, and training**, reforms have continued with the aim of improving health care and education for the population. In terms of health care, ongoing reforms include the granting of 8,391,306 free benefits to children under 5 years of age and 7,861,436 benefits to pregnant women, the introduction of the malaria vaccine for children aged 5 to 23 months in the pilot areas, and the reduction of scanner and MRI costs, the elimination of charges for hemodialysis, as well as the acquisition of 15 mobile clinics. In addition, actions taken as part of the implementation of the community health strategy involved the continued construction of the Bobo–Dioulasso University Hospital and Radiotherapy Center, as well as the Manga Regional Hospital.

24. In terms of **education, higher education, and training**, the actions concerned, among other things, the construction of new classrooms, the standardization of academic years at 81.32 percent, the recruitment of 203 researchers/teacher–researchers, the granting of scholarships, loans, and aid to 93,831 students, subsidies for 9,250 computers to be used by students, as well as the construction of the scientific high school in Banfora and the training of 12,352 apprentices at vocational training centers.

25. As for the **revitalization of the manufacturing industry**, progress is related to the restructuring of 40 enterprises in difficulty, the incubation of 15 industrial units, support in the form of production kits for 162 units for the production and processing of local products and for 120 IDP producers and IDP associations, and the construction of the tomato processing unit in Bobo–Dioulasso in the context of activities carried out by the Agency for the Promotion of Community Entrepreneurship (APEC).

26. **In terms of promoting good economic and financial governance**, major progress was made in easing the conditions for access to financing for small and medium-sized enterprises and industries with the allocation of CFAF 2.63 billion in credit, the operationalization of the Deposit and Investment Fund (Caisse de dépôt et d'investissement), and the operationalization of 85 percent of the Treasury Deposit Bank (Banque de dépôt du Trésor). In addition, the computerization of the national land registry continued with the digitization of 218,679 references in eCadastre, the identification of 1,623,897 owners, and the evaluation of 206,354 plots.

III. MACROECONOMIC POLICIES FOR 2025 AND THE MEDIUM TERM

A. MACROECONOMIC FRAMEWORK

27. Economic activity in 2025 is expected to continue to be marked at the international level by heightened geostrategic and trade tensions, the new direction of U.S. policy, the geopolitical situation of the West African subregion, and the strong foothold of the Alliance of Sahel States. At the national level, the security situation remains difficult, although there is good momentum to regain territorial integrity, and the outlook is for a favorable agro-pastoral season. Economic activity is expected to grow by 6.0 percent in 2025. This growth is expected to be driven by all sectors (primary (+11.2 percent), tertiary (+6.5 percent), and secondary (+6.0 percent)), with nominal GDP standing at CFAF 14,858.6 billion in 2025, compared to CFAF 14,101.4 billion in 2024.

28. Inflation is expected to reach 2.7 percent in 2025, a deceleration of 1.5 percentage points compared to 2024.

29. In 2025, foreign trade is expected to be marked by increases in the price of gold and in the value of the dollar of 20.4 percent and 2.0 percent, respectively. Conversely, a slight increase in the expected price of a barrel of oil (1.3 percent) and a decrease in price of cotton fiber (4.2 percent), both in CFA francs. In this context, under the assumption of a sharp increase in gold production, a change in the profile of the current account is anticipated. The current account is expected to show a deficit of CFAF 292.2 billion in 2025, an improvement of CFAF 510.8 billion compared to its 2024 level. This development would be linked to an improvement in the surplus in the balance of goods of CFAF 535.4 billion, owing to a 15.4-percent increase in exports, offset by a 11.6-percent increase in imports. As a percentage of GDP, the current account deficit is expected to be 2.0 percent in 2025, compared to 5.7 percent a year earlier. The capital account surplus is expected to remain broadly unchanged, and net financial inflows through the financial account are expected to decline relative to their 2024 level. Overall, the overall balance of payments is expected to be in deficit in 2025 at CFAF 72.1 billion, or 0.5 percent of GDP.

B. FISCAL POLICY

30. The fiscal policy for the period is fully in line with the Multiyear Budget and Economic Programming Document (DPBEP) 2025-2027. The execution of the state budget for fiscal year 2025 is focused on the one hand, on the continuation and strengthening of measures to streamline government expenses and, on the other, the continuous improvement of revenue agencies' performance in mobilizing internal resources to finance defense and security expenditures, as well as those relating to humanitarian action.

31. The 2025 budget anticipates a deficit of 462.5 billion FCFA. This target will be revised at the time of the adoption of the budget amendment bill (LFR) to take into account the macroeconomic developments during the first semester, the performance of the public enterprises, as well as any potential shocks. The government commits to taking the necessary measures to ensure that the objectives of the LFR are consistent with the commitments made under the program.

32. With respect to the mobilization of internal resources, the government will continue the reforms and actions of the revenue agencies in line with the outlook for growth, in particular the modernization and digitalization of all business processes with an acceleration of the digitalization of tax, public property, and customs procedures, the control and clearance of outstanding debts, the strengthening of non–intrusive cargo controls, and actions to combat fraud. In addition, there are plans to open a second one-stop shop for land in Ouagadougou, set up a new hydrocarbons office in Bobo, and create a specialized unit for the customs clearance of containerized shipments at the Ouaga Route Office and certified electronic invoicing.

- In addition, the revenue agencies will continue to implement their various strategic revenue mobilization plans through operational action plans (OAPs). To this end, the DGI and the DGD will implement their 2025–27 OAP.

- In terms of mobilizing external resources, an assumed relaxation of financial conditions and compliance with commitments made with the IMF and other partners would give renewed impetus to the mobilization of additional resources. In addition, cooperation with technical and financial partners would be pursued and strengthened.

- Moreover, cooperation with technical and financial partners would be continued and strengthened. The government will also continue its policy on intervention in the WAEMU financial market and plans to mobilize a cumulative total of CFAF 1,185.00 billion for 2025 through traditional Treasury bill and bond instruments. In the first quarter of 2025, as of April 9, we have already mobilized CFAF 264.87 billion on the regional market, with 56 percent of instruments having a maturity of 1 year, 19 percent having a maturity of 3 years, 14 percent having a maturity of 5 years, and 11 percent having a maturity of 7 years. The average interest rates for the different maturities are 9.6 percent, 9.1 percent, 7.6 percent, and 7.9 percent, respectively.

- During the first quarter of 2025, the government did not contract any direct loans from banks and nonfinancial institutions.

33. On the expenditure side, fiscal policy will rest primarily on optimizing the allocation of resources, on the one hand, and the quality of budgeting for successful budget execution, on the other. Thus, efforts in priority sectors will be stepped up to ensure the production of goods and services for the population in general and for the most disadvantaged groups in particular. Specific emphasis will be placed on the defense and security sectors to ensure the necessary means to deal with the security crisis.

- Efforts to optimize current expenses will be continued in order to control the development of this category of expenditure, which will make more fiscal space for investments. If the revenue targets are not achieved, appropriate measures will be taken to cancel non-priority budget allocations under the supplementary budget law.

- The modernization of public spending procedures will involve continuing the digitalization of government contract award processes and of the documents in the public expenditure chain.

34. The government will continue its policy of consolidating reforms and actions to mobilize internal resources and optimizing expenses. The funding requirement would therefore be 3.1 percent of GDP in 2025, compared to 5.5 percent in 2024, a decline of 2.4 percentage points. The government has also committed to containing wage bill growth so that the wage bill-to-tax revenue ratio remains below 49.5 percent (a new structural benchmark for end-December 2025).

35. Revenues are projected to increase by 6.9 percent to CFAF 3,104.0 billion (or 19.9 percent of GDP), after reaching CFAF 2,904.9 billion in 2024. The tax burden rate would therefore be 18.9 percent in 2025, an improvement of 0.1 percentage point compared to 2024. Expenditure execution is expected to decline by 3.1 percent in 2025 compared to 2024, to reach CFAF 3,762.3 billion, or 24.1 percent of GDP. This decrease would be due to a drop in capital expenditure (–19.0 percent). Current expenditure as a proportion of total expenditure in 2025 is expected to increase by 6.6 percentage points to 66.1 percent.

C. DEBT POLICY

36. Over the period of the program, the government intends to pursue optimal management of its public debt through (i) the implementation of the 2025–28 debt strategy; (ii) the deployment of tools (new debt sustainability framework, new Medium-Term Debt Strategy (MTDS) model, etc.); and (iii) capacity development for stakeholders with regard to changes in the international financial environment for a better assessment of new financing possibilities. These actions will help meet the central government's funding requirements, while maintaining the risk of debt distress at an acceptable level.

37. The 2025–28 MTDS should enable the government, and in particular the National Public Debt Committee (CNDP), to guide and supervise indebtedness, while improving debt management in accordance with international standards.

38. The primary objective of the 2025–28 MTDS will be to maintain Burkina Faso's moderate risk of debt distress. To this end, the main aims of this strategy can be summarized as follows: (i) maintain the use of 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 it presents; (ii) borrow non-concessional external resources denominated in euros to refinance the short part of the domestic debt and investments in the Action Plan for Stabilization and Development; and (iii) continue to contribute to the development of the regional financial market through regular interventions.

In addition, the 2025–28 MTDS will aim to increase the average maturity of domestic debt to five years and that of total debt maturing during the year to 10 percent.

D. OTHER STRUCTURAL REFORMS

Public Finance Reforms

39. As part of its efforts to monitor the status of payment institutions, the government will implement the recommendations arising from the audit of all the state's arrears and floating debt and publish the results on the MEF website. An action plan and a clearance schedule will also be drawn up and will be monitored by the control bodies. At the same time, the government will continue its efforts to improve cash management, planning, and transparency in order to avoid periods of tension and minimize the risk of further accumulation of payment arrears.

40. The government will continue the efforts undertaken to set up the **Treasury Single Account (TSA)**, strengthen information systems, and take actions to make the **Treasury Deposit Bank (BDT)** operational.

- **With regard to the TSA**, following the issuance of the decree establishing the TSA and the order establishing the procedures for its opening in 2019, the agreement between the Ministry of Finance and the BCEAO on the organization, procedures, operation, and maintenance of the TSA was signed on November 27, 2024. In the process of its implementation, the scope of the TSA will be broadened through the gradual integration of accounts of projects and programs and other public services, while closing their accounts at commercial banks, and through the repatriation of cash to the TSA. This expansion will be carried out by (i) implementing the conclusions of the impact study on the closure of the accounts of projects and programs at banks (structural benchmark), conducted with the support of the World Bank's Economic Governance and Citizen Engagement Project; and (ii) implementing the recommendations of the report to the Council of Ministers on the centralization of public funds. The streamlining of accounts opened in commercial banks for the benefit of financial administration tax collectors will be continued.

- **Information systems** (digitalization, remote procedures, etc.). For the BCEAO Automated Interbank Clearing System (SICA) and Real-Time Gross Settlement System (STAR), configurations are being finalized for the operationalization of the transaction accounts of public accounting officers, in particular tax and customs administrative and financial managers, to supplement bank accounts. The process of adapting the fund deposit management system (SGDF) to banking standards and incorporating e-banking is under way.

- As for the **Treasury Deposit Bank**, it was created in 2023 by the decree on the organization of the MEF, in order to further improve the services offered to Treasury customers with deposits. Following the subsequent review of the decree on the management of fund deposits at the Public Treasury, it will be a matter of continuing the implementation of the action plan to operationalize BDT activities through the gradual deployment of its products and services, the strengthening of human resources, and public communication to better define its missions.

- The government announced the repatriation of term deposits made by state-owned companies in commercial banks to the BDT for better visibility of government liquidity. In this context, the government has opted for a gradual response and decided to repatriate 25 percent of the amounts placed in term deposits, while informing banks to take steps for the necessary rearrangements before the measure is implemented. That decision was taken and shared with the companies in August 2024, and the letter instructing banks to execute the order given by the companies was not issued until February 2025. Some banks have already drawn up a repatriation plan and sent it to the Treasury. To limit the potential negative effects on the national banking system, discussions on collaborative implementation are ongoing with the banking sector. The deposits of public companies held at the BDT will be remunerated according to terms to be negotiated with the companies concerned.

41. The Ministry of Finance has two principal bodies (the Weekly Treasury Committee and the Budget Execution and Cash Flow Monitoring Committee (CSEBT)) and several other mechanisms. The Weekly Treasury Committee meets weekly to determine the strategies for mobilizing resources (issuance of bills and bonds, direct borrowing, etc.) and for settling government expenditures. The CSEBT, chaired by the Minister of Finance, meets monthly to decide on budget execution (revenue and expenditure) and cash mobilization. It also reviews the monitoring of the implementation of commitments made as part of the economic and financial programs and as part of the budget support programs with the technical and financial partners as well as examines the indicators of good governance relating to public procurement. The CSEBT provides guidance and makes recommendations, which are followed up at subsequent sessions, for all parties involved in the expenditure and revenue mobilization chain to improve budget execution in terms of revenue and expenditure. These various bodies make use of several tools – in particular the cash flow plan, the government securities issuance plan, and the government expenditure commitment plan for liquidity management and monitoring. The accumulation of arrears over the past two years reflects exceptional situations that forced the government to meet urgent expenditures.

42. The government is committed to continuing its efforts to strengthen fiscal governance and transparency. To this end, it will publish the final report of the diagnostic mission on governance as soon as the final report is available. In addition, it will further strengthen fiscal governance and transparency, as well as the internal and external audit mechanisms for annual execution of the budget, through structural benchmarks. Against this background, it commits to implementing and meeting three structural benchmarks as part of the fourth review of the program. These are:

- An audit by the Supreme State Audit and Anti-Corruption Authority (ASCE-LC) of the five largest public procurement contracts, outside the defense and security sectors, to assess their legality and value for money. To avoid the risk of concentration in a single ministry or sector, the ASCE-LC will ensure that the public procurement contracts chosen are among the largest public contracts and cover at least two different ministries. The terms of reference were agreed with the IMF and forwarded to the ASCE-LC, which started the process. The audit report will be shared with IMF staff by end-June 2025. A detailed action plan, with a timeline for implementing the recommendations of this public procurement audit, including the names of the institutions responsible for implementing the recommendations, will be adopted, and shared with IMF staff by end-October 2025.

- A commitment to share with IMF staff (i) a comprehensive list of Treasury deposit accounts with their balances and (ii) the government's net position, as standard annexes to the government fiscal reporting table (TOFE). This sharing will occur regularly each quarter starting from the date of the end-June 2025 data (structural benchmark). As a prior action, we have shared the exhaustive list of Treasury deposit accounts as of March 2025 with their balances and the government's net position well in advance of the third review. The list of Treasury deposit accounts makes it possible to identify those opened for the benefit of non–personalized government services. These annexes provide a level of disaggregation at least as high as has been the practice in the past.

43. The government is committed to implementing two new reforms to improve fiscal transparency and governance within the framework of two new structural benchmarks for the fifth review. It will implement the new action plan following the public procurement audit and submit a report on this to staff (end-December 2025). Moreover, the government will adopt operational plans with timelines for each action to foster integrity at the General Directorate of Taxes and the General Directorate of Customs (by the end of December 2025). These plans will include (i.) the dissemination and training of all staff on the codes of ethics of the tax and customs administration, (ii.) the publication of these codes on the websites of the two agencies, (iii.) disciplinary councils and the anti-corruption committees of those structures, as well as (iv.) maintaining annual statistics on offenses and disciplinary measures.

44. The government is committed to further promoting good governance in fiscal management. As a result, every effort will be made by the Auditor's Office to ensure regular and timely publication in accordance with the deadlines set forth in the Organic Law on Annual Public Reporting, also reflecting follow-up on the implementation of previous recommendations and any proposed corrective actions, by end–November following the financial year at the latest. For the 2024 fiscal year, efforts will be made to have the annual public report, including follow-up on the previous recommendations of the Auditor's Office, published by end–November 2025.

45. To strengthen fiscal governance practices, Burkina Faso will implement the recommendations of the Governance Diagnostic Assessment (GDA) report prepared by the IMF technical assistance mission. This provisional report was forwarded to the ASCE-LC for comments and amendments with a view to finalizing it. Once it has been finalized, it will be published with the agreement of the authorities (structural benchmark for end-June 2025). In addition, the government is committed to adopt an action plan to implement priority recommendations of the final assessment report (structural benchmark for end-October 2025) within four months of the availability of the final report.

DGB and DGCMEF Program Budget

46. The government will continue its actions to implement the reforms introduced by Organic Law No. 073/CNT of November 6, 2015, on Budget Laws (LOLF) through the program budget. Twenty-seven (27) major innovations have been selected. In terms of results, 15 innovations have been fully implemented (55 percent), 8 are in the process of being implemented (30 percent), and 4 are awaiting implementation (15 percent).

47. To implement the innovations of the LOLF, the DGCMEF has requested technical assistance from the IMF to develop the capacities of officials in issuing opinions on the performance of budget programs and the quality of management of payment authorization officers. Preliminary discussions were held with the IMF and both parties agreed to continue to reflect on the content of this provision of the LOLF.

New Mining Code and Local Content

48. Several major innovations have been introduced by the revision of the mining code in order to revitalize and strengthen the sector to take advantage of dividend yields and the sector's potential. In this connection, 18 implementing decrees of the mining code have been adopted as of December 31, 2024. Several other texts implementing the Code are decrees that were validated in a national workshop. These draft decrees will be finalized and signed as soon as those decrees are available at the Secretariat General of the Government and the Council of Ministers.

49. The adoption of the law on local content will strengthen the gains made by the application of national preference through the 2015 mining code. Thus, four implementing decrees of the law on local content have been adopted as of December 31, 2024, and one decree is in the pipeline for subsequent adoption. As for the implementing decrees of the said law, draft texts are also available and will be submitted for signature as soon as the signed decrees are available at the Secretariat General of the Government and the Council of Ministers.

In the Land Sector

50. In 2025, the government will continue to digitize procedures and improve the functionalities of the SYC@D platform (integration of procedures and data from eTitre, interfacing with the eCadastre platform, interface with the National Identification Office (ONI) database, etc.). To this end, online services will be available, including the issuance of extracts from cadastral plans and land occupation titles. It will also continue to digitize parcels, identify owners, carry out cadastral valuations, and implement measures to optimize land-related tax revenues.

Strengthening Governance and Anti-money Laundering and Combating the Financing of Terrorism

51. To continue to improve governance, the government will implement measures to improve cash management and fiscal transparency, including reporting, strengthen the independence of audit institutions, reduce corruption, and address critical challenges in anti-money laundering and combating the financing of terrorism (AML/CFT).

52. In monitoring the implementation of the ICRG action plan for removal from the grey list, periodic monitoring reports are drawn up to note the progress that has been made. In the ninth cycle, the action plan completion rate was 94.5 percent, meaning that 2 actions out of the 37 planned had not yet been completed. The two remaining actions relate to the correction of weaknesses identified in the mechanism for the immediate implementation of targeted financial sanctions linked to the financing of terrorism and the proliferation of weapons of mass destruction. The progress report from the 10th cycle was reviewed on January 6, 2025, during the meeting with ICRG evaluators in Windhoek. On this occasion, Burkina Faso presented the solutions adopted to meet the requirements of an effective targeted financial sanctions regime. At the end of the discussions, the final report on the 10th cycle, transmitted on January 23, 2025, by the evaluators, highlights reservations about the effectiveness of the sanctions list notification process currently in place. Based on this concern, the evaluators did not recognize the effectiveness of the mechanism, and the country therefore did not validate the two remaining actions. As a result, the action plan implementation rate remained the same as in the previous cycle, that is, at 94.5 percent.

53. Drawing on lessons learned in the 10th cycle, Burkina Faso will adopt the necessary adjustments and solutions to correct its mechanism for the implementation of targeted financial sanctions during the 11th evaluation cycle, which is under way, and which will end in June 2025. The conclusions of the on-site mission will then be reviewed at a Financial Action Task Force (FATF) plenary, likely in October 2025, which may decide to remove Burkina Faso from the grey list.

Strengthening Social Protection and Resilience to Shocks while Reducing Poverty and Inequality

54. The government has continued to implement the Single Social Register (RSU). The phased rollout of the RSU has been in effect since 2024 and has reached 11 urban municipalities. Poor and vulnerable households registered at end-June 2024 number 277,220, or 1,742,463 individuals. As of February 1, 2025, there are 75 municipalities that have been covered, i.e., 21 urban municipalities and 54 rural municipalities. There are 209,000 poor and vulnerable IDP households registered in the RSU. In addition, data from the RSU are being used by several programs. We have received queries regarding: (i) 6,400 households from Welthungerhilfe (WHH); (ii) 560 households from the Danish Refugee Council (DRC); (iii) 2,000 households from the Livestock Resilience and Competitiveness Project (PRECEL); (iv) 9,408 households from the World Food Program (WFP); and (v) 102 households from the Executive Secretariat of the National Food Security Council (SE–CNSA). In addition, there are plans to cover 12 provinces in 2025 and the remaining 15 in 2026. The shortfall in funding for the phase at the national level and difficult deployment in localities with high security challenges are the main challenges.

55. As part of improving access for poor and vulnerable households to productive social safety nets at the national level, the government of Burkina Faso, through the Ministry of Humanitarian Action and National Solidarity, has initiated the National Support Program for the Empowerment of Poor and Vulnerable Households in Burkina Faso (PAMPV). This program, which aims to increase access for poor and vulnerable households to productive social safety nets while strengthening their economic empowerment and resilience to shocks, is being implemented over the 2024–2029 period.

- To this end, the PAMPV was formally created by Joint Order No. 2024-094/MAHSN/MEF of November 5, 2024, on the creation, purpose, classification, administration, management, and operation of the PAMPV. In addition, the PAMPV steering body was established by the adoption of an order linking the PAMPV to the "National Solidarity, Management of Disasters and Humanitarian Crises" budget program and the order establishing the steering committee in February 2025. It should be noted that partners such as the World Bank, WFP, and UNICEF have expressed their willingness to support the implementation of the PAMPV.
- In the future, its effective operationalization will involve (i) developing the PAMPV operational manual scheduled for April 2025; (ii) establishing the Management Unit (UGP); and (iii) holding a steering committee session to adopt the 2024 activity report and the 2025 annual work plan.
- In addition, information on the beneficial owners of entities that have been awarded public procurement contracts to combat food insecurity under the PAMPV will continue to be published in the public procurement review, despite the depletion of resources disbursed under the Food Shock Window.

56. The operationalization of the universal health insurance system (RAMU) is a priority included in the Action Plan for Stabilization and Development in Burkina Faso and reflects the government's determination to extend social protection to the entire population. The RAMU is operationalized through the National Universal Health Insurance Fund (CNAMU), which has two main bodies, the General Directorate, and the Board of Directors.

In addition, with a view to implementing the RAMU, the legal framework has been strengthened, various implementation tools have been developed, and specific activities have been carried out, including the total registration of 190,324 persons in the RAMU Integrated Management System (SIGRAMU), the affiliation of 250 structures/enterprises, RAMU awareness-raising and training for the population, and the creation of a CNAMU website.

Reforms to Build Resilience to Climate Change Shocks

57. An annex identifying actions to mitigate the effects of climate change is attached to the budget and represents 12.95 percent of the payment appropriations of all ministries and institutions in 2025, equivalent to CFAF 262.98 billion. In this connection, two technical assistance missions in the area of climate fiscal policy were approved by the IMF at Burkina Faso's request. These diagnostic assessments will help design robust and transformative adaptation and mitigation measures in line with climate fiscal policy and strengthen institutions to support long-term resilience and develop a medium-term climate plan for our country.

- The Climate Policy Diagnostic Mission (CPD) is scheduled to take place in Ouagadougou from June 2 to June 12, 2025, and a national focal point has been designated. As for the Climate Public Investment Management Assessment (C-PIMA) mission, a focal point is interacting with the mission team identified for the organization of the two phases: one in-person phase is scheduled from April 28 to May 8, 2025, and will be preceded by a virtual phase from April 7 to April 11, 2025.

- In addition, during this third program review, discussions will be held in open forums on the procedures for accessing the Resilience and Sustainability Trust (RST), as well as the steps taken by the government in terms of organization (task force, focal points, etc.).

Energy Sector

58. One of the government's top priorities is to increase electricity production in order to avoid load shedding during the hot season and to support growth in the years to come. As part of the strengthening of the energy sector, the government is committed to the peaceful use of atomic energy. In addition, a multidisciplinary committee responsible for monitoring the commitments has been established.

59. With regard to the interconnection situation, the government, through the Burkina Faso National Electricity Company, will pursue its interconnection policy with Ghana, Côte d'Ivoire, and Togo/Benin. The construction of the 330 kV North Core line is still underway.

Energy Policy for 2025 and the Medium Term

60. The energy sector strategy is in line with national and international objectives, including Burkina Faso's commitments at the international, regional, and subregional levels. Its vision is to ensure sustainable access to modern energy services that support sustainable development. To this end, the government has undertaken the development of a new strategy for the period 2025–29, following an evaluation of the one that was just completed in 2023. In this connection, the orders establishing the steering committee and the technical committee for development of the strategy have been adopted. The process includes updating in the second quarter of 2025 the diagnostic assessment made during the review of the previous strategy in 2024.

61. With regard to the energy supply, the following measures will strengthen Burkina Faso's resilience in terms of the availability of electricity. These include: (i) the expansion of the Komsilga power plant by adding two units with a capacity of 50 MW each; (ii) the construction through PPP arrangements of the 100 MW Bobo–Dioulasso power plant, the 100 MW power plant expandable to 200 MW in Ouagadougou, and solar power plants with storage; and (iii) the continuation of interconnections with neighboring countries.

62. In order to reduce the current energy deficit, urgent projects are planned for the construction in consumption centers of thermal power stations with a combined capacity of around 161.4 MW by 2025.

Hydrocarbon Pricing Mechanism

63. For 2025, efforts to better control subsidies for hydrocarbons will be continued. In particular, the new provisions introduced in the decrees setting hydrocarbon prices, the various initiatives to raise awareness, and the actions to reduce fraud should lead to a significant reduction in gas subsidies during 2025 and 2026.

64. By end-June 2025, the government will present a concrete reform of the energy sector, together with an implementation timetable, with a view to optimizing and increasing the transparency of energy subsidies and improving the efficiency of the energy sector. This document will be based on the government's existing strategies and the recommendations of the technical assistance mission on hydrocarbon prices.

Implementation of Performance Contracts (SONABEL and SONABHY Operational Efficiency)

65. The plan contracts and the tripartite agreement have been signed, and each company has set up its own monitoring committee. Committee sessions are held quarterly to discuss stakeholders' concerns and recommendations are formulated and implemented.

Tariff Policy and Trade Restrictions

66. A 0.5 percent import tax, decided jointly by the countries belonging to the Alliance of Sahel States, referred to as the PC-AES, came into force on March 31, 2025. This tax fully replaces the pre-existing 0.5 percent import tax under ECOWAS, with the same exclusions and features. This levy is not a new customs tariff, but a redirection of the levy from ECOWAS to the AES. This measure will not affect other WAEMU countries because it explicitly states that countries with preferential agreements with Burkina Faso are excluded. This measure is not temporary and was not created or processed to meet balance of payments needs. It is solely intended to finance AES activities. Pre-existing trade restrictions, including (i) the extension of import quotas to all locally manufactured products; (ii) the suspension of exports of shea nuts; and (iii) the import ban on weaving yarns and woven loincloths, have been extended since March 28, 2025, to the suspension of raw cashew nut exports. All these trade restrictions are aimed at supporting local industry. We are committed to exploring other alternatives to support the industry and removing these restrictions in the medium term.

Improvement of Macroeconomic Monitoring

67. The government is committed to continuing its support to update the base year for the national accounts, with 2022 as the new base year. The rebasing work is now being finalized. The final accounts for 2022 (old base year 2015) are available. The retrospective adjustment work for the implementation of a new series of national accounts will begin in 2025 after the implementation of the new base year, i.e., 2022. In addition, actions to deepen the Food Security Integrated Approach Pilot (IAP) are being implemented, in particular the development of the micro–simulation module taking into account the recent results of the Harmonized Survey on Household Living Conditions and the development of a long-term macro-econometric forecasting model.

68. Efforts will be stepped up to improve compliance with the schedule for publication of budget data and the frequency of publication of external data and to increase budget allocations for the reimbursement of VAT credits.

IV. PROGRAM ARRANGEMENTS

69. The government will take all measures required to achieve the objectives and meet the criteria as presented in Tables 1a, 1b, 2, and 3 of this Memorandum. The program will be evaluated on the basis of Tables 1a, 1b, 2, and 3, in accordance with the Technical Memorandum of Understanding, which defines the quantitative performance criteria and the requirements with regard to data sharing with IMF staff. The fourth and fifth reviews are expected to be completed on or after September 30, 2025, and March 31, 2026, respectively. In the event of a shock, in order to achieve the fiscal anchoring of the program, the government undertakes to review its fiscal policy by basing it on the alternative scenario (pessimistic or optimistic) of the DPBEP 2026–28. More specifically, given an adverse scenario in which we are unable to meet quantitative performance criteria due to disruptions in economic activity, increased spending pressures, and rising borrowing costs in the regional market, we are ready to implement measures, including a fiscal adjustment, possibly achieved with reductions in public investment, to mitigate risks to fiscal and debt sustainability, and to reach a fiscal deficit of 3 percent of GDP by 2027, in line with the fiscal anchoring of the program

Table 1a. Burkina Faso: Quantitative Performance Criteria (QPC) and Indicative Targets (IT) for ECF Arrangement, 2024–25

	2024								2025		
	June			Sept. 1/		Dec.			Mar. 1/		
	Prog.	Prel.	Status	Prog.	Prel.	Prog.	Act.	Status	Prog.	Prel.	Status
Quantitative Performance Criteria 2/											
Ceiling on net domestic financing of the government 3/ 4/ 5/	286.3	219.9	Met	429.4	359.4	572.5	655.7	Not met	140.6	32.0	Met
Ceiling on the amount of external debt contracted or guaranteed by the government (PV) 3/ 6/ 7/	410.0	218.5	Met	410.0	...	410.0	303.4	Met	410.0	74.5	Met
Ceiling on the accumulation of external payment arrears by the government 8/	-	-	Met	-	...	-	-	Met	-	-	Met
Ceiling on the guaranteeing of new domestic loans to suppliers and contractors by the government 8/	-	-	Met	-	...	-	-	Met	-	-	Met
Ceiling on government guarantees of new bank pre-financing for public investments 8/	-	-	Met	-	...	-	-	Met	-	-	Met
Ceiling on the primary fiscal deficit including grants 3/	209.5	167.8	Met	314.2	251.5	418.9	506.1	Not met	90.4	0.9	Met
Indicative Targets											
Ceiling on the accumulation of domestic arrears by the government 8/	-	52.6	Not met	-	...	-	71.5	Not met	-	61.4	Not met
Floor on total government revenue 3/	1,314.3	1,417.3	Met	1,971.4	2,116.1	2,723.5	2,904.9	Met	661.3	655.1	Not met
Floor on poverty-reducing current social expenditures 3/	151.7	155.1	Met	227.6	255.4	309.0	274.2	Not met	82.8	79.5	Not met
Ceiling on the stock of unpaid, certified VAT refunds older than 30 days	40.0	35.2	Met	40.0	13.8	40.0	57.1	Not met	40.0	57.1	Not met
Ceiling on primary current expenditure 3/	1,007.8	1,006.4	Met	1,511.7	1,497.1	2,015.6	1,990.9	Met	492.4	460.8	Met
Ceiling on the value of PPPs contracted 3/	200.0	19.7	Met	200.0	19.7	200.0	154.6	Met	200.0	-	Met

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ March and September figures are indicative targets, except for continuous performance criteria. June and December figures are performance criteria.

2/ The Standard Continuous Performance Criteria will also apply: (i) not to impose new or intensify existing restrictions on the making of payments and transfers for current international transactions; (ii) not to introduce new or intensify existing multiple currency practices; (iii) not to conclude bilateral payments agreement that are inconsistent with the IMF's Articles of Agreement (Article VIII); and (iv) not to impose new or intensify existing import restrictions for balance of payments reasons.

3/ Cumulative from beginning of the year.

4/ The ceiling on net domestic financing will be adjusted to reflect the shortfall in program grants and loans, while the overall deficit will be adjusted to reflect the shortfall in program grants.

5/ The ceiling on net domestic financing will be adjusted upward by the amount of securitization of unpaid VAT refunds by end-December 2023, up to a maximum of CFAF 85 billion, as specified in the TMU.

6/ The limit is not tied to specific projects.

7/ The ceiling on the amount of external debt will be increased up by the present value of the full amount of any concessional loan used for debt management purposes as specified in the TMU.

8/ To be observed continuously.

Table 1b. Burkina Faso: Quantitative Performance Criteria (QPC) and Indicative Targets (IT) for ECF Arrangement, 2025

	2025				
	Mar. 1/	June	June	Sept. 1/	Dec.
	Prog. (2nd Review)		Proposed		
Quantitative Performance Criteria 2/					
Ceiling on net domestic financing of the government 3/ 4/	140.6	283.5	220.0	340.0	418.0
Ceiling on the amount of external debt contracted or guaranteed by the government (PV) 3/ 5/ 6/	410.0	410.0	410.0	410.0	410.0
Ceiling on the accumulation of external payment arrears by the government 7/	-		-	-	-
Ceiling on the guaranteeing of new domestic loans to suppliers and contractors by the government 7/	-		-	-	-
Ceiling on government guarantees of new bank pre-financing for public investments 7/	-		-	-	-
Ceiling on the primary fiscal deficit including grants 3/ 4/	90.4	198.9	100.0	140.0	280.0
Indicative Targets					
Ceiling on the accumulation of domestic arrears by the government 7/	-	-	50.0	30.0	-
Floor on total government revenue 3/	661.3	1,322.5	1,450.0	2,200.0	3,080.0
Floor on poverty-reducing current social expenditures 3/	82.8	167.7	140.0	220.0	290.0
Ceiling on the stock of unpaid, certified VAT refunds older than 30 days	40.0	40.0	40.0	40.0	40.0
Ceiling on primary current expenditure 3/	492.4	902.0	1,050.0	1,600.0	2,150.0
Ceiling on the value of PPPs contracted 3/	200.0	200.0	200.0	200.0	200.0
Memorandum Item					
Net external financing	...	...	52.0	52.0	204.0

Sources: Burkinabè authorities; IMF staff estimates and projections.

1/ March and September figures are indicative targets, except for continuous performance criteria. June and December figures are performance criteria.

2/ The Standard Continuous Performance Criteria will also apply: (i) not to impose new or intensify existing restrictions on the making of payments and transfers for current international transactions; (ii) not to introduce new or intensify existing multiple currency practices; (iii) not to conclude bilateral payments agreement that are inconsistent with the IMF's Articles of Agreement (Article VIII); and (iv) not to impose new or intensify existing import restrictions for balance of payments reasons.

3/ Cumulative from beginning of the year.

4/ For proposed test dates: Will be adjusted in relation to net external financing, as defined in the TMU.

5/ The limit is not tied to specific projects.

6/ Will be increased by the present value of the full amount of any concessional loan used for debt management purposes as specified in the TMU.

7/ To be observed continuously.

Table 2. Burkina Faso: Continuous Structural Benchmarks, 2023–27

Benchmarks	Objective	Timeline	Progress
Do not grant any new wage agreement (except for the security sector) that could impact the wage bill trajectory and push it beyond 45 percent of tax revenues by 2027.	Wage bill control.	Continuous structural benchmark.	Met.
Publish information on the beneficial owners of entities awarded public procurement contracts to address food insecurity on the Ministry of the Economy, Finance and Perspective's website on a quarterly basis the quarter after the contract is awarded.	Improve fiscal transparency and governance.	Continuous structural benchmark.	Met. The information is published weekly in the Revue des marchés publics. [1]
Publish on the Ministry of the Economy, Finance and Perspective's website annual (and to the extent possible, quarterly) budget execution reports.	Improve fiscal transparency and governance.	Continuous structural benchmark.	Met.
Share an exhaustive list of treasury deposit accounts ("comptes de dépôts du trésor") with balances and the net position of the government as standard annexes to the TOFE on a quarterly basis, allowing the identification of those opened for the benefit of non-personalized services.	Improve fiscal transparency and governance.	Continuous structural benchmark. Starting with the data for end-June 2025.	

[1] See webpage of the Ministry of Economics, Finance and Perspective at https://www.finances.gov.bf/informations/actualites.

Table 3. Burkina Faso: Structural Benchmarks and Prior Actions, 2023–25

Benchmark	Objective	Completion date	Status
First Review			
Adopt performance contracts with SONABHY and SONABEL.	Improve efficiency in the energy sector.	End-December 2023.	Not met. Implemented with delay in June and October 2024.
Second Review			
Adopt the tripartite performance contract between the government, SONABHY and SONABEL.	Improve efficiency in the energy sector.	Prior action	Met on December 3, 2024.
Conduct a review of energy subsidies and an assessment of the application of the price mechanism to move towards a reduction in subsidies over the program period.	Improve efficiency in the energy sector and reduce fiscal risks.	End-June 2024.	Met
Publish an audit of all the government arrears and floating spending on the Ministry of Economy, Finance and Perspective's website. [2]	Improve fiscal transparency and governance.	End-June 2024.	Not met. Implemented with delay in November 2024.
Raise the ceiling on VAT credit reimbursements to the CAST account to level consistent to avoid accumulation of arrears.	Reduce fiscal risks.	End-June 2024.	Met
Third Review			
Clear arrears that have been audited, amounting to CFAF 43.4 billion at end-December 2023 (ASCE-LC audit report)	Improve fiscal transparency and governance.	**Prior action**	Met on May 28, 2025.
Share the exhaustive list of Treasury Deposit Accounts as of March 2025, including their balances and the government's net position.	Improve fiscal transparency and governance.	**Prior action**	Met on May 22, 2025.
Prepare and adopt a strategy for clearing government's arrears.	Improve fiscal transparency and governance.	**Prior action**	Met on May 22, 2025.
Submit the draft budget for the next fiscal year in line with program objectives, including a budget document or annex detailing plans to combat climate change and climate-related budget appropriations, based on an agreed climate budget tagging methodology.	Improve fiscal transparency and governance.	End-December 2024.	Met.
Adopt a new strategic plan for revenue mobilization for the period 2024–27, based on the 2021 self-assessment.	Improve domestic revenue mobilization.	End-December 2024.	Met.
Contain wage bill growth to ensure that the wage bill to tax revenue ratio is below 51.8 percent.	Wage bill control.	End-December 2024.	Met.

[2] See: https://www.finances.gov.bf/fileadmin/user_upload/storage/fichiers/Rapport_definitif_audit_dette_VF.pdf.

Table 3. Burkina Faso: Structural Benchmarks and Prior Actions, 2023–25 (Continued)

Benchmark	Objective	Completion date	Status
Third Review			
Present to IMF staff alternating annual reconciliations between personnel registers and payroll registers either at the level of the Ministry of Education and other ministries covering around 50 percent of the civil service workforce (excluding the security sector), or, in alternation, at the level of the Ministry of Health and the rest of other ministries covering the remaining around 50 percent of the civil service workforce (excluding the security sector).	Wage bill control.	End-December 2024.	Met. The report on the reconciliation covering 2024 was submitted to Fund staff on March 26, 2025.[3]
Fourth Review			
Put in place a beneficial ownership registry accessible to government authorities and financial institutions with customer due diligence obligations.	Improve governance and the fight against money laundering and terrorism financing.	End-June 2025	
Present a concrete energy sector reform plan to rationalize energy subsidies, enhance transparency, and improve energy sector efficiency, including an implementation timeline.	Improve efficiency in the energy sector and reduce fiscal risks.	End-June 2025	
Publish the final report of the IMF Governance Diagnostic Assessment (GDA) mission.	Improve fiscal transparency and governance.	End-June 2025	
Prepare, in consultation with IMF staff, and adopt a time-bound action plan to implement priority recommendations from the GDA report.	Improve fiscal transparency and governance.	End-October 2025	
Share with IMF staff the report of a value-for-money audit of public procurement by the High Authority for State Control and the Fight Against Corruption (ASCE-LC) of the five largest public procurement contracts, covering at least two different ministries outside the defense and security sectors, to assess their legality and value for money.	Improve fiscal transparency and governance.	End-June 2025	

[3] As the reconciliation was based on data for all of 2024, the authorities submitted the report in the shortest possible time.

Table 3. Burkina Faso: Structural Benchmarks and Prior Actions, 2023–25 (Concluded)

Benchmark	Objective	Completion date	Status
Fourth Review			
Adopt and share with IMF staff an action plan to implement key recommendations of the public procurement audit, including the responsible institutions and an implementation timeline, within a maximum period of 4 months from the availability of the final report.	Improve fiscal transparency and governance.	End-October 2025	
Fifth Review			
Submit to IMF staff a report on the implementation of the action plan to address the issues in public procurement identified through the audit of the five largest public procurement contracts.	Improve fiscal transparency and governance.	End-December 2025	
Adopt and share with IMF staff operational plans with timelines for each action to foster integrity at the General Directorate of Taxes and the General Directorate of Customs. These plans will include: (i) the dissemination and training of all staff on the codes of ethics of the tax and customs administration; (ii) the publication of these codes on the websites of the general directorates; (iii) disciplinary councils and the anti-corruption committees of those structures; as well as (iv) maintaining annual statistics on offenses and disciplinary measures.	Improve fiscal transparency and governance.	End-December 2025	
Contain wage bill growth to ensure that the wage bill to tax revenue ratio is below 49.5 percent.	Wage bill control.	End-December 2025	

Attachment II. Technical Memorandum of Understanding

June 4, 2025

1. This Technical Memorandum of Understanding (TMU) defines the quantitative performance criteria, indicative targets, and structural benchmarks used to assess performance under the Extended Credit Facility (ECF)-supported program. The TMU establishes the framework and deadlines for reporting data that will enable IMF staff to assess program implementation.

CONDITIONALITY

2. Quantitative performance criteria and indicative targets are set out in Tables 1a and 1b of the MEFP. The structural benchmarks defined in the program are detailed in Tables 2 and 3 of the MEFP.

Definitions

3. **Government.** Unless otherwise indicated, the term "government" means the central government of Burkina Faso and does not include local governments, the central bank, or any other public or government-owned entity with autonomous legal status not included in the government financial reporting table (TOFE).

4. **Definition of debt.** The definition of debt is set out in IMF Executive Board Decision No. 15688-(14/107), Point 8, as published on the IMF website. The term "debt" will be understood to mean all current, i.e., not contingent, liabilities created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, which require the obligor to make one or more payments in the form of assets (including currency) or services at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract. Debts can take various forms, the primary ones being as follows:

(i) loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds (including Treasury bills), debentures, commercial loans, and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

(ii) suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and

(iii) leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purposes of these guidelines the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair, or maintenance of the property.

5. Under the definition of debt set out above, arrears, penalties, and judicially awarded damages and interest arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on a contractual obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

6. **Debt guarantees.** A government debt guarantee means an explicit legal obligation to service the debt in the event of nonpayment by the borrower (through payment in cash or in kind).

7. **Debt concessionality.** A debt is considered concessional if it includes a grant element of at least 35 percent.[1] The present value (PV) of debt at the time it is contracted is calculated by discounting the borrower's future debt service payments on the debt.[2] The discount rate used is 5 percent.

8. **External debt.** External debt is debt contracted or serviced in a currency other than the CFA franc. The performance criteria apply to the external debt of the government, public enterprises receiving transfers from the government and other public entities in which the government holds more than 50 percent of the capital, or to any other private debt for which the government has offered a guarantee constituting a contingent liability.

9. **TOFE coverage.** For program monitoring purposes, the TOFE covers the central government including the Patriotic Support Fund.

QUANTITATIVE PERFORMANCE CRITERIA

10. The quantitative performance criteria proposed for the test dates at end-June 2025 and end-December 2025 are as follows:

(i) A ceiling on net domestic financing of the government;
(ii) A ceiling on the amount of external debt contracted or guaranteed by the government in PV;
(iii) A ceiling on the accumulation of external debt servicing arrears;
(iv) A ceiling on the guaranteeing of new domestic loans to suppliers and contractors;
(v) A ceiling on government guarantees of new bank pre-financing of public investments, and;
(vi) A ceiling on the primary fiscal deficit (commitment basis), including grants.

The ceilings above at end-September 2025 are indicative quantitative targets.

[1] This IMF webpage provides a tool to compute the grant element in a large range of financial arrangements: http://www.imf.org/external/np/pdr/conc/calculator.

[2] The calculation of the grant element reflects all aspects of the debt contracted, including the date of payment, grace period, schedule, commissions and management fees.

A. Net Financing of the Government

Definition

11. Net domestic financing of the government is defined as the consolidated amount of (i) net bank credit to the government, including net bank credit to the government as defined below vis-à-vis the national banking institutions; (ii) net changes in the stock of unredeemed Treasury bills and bonds (including syndicated issuances) held outside national commercial banks and securitized debt; (iii) privatization receipts and other government claims and debts vis-à-vis national non-bank institutions; (iv) borrowing for VAT refunds; (v) net accrual of all other arrears and floating debts, including payables; and (vi) net change in the position of the Treasury resulting from movements of funds between the Treasury, including its correspondent accounts, and their accounts held in banks and financial institutions outside the Treasury system; and (vii) the net result of all other financial transactions and lags at all stages of the expenditure process that contribute to the reconciliation between the overall fiscal deficit as measured on an accrual basis and on a cash basis. Net bank credit to the government is defined as the balance of government receivables and payables to domestic banking institutions. Government receivables include cash held by the Burkina Faso government, deposits with the central bank, deposits with commercial banks, guaranteed bonds, and government deposits in postal checking accounts (CCP). Government debt to the banking system includes central bank financing (including statutory advances, consolidated advances, and refinancing of guaranteed bonds), government securities held by the central bank, and commercial bank lending (including government securities held by commercial banks). All components of so-defined net domestic financing are calculated based on data reflected in the TOFE and its annexes.

Adjustment

12. The cumulative ceilings on net domestic financing (NDF) for end-June 2025 and end-September 2025 will be adjusted downward in the event that net external financing (disbursements of program loans and project loans net of amortization) through these dates exceeds CFAF 162 billion. The adjustment will be equal to the difference between the actual amount disbursed and CFAF 162 billion. These ceilings will not be adjusted upward if net external financing falls short of CFAF 52 billion. If net external financing through end-December 2025 falls short of CFAF 204 billion, the end-December 2025 ceiling for NDF will be adjusted upward (up to a maximum ceiling of CFAF 460 billion) by the amount of the shortfall. If net external financing through end-December 2025 exceeds CFAF 204 billion, the end-December 2025 ceiling on net domestic financing will be adjusted downward by the amount of the excess.

Table 1. Burkina Faso: Projected Net External Financing
(Cumulative, CFAF billion)

End-June 2025	End-September 2025	End-December 2025
52	52	204

13. The Ministry of Economy and Finance will forward data on net domestic financing to the IMF within seven weeks of the end of each quarter.

B. New External Debt Contracted or Guaranteed by the Government and Present Value of External Debt Contracted or Guaranteed by the Government

14. This performance criterion applies to external debt as defined in paragraph 4 of this memorandum. It utilizes the concept of concessionality as defined in paragraph 7 of this memorandum. This performance criterion also applies to any private debt guaranteed by the government that constitutes a contingent liability as defined in paragraphs 4 to 7 of this memorandum. For the purpose of this performance criterion, "government" includes the central government of Burkina Faso, public enterprises that receive government transfers, local governments, and other public sector entities (including public administrative, professional, scientific and technical agencies). However, this performance criterion will not apply to Treasury bills and bonds issued in CFA francs on the WAEMU regional market, to normal import-related commercial debts with a term of less than one year, or to IMF loans. It is measured on a cumulative basis from the beginning of each year, and no adjustor will apply.

15. For 2024 and 2025, the government undertakes not to contract or guarantee any external debt (concessional or non-concessional) with a total PV in excess of the ceiling indicated in Table 1 of the MEFP, measured cumulatively from the beginning of the year (i.e., January 1 of each year). In the case of a (concessional or non-concessional) loan for debt reprofiling, the ceiling will be raised by the PV of the total amount of the loan if such debt reprofiling operation constitutes an improvement in the overall debt profile as determined by IMF staff. The authorities will consult the IMF staff in advance when such a debt reprofiling operation is expected to materialize. All other provisions and definitions of paragraph 13 will continue to apply.

16. The proceeds of any concessional reprofiling loan referred to in paragraph 13 will be used only to help finance the government's gross financing requirements that are consistent with the overall budget deficit ceilings established in the program. Any surplus resources will be safeguarded.

Reporting Deadlines

17. Details on any loan (terms and creditors) contracted by the government must be reported within six weeks of the end of each month. The same requirement applies to guarantees extended by the government.

C. Non-Accumulation of New External Payment Arrears by the Government

18. The term "external arrears" refers to external debt service payments that are due but unpaid. Under the program, the government agrees not to accumulate external payment arrears on its debt, with the exception of arrears arising from external payment obligations currently being renegotiated with creditors, including bilateral creditors who are not members of the Paris Club. The non-accumulation of new external arrears by the government is a performance criterion that must be met continuously.

D. Government Guarantee for New Domestic Loans to Suppliers and Service Providers

19. The government undertakes not to guarantee new bank pre-financing for public investments. In a pre-financing arrangement, a private company granted a public works contract by the government obtains a loan from a domestic commercial bank or group of commercial banks. The Ministry of Economy and Finance guarantees this loan and at the same time signs an unconditional and irrevocable agreement to stand in for the debtor in order to service all principal and interest. For the purpose of this performance criterion, the term "government" includes the central government, public industrial or commercial entities (EPICs), administrative public entities (EPAs), public scientific or technical entities, public professional entities, public health agencies, local governments, government corporations, state-owned enterprises, semi-public corporations (public corporations with financial autonomy in which the government holds at least 50 percent of the capital), and government agencies. This performance criterion shall be met continuously.

E. Government Guarantee for New Bank Pre-Financing of Public Investments

20. The government undertakes not to guarantee new bank pre-financing of public investments. In a pre-financing agreement, a private company to which the government awards a public works contract obtains a loan from a national commercial bank or a group of commercial banks. The Ministry of Economy and Finance guarantees this loan and at the same time signs an unconditional and irrevocable agreement to stand in for the debtor to service all principal and interest. For the purposes of this performance criterion, the term "government" includes the central government, public industrial or commercial entities (EPICs), administrative public entities (EPAs), public scientific or technical entities, public professional entities, public health agencies, local governments, government corporations, state-owned enterprises, semi-public corporations (public corporations with financial autonomy in which the government holds at least 50 percent of the capital), and government agencies. This performance criterion shall be met continuously.

F. Primary Fiscal Deficit, Including Grants

Definition

21. For program purposes, the primary fiscal balance is calculated on a commitment basis. It is defined as the difference between domestic revenues (including program and project grants) and public expenditure, less interest payments. Arrears payments are not included in the calculation of the domestic primary balance.

Adjustment

22. The end-June and end-September 2025 ceilings on the primary fiscal deficit will be adjusted upward in case that the actual amount of net external financing (disbursements of external project and program loans net of amortization) through these dates exceeds CFAF 52 billion. The adjustment will be calculated as the difference between the actual amount disbursed and CFAF 52 billion, up to a maximum of CFAF 110 billion. In case that the actual net external financing through these dates falls short of CFAF 52 billion, the respective end-June 2025 and end-September 2025 ceilings on the primary fiscal deficit will be adjusted downward by the amount of the shortfall. In case that the actual net external financing through end-December 2025 falls short of CFAF 162 billion, the end-December 2025 ceiling for the primary fiscal deficit will be adjusted downward by the amount of the shortfall. If net external financing through end-December 2025 exceeds CFAF 204 billion, the end-December 2025 ceiling on the primary fiscal deficit will not be adjusted.

QUANTITATIVE INDICATIVE TARGETS

23. The program also includes quantitative indicative targets for end-June 2025, end-September 2025, and end-December 2025:

(i) A ceiling on the accumulation of domestic arrears by the government;

(ii) A floor on total government revenue;

(iii) A floor on poverty-reducing current social expenditure;

(iv) A ceiling on the stock of certified and unpaid VAT refunds older than 30 days;

(v) A ceiling on primary current expenditure;

(vi) A ceiling on public-private partnerships.

G. Amounts Payable, Including Arrears on Domestic Payments by the Government

24. "Amounts payable" (or "outstanding balances") include domestic arrears and the floating debt and represent overdue obligations of the government. They are defined as expenditures accepted by the government accounting officer but not yet paid. For program purposes, these obligations include (i) public and private nonfinancial enterprise invoices due and unpaid, including VAT refunds, and (ii) domestic debt service.

25. For program purposes, domestic payment arrears are outstanding balances to suppliers and domestic debt service. Arrears to suppliers are defined as overdue obligations of the government to public and private nonfinancial enterprises, including VAT refunds, that are more than the regulatory 90 days overdue; arrears on the domestic debt service refer to debt service obligations that are more than 30 days past the due date stipulated in the agreements, including any applicable grace period.

26. The floating debt corresponds to amounts that are unpaid for less than the regulatory period (90 days for debt to nonfinancial corporations and 30 days for debt service).

27. For program purposes, the ceiling on the accumulation of new domestic payment arrears is zero. This indicative target will be subject to continuous monitoring by the authorities and any breach will be reported to IMF staff on a quarterly basis.

H. Government Revenue

Definition

28. Government revenues are calculated on a cash basis. They include all tax revenues collected by the Directorate General of Taxes (*Direction Générale des Impôts* – DGI), the Directorate General of Customs (*Direction Générale des Douanes* – DGD), the Burkinabè Treasury (*Trésor Burkinabè* – DGTCP), and other revenue collection units. They also include nontax receipts or receipts from services.

I. Poverty-Reducing Current Social Expenditure

Definition

29. Current social expenditure earmarked for poverty reduction is the sum of validated current expenditures, identified since 2021 in collaboration with the IMF, contributing to poverty reduction, excluding external financing, and wage bill spending. This definition includes: (i) the provision of education, health, and drinking water; (ii) the expansion of opportunities for income-generating activities and self-employment, development of rural roads, and construction of economic infrastructure (agricultural and pastoral water works); (iii) the promotion of women, social action, information, employment, and vocational training; (iv) access to justice; (v) promoting development of the agricultural economy, with a view to improving the incomes of those involved in the agricultural value chains; (vi) contribution to sustainable growth and diversification of the supply of agricultural products; (vii) sustainable wastewater and excreta sanitation; (viii) meeting the freshwater needs of users and aquatic ecosystems; (ix) the creation of decent jobs for all leading to the improvement of social well-being. The amount allocated in the 2025 budget of thus defined current social expenditure is CFAF 316 billion.

J. Certified VAT Refunds and Overdue Payments Over 30 Days

Definition

30. For the purposes of the program, the stock of value-added tax (VAT) refund claims that have been certified but remain unpaid for more than 30 days consists of the amounts of signed refunds. The 30-day period begins on the date the refund certificate is signed by the Director General of Taxes.

K. Current Primary Expenditures

Definition

31. For program purposes, current primary expenditure is defined as the sum of wage bill expenditure, expenditure on goods and services, and current transfers, net of interest payments.

Consultation Clause on Wage Bill

32. If, at the end of a quarter (i.e., March 31, June 30, September 30, and December 31) during the program period, observed annual growth of the wage bill (measured as a 12-month sliding growth rate) exceeds the wage bill growth rate projected for the respective year in the macroeconomic framework of the program (see Table 2 below), the authorities must consult with IMF staff. To prepare this consultation, the authorities must submit to the IMF a written note that explains the reasons for the discrepancy between the observed growth rate and the projected growth rate in the macroeconomic framework, as well as the corrective measures they intend to implement to bring the wage bill under control.

Table 2. Burkina Faso: Annual Wage Bill Growth Projections
(Percentage)

Year	2023	2024	2025	2026	2027
Projection	8.7	9.6	8.9	5.3	4.3
Actual	8.7	6.7	…	…	…

L. Public-Private Partnerships

Definition

33. A public-private partnership is defined as a long-term contract between a private party and a government entity for providing a public asset or service in which the private party bears significant risk and management responsibility, and remuneration is linked to performance. It excludes pre-financing and supplier credit arrangements.

Additional Information for Program Monitoring

34. To enable IMF staff to assess program performance, the authorities agree to submit the following data to them, in hard copy and/or MS Excel electronic files, with the frequencies and deadlines specified below.

Table 3. Burkina Faso: Summary of Data Reporting Requirements

Information	Responsible Institution	Data Frequency	Reporting Deadline
Government Finance			
The government's fiscal reporting table (TOFE) and the customary annexed tables (if data on actual investment financed by external grants and loans are not available in time, a linear estimate of execution based on annual projections will be used) with and without the Patriotic Support Fund.	Ministry of Economy and Finance (MEF/DGTCP)	Monthly: data on revenue and expenses Quarterly: full dataset	4 weeks 7 weeks

Table 3. Burkina Faso: Summary of Data Reporting Requirements (Continued)

Information	Responsible Institution	Data Frequency	Reporting Deadline
The exhaustive list of treasury deposit accounts (*comptes de dépôts du trésor*) with balances and the net position of the government as standard annexes to the TOFE on a quarterly basis, allowing the identification of those accounts opened for the benefit of non-personalized services.	(MEF/DGTCP)	Quarterly	7 weeks
Domestic financing of the budget (net bank credit to the government and stock of unredeemed Treasury bonds and bills).	MEF/DGTCP and BCEAO	Monthly	7 weeks
Data on implementation of the public investment program, including details on financing sources.	MEF/DGEP	Semiannual	6 weeks
Stock of external debt, external debt service, contracted external debt, and external debt repayment.	MEF/DGTCP	Quarterly	6 weeks
Poverty-reducing current social spending in table format.	MEF/DGB	Monthly	6 weeks
Petroleum product prices, consumption, and taxes, including: (i) the price structure for the month concerned; (ii) detailed calculation of the price structure, from the f.o.b. price to the retail price; (iii) volumes purchased and distributed for consumption by the petroleum distributor (SONABHY), with a distinction made between retail and industry sales; and (iv) a breakdown of tax revenue from petroleum products—customs duties, tax on petroleum products (TPP), and value-added tax (VAT); (v) capital gains/losses on the purchases and sales of petroleum products by type of product, and (vi) subsidies payable.	CIDPH, MEF/DGD/DGTCP, SONABHY	Monthly	4 weeks
Quarterly report, including monthly data, on SONABHY's accounts, cash flow statements, and income statements, taking account of all received subsidies and government securities issued or sold to the banking system, etc.	SONABHY	Quarterly	6 weeks

Table 3. Burkina Faso: Summary of Data Reporting Requirements (Continued)

Information	Responsible Institution	Data Frequency	Reporting Deadline
Quarterly report, including monthly data, on SONABEL's accounts comprising its cash flow and income statements and taking into account all received subsidies and project grants and loans from the technical and financial partners.	SONABEL	Quarterly	6 weeks
Monthly DGI revenue projections (on an annualized basis) by type, and report on monthly performance compared to projections.	MEF/DGI	Monthly	7 weeks
Monthly DGD revenue projections (on an annualized basis) by type, and report on monthly performance compared to projections.	MEF/DGD	Monthly	7 weeks
Monthly DGTCP revenue projections (on an annualized basis) by type, and report on monthly performance compared to projections.	MEF/DGTCP	Monthly	7 weeks
Quarterly report on VAT refunds, including transfers received from ACCT, the cumulative amount paid since the beginning of the current year, the stock of certified refund claims (imprest administrators (*régisseurs d'avance*)) and total VAT refund claims handled (DGE, DLC).	MEF/DGI	Quarterly	3 months
Monthly update of the PPP and sovereign guarantee databases.	BN-GPB	Semiannual	6 weeks
Monthly statement of the implicit pump price subsidy.	CIDPH	Monthly	4 weeks
Monthly data on new domestic debt contracted (including bank credit, all sovereign debt issuances, and securitizations) and amortized.	MEF/DGTCP	Monthly	6 weeks

Table 3. Burkina Faso: Summary of Data Reporting Requirements (Concluded)

Information	Responsible Institution	Data Frequency	Reporting Deadline
Consolidated Balance Sheets of Monetary Institutions			
Consolidated balance sheets of monetary institutions.	BCEAO	Monthly	6 weeks
Monetary survey: provisional data.	BCEAO	Monthly	6 weeks
Monetary survey: final data.	BCEAO	Monthly	6 weeks
Lending and borrowing interest rates.	BCEAO	Monthly	6 weeks
Standard bank supervision indicators for banks and non-bank financial institutions.	BCEAO	Monthly	6 weeks
Balance of Payments			
Preliminary annual balance of payments data.	BCEAO	Annual	11 months
Foreign trade statistics.	MEFP/INSD	Quarterly	3 months
Any revision of balance of payments data (including services, private transfers, official transfers, and capital transactions).	BCEAO	When revised	2 weeks
Real Sector			
Provisional national accounts and any revisions.	MEF/INSD	Annual	6 months
Quarterly national accounts and any revisions.	MEF/INSD	Quarterly	3 months
Monthly disaggregated consumer price indices.	MEF/INSD	Monthly	4 weeks
Monthly performance and projections through current year's end-December for mine production by individual mine and by mineral type, exports (volume and value), and the operational status of the existing mines and mines under construction	MEF/DGD and MEMC/DGMG/DGESS	Monthly	3 months
Structural Reforms and Other Data			
Any study or official report on Burkina Faso's economy.	MEF/DGEP		On date published or date of entry into force
Any decision, order, law, decree, ordinance, or circular having economic or financial implications.	MEF/SG		On date published or date of entry into force
Any study or official report on measures taken to combat corruption.	ASCE-LC		On date published or date of entry into force
Annex to the annual budget detailing plans to combat climate change (including resource allocations and assessment of the fiscal latitude for climate friendly infrastructure).	MEF/DGB		On date published or date of entry into force

BURKINA FASO

June 5, 2025

THIRD REVIEW UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUESTS FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, MODIFICATION OF PERFORMANCE CRITERIA, AND FINANCING ASSURANCES REVIEW—DEBT SUSTAINABILITY ANALYSIS[1]

Approved by
Annalisa Fedelino and Bergljot Barkbu (IMF) and Manuela Francisco and Abebe Adugna (IDA)

Prepared jointly by the staffs of the International Monetary Fund (IMF) and the International Development Association (IDA)

Risk of external debt distress	Moderate
Overall risk of public debt distress	Moderate
Granularity in the risk rating	Limited space to absorb shocks.
Application of judgement	Yes: risks of external and overall public debt distress raised due to volatile security situation, fiscal risks tilted to the downside, and high dependence on gold exports.

Burkina Faso remains at moderate risk of external and overall public debt distress.[2] Debt levels are sustainable over the medium term. The current debt-carrying capacity is consistent with a classification of 'medium.' All external and public debt indicators are evaluated at low risk of debt distress based on mechanical signals. Judgment continues to be applied—as in the previous DSA—due to strong gold exports dependence, downside risks to the fiscal sector, including from the rollover of domestic debt, and the volatile security situation. There is a high level of uncertainty surrounding projections.

[1] This DSA was prepared jointly with the World Bank and in collaboration with the Burkina Faso authorities.

[2] Burkina Faso's Composite Indicator (CI) is 2.86, corresponding to a 'Medium' debt-carrying capacity. The Composite Indicator is calculated using data from the October 2024 WEO and the 2023 World Bank's Country Policy and Institutional Assessment (CPIA).

PUBLIC DEBT COVERAGE

1. **Public debt covers central government debt and central bank debt for the purpose of this DSA** (Text Table 1).[3] Central bank debt borrowed on behalf of the government (i.e., credit outstanding to the IMF) is included as external debt. As data for SOEs, local governments as well as on guarantees to the private sector are not entirely comprehensive, the analysis relies on estimates of this debt to calibrate a combined contingent liability stress test. Due to a narrower public debt data coverage, the test is now more stringent than in previous analyses. Staff will aim to expand the debt data coverage for the next DSA subject to data availability.

Text Table 1. Burkina Faso: Coverage of Public Debt

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	

2. **A contingent liabilities stress test with a shock of 9.6 percent of GDP was conducted.** The test is tailored to capture elements that are not covered by the definition of public debt in the baseline scenario. A 1.5-percent of GDP shock is included as a contingent liability to account for possible guarantees to the private sector (Text Table 2). The default shock of 2 percent of GDP for SOEs debt is increased to 3.1 percent of GDP to reflect the official estimate of SOEs debt at end-2024. Government guarantees on external debt of SOEs are reportedly negligible, not exceeding an estimated 0.2 percent of GDP at end 2024. No shock is used to account for PPPs, as PPPs are less than 5 percent of GDP. For the financial market shock, the default value of 5 percent of GDP is retained, representing the average burden of a financial crisis.

[3] Domestic debt is defined as debt denominated in the regional currency, the CFAF. The choice of coverage is based on currency, rather than residency due to the difficulty of monitoring residency. Data on the residency of holders of securities on the UMOA-Titres are incomplete. Securities issued on the UMOA-Titres market accounted for 46.4 percent of CFAF-denominated debt at end 2024; however, these data do not account for secondary market transactions. Borrowing from the West African Development Bank although denominated in CFAF is classified as external debt based on residency definition criteria.

Text Table 2. Burkina Faso: Combined Contingent Liability Shock

1	The country's coverage of public debt	The central government, central bank		
		Default	Used for the analysis	Reasons for deviations from the default settings
2	Other elements of the general government not captured in 1.	0 percent of GDP	1.5	Guarantees to private sector
3	SOEs' debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	3.1	The stock of SOE debt not captured in the central government sector is estimated at 3.1 percent of GDP at end-2024.
4	PPP	35 percent of PPP stock	0.0	
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)		9.6	

1/ The default shock of 2 percent of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SOEs' debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0 percent.

Text Table 3. Burkina Faso: Public Debt Stock, 2018–24

(Percent of GDP)

	2018	2019	2020	2021	2022	2023	2024
Public Debt	**38.1**	**41.7**	**43.6**	**55.5**	**58.5**	**56.2**	**56.9**
External Debt	21.6	23.2	21.5	25.6	26.0	25.9	25.4
(share of total debt, percentage)	*56.8*	*55.6*	*49.3*	*46.2*	*44.5*	*46.1*	*44.5*
Domestic Debt	16.5	18.5	22.1	29.9	32.5	30.3	31.6
(share of total debt, percentage)	*43.2*	*44.4*	*50.7*	*53.8*	*55.5*	*53.9*	*55.5*
Memorandum items:							
Overall fiscal balance	-4.3	-3.1	-5.1	-7.5	-10.7	-6.7	-5.8
GDP growth (in percent)	6.6	5.9	2.0	6.9	1.5	3.0	5.0

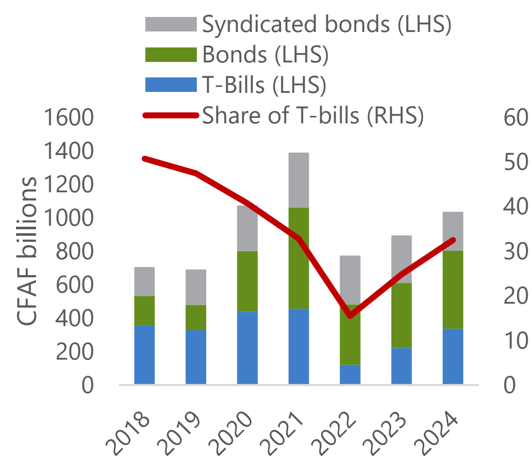
Sources: Burkinabe authorities; and IMF staff estimates.

BACKGROUND ON DEBT

3. **Public debt rose sharply during the pandemic, but its growth has subsequently moderated**. The public debt-to-GDP ratio increased markedly in 2021 and has oscillated around 56 percent since then (Text Table 3). The share of external debt decreased gradually from 56.8 percent in 2018 to a low of 44.5 percent in 2024, as the recourse to the WAEMU bond market increased to compensate for the dearth of external financing options.

4. **The issuance of treasury bonds and bills increased on an annual basis** from CFAF 774 billion in 2022 to CFAF 1,036 billion in 2024, second only to the levels seen during the COVID period (Text Figure 1). The reliance on T-bills has risen over the same period, while the share of longer-term debt issued in the form of syndicated bonds decreased from 37.8 percent in 2022 to 22.6 percent in 2024.

Text Figure 1. Burkina Faso: Treasury Bills and Bond Issuances 2018–24



Sources: UMOA Titres; Burkinabé authorities; and IMF staff calculations.

As a result, average time to maturity of treasury instruments shortened from 4.5 years at end-2022 to 3.2 years at end-2024.

5. The increased reliance on borrowing in the regional market has increased the debt service cost. The total portion of interest payments amounted to CFAF 249 billion at end-December 2024, of which CFAF 216 billion (86.7 percent of total interest debt service) represented the interest payments on domestic debt. By comparison, in 2019, interest payments of debt service amounted to CFAF 97 billion, of which only CFAF 69 billion attributable to domestic debt (71.3 percent of total interest payments). Since 2022, the regional bond market has also become tighter as monetary policy tightened and investor sentiment shifted adversely. For Burkinabè treasury instruments issued by auction, average yields rose from 7.5 percent in 2023 to 8.3 percent in 2024 due to WAEMU-wide and country-specific reasons. Given relatively higher yields for short-term maturities in 2024, the Treasury has recently stepped-up efforts to extend the maturity profile of its issuances.

Text Table 4. Burkina Faso: Decomposition of Public Debt and Debt Service by Creditor

	Debt Stock (end of period) 2024			Debt Service					
				2024	2025	2026	2024	2025	2026
	(CFAF, bns)	*(% total debt)*	*(% GDP)*	*(CFAF billions)*			*(Percent GDP)*		
Total	**8,027.1**	**100**	**56.9**	**1,138.2**	**1,577.2**	**1,475.4**	**8.1**	**10.1**	**8.7**
External	**3,574.6**	**44.5**	**25.4**	**181.4**	**231.9**	**255.8**	**1.3**	**1.5**	**1.5**
Multilateral creditors 1/	*3,222.3*	*40.1*	*22.9*	*142.9*	*177.0*	*197.1*	*1.0*	*1.1*	*1.2*
IMF	339.5	4.2	2.4	13.0	23.7	34.3	0.1	0.2	0.2
World Bank	1,587.4	19.8	11.3	40.8	45.8	53.7	0.3	0.3	0.3
Other Multilaterals	1,295.4	16.1	9.2	89.1	107.5	109.0	0.6	0.7	0.6
Bilateral Creditors	*352.4*	*4.4*	*2.5*	*38.4*	*54.9*	*58.7*	*0.3*	*0.4*	*0.3*
Paris Club	133.4	1.7	0.9	15.2	16.2	20.3	0.1	0.1	0.1
o/w: France	116.7	1.5	0.8	12.9	17.0	12.1	0.1	0.1	0.1
Japan	4.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Paris Club	218.9	2.7	1.6	23.2	38.6	38.5	0.2	0.2	0.2
o/w: China (including Bank of China)	53.1	0.7	0.4	5.5	8.0	8.0	0.0	0.1	0.0
Kuwait	29.7	0.4	0.2	3.0	2.9	3.0	0.0	0.0	0.0
Domestic	**4,452.4**	**55.5**	**31.6**	**956.8**	**1,345.3**	**1,219.5**	**6.8**	**8.6**	**7.2**
T-Bills	*297.1*	*3.7*	*2.1*	*152.5*	*437.9*	-	*1.1*	*2.8*	*0.0*
Bonds	*3,345.8*	*41.7*	*23.7*	*485.0*	*613.1*	*914.5*	*3.4*	*3.9*	*5.4*
Loans	*809.5*	*10.1*	*5.7*	*319.4*	*294.3*	*305.1*	*2.3*	*1.9*	*1.8*

Sources: IMF estimates and projections, based on data based on Burkinabe authorities, according to their classification of creditors. Debt coverage is the same as the DSA. There is no information on collateralized debt.
1/ "Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

6. Burkina Faso's financing needs are expected to increase in the regional financial market. The government's gross financing needs (GFN) that would need to be satisfied by the regional market in 2025 are estimated at 0.9 percent of WAEMU countries' GDP, which is lower than the average GFN absorbed by the regional market from 2020 to 2024 (1.0 percent of WAEMU countries' GDP).[4] Over the medium term (2026–30) GFN is projected to increase to 1.4 percent of WAEMU countries' GDP. This indicates the need for the government to seek additional access to

[4] To put this into perspective, BFA's domestic debt represented on average 13 percent of WAEMU's public domestic debt over 2020–24.

concessional financing. In the medium and long term, the initiatives to deepen the regional financial market should also be encouraged.

7. **The government is actively managing its relatively small accumulation of domestic arrears.** Domestic arrears (outstanding more than 90 days) increased by 0.2 percent of GDP in 2024 with the stock standing at 0.5 percent of GDP at year's end. Of this amount, arrears related to VAT reimbursements (mostly to the foreign operators in the mining sector), amounted to about 0.3 percent of GDP, while arrears to government suppliers amounted to 0.2 percent of GDP. After having audited the stock of government arrears identified at the 2nd ECF review, the authorities have prepared and adopted an arrears clearance strategy as a prior action for the 3rd ECF review, with a view to clearing all outstanding arrears by end-2025.

BACKGROUND AND MACRO FORECASTS

8. **The baseline macroeconomic scenario has worsened since the June 2024 DSA.** Real GDP growth has been revised down across the board due to persistent insecurity, which is assumed to recede only gradually and with high probability of setbacks (Text Table 5). At the same time, the current account deficit in 2023 and 2024 was smaller than projected, and it is expected to drop further to 3.4 percent of GDP in 2025, due to higher gold prices and new gold mining operations. The fiscal consolidation path is slightly tighter compared to the June 2024 DSA, with a projected gradual convergence of the overall fiscal deficit to the WAEMU norm of 3 percent of GDP in 2027.

9. **The security situation, weather shocks, and gold price fluctuations represent the largest sources of risks.** The number of terrorist attacks declined by 28 percent in 2024, while the number of fatalities increased by 13 percent compared to the previous year. In an extreme scenario, an intensification of attacks by terrorist groups, especially in urban areas, could deliver a strong negative shock to the economy, decreasing gold output, exacerbate food insecurity, and raise internal displacement. The economy is also highly vulnerable to weather shocks that cause large fluctuations in agricultural output. On the fiscal side, there are risks to revenue performance, while unexpected (current or capital) spending pressures could emerge, notably on security. Financing conditions on the regional bond market could deteriorate. Finally, the fluctuations in the price of gold (representing about 80 percent of exports) are also a major source of risk.

Text Table 5. Burkina Faso: Changes in DSA Assumptions Compared with June 2024 DSA

		2022	2023	2024	2025	2026	2027	2028
					Proj.	Proj.	Proj.	Proj.
Gold Price (USD/troy ounce)	Current Forecast	1801.5	1943.1	2387.2	2820.8	2963.0	3096.3	3197.8
	June 2024 DSA	1801.5	1939.6	2066	2166.1	2187.3	2225.5	2258.2
Cotton Price (USD cts/lb)	Current Forecast	130.1	95.0	86.6	79.3	81.4	80.9	80.9
	June 2024 DSA	130.1	95.2	93.6	90.9	89.9	89.9	89.9
Real GDP Growth (%)	Current Forecast	1.5	3.0	5.0	4.2	4.9	4.7	4.7
	June 2024 DSA	1.8	3.6	5.9	5.8	5.4	5.4	5.2
Current Account (% of GDP)	Current Forecast	-7.5	-5.0	-5.7	-3.4	-3.1	-3.4	-3.7
	June 2024 DSA	-6.1	-4.4	-3.4	-3.1	-2.8	-3.1	-2.6
Overall Fiscal Balance (% of GDP)	Current Forecast	-10.7	-6.7	-5.8	-4.0	-3.5	-3.0	-3.0
	June 2024 DSA	-10.6	-6.6	-5.6	-4.7	-3.8	-3.0	-3.0

Sources: IMF staff estimates; and World Economic Outlook projections

10. **This DSA update is consistent with the macroeconomic framework for the ECF-supported program** (Box 1). The program centers around three pillars: (1) creating fiscal space for priority spending; (2) strengthening resilience to shocks and reducing poverty and inequality; and (3) enhancing fiscal discipline, transparency, and governance. The fiscal anchor of the program is based on the WAEMU convergence criterion, reducing the deficit-to-GDP ratio to 3 percent by 2027; significantly reducing the wage-bill-to-revenues ratio to 45 percent by 2027, and raising the tax revenue-to-GDP ratio by 1.5 percentage points relative to a baseline without reforms.

11. **The realism tools suggest that the baseline scenario is credible in all but one exercise comparing it to historical experience and cross-country evidence.**

- The baseline scenario for external debt is realistic. Figure 1 shows that projected external-debt-creation is mostly driven by current account and FDI dynamics like the historical experience. External debt dynamics partly reflect non-identified debt-creating flows, as illustrated by the large residuals. These residuals are largely due to the definition of external debt on a currency basis, contrary to the current account data which are compiled on a residency basis. Unexpected changes in external debt are below the median compared to other low-income countries.

- Overall public debt-creating flows over the last 5 years are substantially higher than in the projections due to exceptional spending for the pandemic and security. The combination of these two make the primary deficit a major driver of these debt flows. It also explains why Burkina Faso's average unexpected changes in debt over the last five years were in the 25th to 75th interquartile range when comparing to other low-income countries.

- Figure 2 shows that the fiscal adjustment path with a 2.9-percent adjustment over three years is in the upper quartile of LIC countries' experience in Fund supported programs, which can be considered optimistic. The estimated economic growth path and the contribution from government capital to real GDP growth are in line with historical experience.

12. **This DSA maintains the assumption on non-concessional financing over the forecast horizon.** The authorities' medium-term debt strategy keeps favoring exhausting all options for concessional financing before exploring more expensive non-concessional options. Although the

World Bank and other international donors—such as the OPEC Fund for International Development and the African Development Bank—remain engaged, financing needs exceed the amount of expected available concessional financing. Thus, this DSA assumes that non-concessional borrowing will reach an average of around 35 percent of total external borrowing over time through the DSA horizon.

Box 1. Macroeconomic Assumptions Underlying the DSA

Preliminary data indicates a 5 percent real GDP growth in 2024 due to strong growth in agricultural production offsetting a decline in gold production. In 2025, real GDP growth is expected to moderate at 4.2 percent, consistent with normal rainfall conditions. As the security situation is assumed to improve gradually, and investments in gold mining to remain subdued, real GDP growth is expected to stabilize at around 4.7 percent in the medium term.

Following a sharp drop to 0.7 percent in 2023, the annual average inflation rate is estimated to have picked up to 4.2 percent in 2024, due to a weak supply of local cereals. It is assumed that inflation will drop to 3 percent in 2025 and converge to 2 percent over the medium term (within BCEAO's 1–3 percent target band), amid favorable local cereals harvest in 2024, lagged effects of monetary policy tightening and an expected moderation in international food and energy prices.

The ECF program is anchored by a gradual decline of the fiscal deficit from an estimated 5.8 percent of GDP in 2024 to 3 percent in 2027 in line with WAEMU criteria. Consolidation is achieved by a mix of revenue (e.g., digitalization of tax services, taxation of online commerce) and expenditure measures (e.g., control of the government wage bill). Total public debt levels are estimated to decrease from 56.9 percent of GDP in 2024 to 54.0 percent in 2027.

Assumptions on debt costs include an average interest rate of 8.7 percent for T-bills (previously 8.5 percent), 9 percent for bonds up to 3 years (previously 8.5 percent), 8 percent for 3-year to 7-year bonds (as before) and 7.7 percent for long-term bonds (as before) for 2024. For 2025, rates are assumed to go up to 9.7 percent for T-bills and 9 percent for bonds up to 3 years, 7.5 percent for bonds between 4 to 7 years, and 7.7 percent for bonds with longer maturities. Over the medium term, interest rates are expected to return to their historical averages, assuming an improvement of the security situation and a return to civilian rule.

The composition of the domestic financing strategy is comparable to the previous DSA with about 45 percent in T-bills, 40 percent in 1 to 3-year bonds, and 15 percent in 4-year or greater bonds. The authorities are assumed to mobilize greater amounts with longer maturities, as the regional debt market develops over the medium term.

The remainder of the deficit is assumed to be financed via external debt, but on gradually less generous terms to reflect conservative assumptions. Non-concessional borrowing will expand to an average of around 35 percent of total external borrowing. The baseline considers IDA20[1] financing from the World Bank, projected to average US$460 million per year over the medium term.

The current account deficit worsened from 5.0 percent in 2023 to an estimated 5.7 percent of GDP in 2024, however, improvements are anticipated in the short to medium term due to increases in gold prices. Risks to external stability emanate from the security and political situation, which may discourage private capital inflows, as well as from not pursuing a credible policy framework.

[1] World Bank financing is based on IDA20 total indicative country allocations, adjusted for MTR and intra-regional reallocations. IDA20 financing under the 50-year credit category for the first five years of the projection period was reclassified consistent with the status of BFA as non-small state country at moderate risk of external debt distress. Regular IDA terms were assumed afterwards.

COUNTRY CLASSIFICATION AND DETERMINATION OF STRESS TESTS

A. Country Classification

13. Burkina Faso's debt-carrying capacity continues to be classified as 'medium' (Table 1). The country's Composite Indicator (CI) index, calculated based on the October 2024 WEO and the 2023 CPIA, is 2.86, below the threshold of 3.05 for 'strong.' The indicative thresholds for external debt in the 'medium' category are 40 percent for the PV of external debt-to-GDP ratio, 180 percent for the PV of debt-to-exports ratio, 15 percent for the debt service-to-exports ratio, and 18 percent for the debt service-to-revenue revenue ratio. The benchmark for the PV of total public debt for medium debt carrying capacity is 55 percent of GDP.

Text Table 6. Burkina Faso: Debt Carrying Capacity and Relevant Indicative Thresholds

Debt Carrying Capacity and Thresholds

Country	Burkina Faso
Country Code	**748**
Debt Carrying Capacity	**Medium**

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintages
Medium	Medium 2.86	Medium 2.88	Medium 2.85

Applicable thresholds

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	180
GDP	40
Debt service in % of	
Exports	15
Revenue	18

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	55

Calculation of the CI index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.453	1.33	46%
Real growth rate (in percent)	2.719	4.531	0.12	4%
Import coverage of reserves (in percent)	4.052	39.462	1.60	56%
Import coverage of reserves^2 (in percent)	-3.990	15.573	-0.62	-22%
Remittances (in percent)	2.022	1.611	0.03	1%
World economic growth (in percent)	13.520	2.967	0.40	14%
CI Score			2.86	100%
CI rating			**Medium**	

New framework	Cut-off values		
Weak	CI <	2.69	
Medium	2.69	≤ CI ≤	3.05
Strong	CI >	3.05	

Reference: Thresholds by Classiciation

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

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

Sources: Country authorities; and staff estimates and projections

B. Determination of Alternative Scenarios and Stress Tests

14. The analysis includes an alternative scenario with negative shocks to the fiscal sector. A customized downside scenario illustrates debt vulnerabilities from donor financing shortfalls and spending overruns. Assumptions are revised downward, with projected disbursements of grants lowered from 1.1 percent of GDP to 0.4 percent of GDP in 2025, to 0.2 percent in 2026, and to zero percent until the end of the scenario horizon. In addition, primary expenditure is assumed 2.5 percent of GDP higher for the entire scenario horizon.

15. A tailored stress test examines the impact of shocks to commodities trade. The test is applied because commodities constituted 82 percent of export revenues over the previous three years. It captures the potential impact of a sudden and extreme 80-percent decline in prices for gold and all agricultural commodities and a parallel increase in fuel import prices by 80 percent. It supplements the contingent liability test and the other standardized stress tests.

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

16. All external PPG debt indicators remain below the policy-relevant thresholds in the baseline. The present values (PV) of the external debt-to-GDP ratio, the external debt-to-exports ratio, the external debt service-to-exports ratio and the external debt service-to-revenue ratio are well below thresholds with generally declining trends over the medium term (Table 2, Figure 3).

17. The standardized stress tests show that an export shock has the largest negative impact on the debt trajectory but does not cause the breach of any thresholds. The PV of debt-to-exports ratio is significantly impacted by the export shock (nominal export growth is set to historical average minus one standard deviation), reaching the low 90 percents in the 2030s (Table 2). However, it remains below the threshold of 180 percent throughout the projection period. The test highlights the need for a sustained effort to improve the economy's potential in exporting goods and services by addressing the security situation, conducting policy reforms in the mining sector, and diversifying the economy. The PV of debt service-to-exports ratio deteriorates but stays below its threshold of 15 percent. Other shocks, including to real GDP growth, the primary balance, a one-time 30-percent depreciation of the CFAF, the tailored tests for contingent liabilities and the commodity price shock do not lead to any breaches of the debt thresholds.

18. While the model signals a low risk of external debt distress, in staff's judgement, as in the previous DSA, the risk of external debt distress is moderate. All PPG external debt sustainability indicators are expected to remain below the indicative thresholds, even under the extreme assumptions in the alternative scenario with the fiscal downside and the scenario with multiple commodity price shocks. Nevertheless, vulnerabilities warrant the application of judgement. An escalation of the security crisis could lead to a broader decline in GDP, lower tax revenues, and declining exports caused by a fall in gold production among others. At the same time, higher military spending could exacerbate spending pressures. Development partners could continue to stay on the sidelines or withdraw further, which may raise reliance on expensive regional market financing. Finally, a sudden drop in gold prices could lead to a decline in production and exports.

PUBLIC DEBT SUSTAINABILITY ANALYSIS

19. Under the baseline scenario, the PV of public debt-to-GDP ratio remains below the 55-percent benchmark. It is projected to be well below the benchmark over the horizon of the exercise and exhibits a moderate downward trend (Table 4 and Figure 4). The PV of debt-to-revenue and grants ratio is expected to peak around 230 percent in 2025 and then gradually decreases over the exercise horizon. The debt service-to-revenue and grants ratio is estimated to peak around 70 percent by 2029, given the relatively short maturity of domestic financing. The latter raises concerns about liquidity risks, especially given maturity and rollover risks. Figure 5 shows that the baseline involves a reduction in the debt to GDP ratio, but that domestic debt service over government revenue ratio could substantially increase, while net domestic debt issuance as a ratio of GDP could turn negative due to the rollover of existing domestic debt. Although domestic GFNs are projected to increase in the medium term (see ¶6), it will mainly be for repaying maturing domestic debt. Given Burkina Faso's relatively limited footprint in the regional market, where liquidity conditions eased with the recent increase in WAEMU reserves, rollover risks remain contained.

20. The standardized stress tests show that a primary balance shock has the largest negative impact on the debt trajectory but only leads to a breach of the threshold for one year in the very near term. A standard deviation shock to the primary balance causes a 55 percent benchmark for the PV of public debt-to-GDP ratio in 2027 but the ratio does not lead to a breach and abates slowly thereafter afterwards. The combined contingent liability test results are similar. Other standard and tailored stress tests stay below the benchmark for the entire time horizon. Overall, the mechanical signals point towards a low overall risk of public debt distress.

21. Judgement is applied towards a moderate risk of public debt distress as benchmarks would be breached in two alternative scenarios. In the first alternative scenario, where key variables are kept at their five-year historical averages, the PV of public debt-to-GDP ratio would breach the benchmark of 55 percent starting in 2030. This scenario shows a gradual increase of the PV over the scenario horizon, leading to higher indicators than any other scenario or stress test (Table 5 and Figure 4). In the fiscal downside scenario, the PV of debt-to-GDP ratio would be breached starting in 2031. Finally, domestic debt service—particularly amortization—is larger than the indicative thresholds, and the domestic debt-to-GDP ratio remains higher than international standards for the next ten years (Figure 5). As these two scenarios and the domestic debt situation reflect important factors for downside risks, in staff's judgment, the risk of public debt distress is moderate rather than low.

CONCLUSIONS

22. The risks of external debt distress and overall debt distress remain moderate. The current debt-carrying capacity is consistent with a classification of 'medium.' All external and public debt indicators are evaluated at low overall risk of debt distress based on mechanical signals. Judgment was applied due to high gold exports dependence, downside risks to the fiscal sector, including from the rollover of domestic debt, and the volatile security situation. The alternative scenario based on averages over the last five years illustrates the importance of adhering to the ECF-supported program and its fiscal consolidation path for debt sustainability.

23. The consolidation path in the ECF-supported program helps to keep debt sustainable over the medium term. To avoid a deterioration of the debt rating, several risks need to be addressed: (i) expenditures required to address food insecurity and the humanitarian crisis;

(ii) expenditures required to contain the security crisis; (iii) risks arising due to limited support from donors, while a large proportion of the debt portfolio has relatively short maturities, and is therefore vulnerable to rollover and liquidity risks; (iv) increased reliance on the expensive regional financing market; and (v) an undiversified export base, with high vulnerability to gold price shocks.

24. The granularity assessment indicates that Burkina Faso has substantial space to absorb shocks. Under the granularity assessment module, which allows for qualifying the moderate risk of debt distress, Burkina Faso is assessed as having substantial space to absorb shocks (Figure 6). None of the indicators breach the threshold under a median observed shock scenario, while two indicators slightly pick up over the short term, all indicators decrease over the medium term. However, staff assess that space to absorb shocks is limited, as there is substantial downside risk due to gold price movements, high domestic debt rollover requirements, and the volatile security situation.

Authorities' Views

25. We take note of the conclusions of the Debt Sustainability Analysis (DSA) carried out as part of this review. These assessments confirm that Burkina Faso's risk of debt distress remains maintained at a moderate level, unchanged from the one reported in the previous fiscal year. These findings are consistent with our own analysis of public debt sustainability.

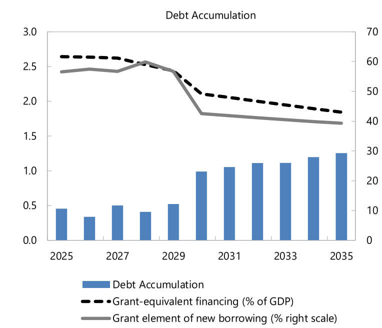
26. Efforts to prudently and sustainably manage public debt will thus be pursued with particular attention to strengthening control of the primary deficit. To this end, effective implementation of the medium-term debt management strategy remains a priority. This strategy favors the use of concessional resources to finance the government's needs, as well as active liability management, with a view to improving the quality and maturity profile of the public debt portfolio.

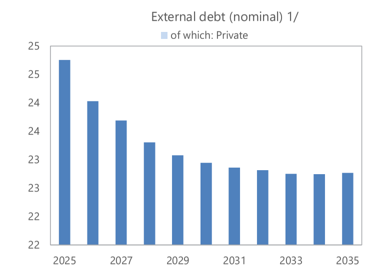
Table 1. Burkina Faso: External Debt Sustainability Framework, Baseline Scenario, 2022–2045

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
External debt (nominal) 1/	26.0	25.9	25.4	24.8	24.0	23.7	23.3	23.1	22.9	22.8	19.8	23.7	23.2
of which: public and publicly guaranteed (PPG)	26.0	25.9	25.4	24.8	24.0	23.7	23.3	23.1	22.9	22.8	19.8	23.7	23.2
Change in external debt	0.4	-0.1	-0.6	-0.6	-0.7	-0.3	-0.4	-0.2	-0.1	0.0	-2.2		
Identified net debt-creating flows	12.0	3.4	4.0	3.2	2.9	3.3	3.4	4.1	4.9	4.5	4.4	4.0	4.1
Non-interest current account deficit	7.2	4.6	5.5	3.1	2.9	3.2	3.5	4.2	5.1	4.9	5.0	3.7	4.2
Deficit in balance of goods and services	5.0	4.5	5.1	2.1	1.8	2.1	2.6	3.4	4.3	4.5	4.9	3.7	3.5
Exports	30.9	29.1	26.3	29.4	29.1	28.4	27.6	26.6	25.4	23.6	20.2		
Imports	35.9	33.6	31.4	31.5	30.9	30.5	30.3	30.0	29.7	28.0	25.1		
Net current transfers (negative = inflow)	-3.1	-3.9	-3.0	-1.9	-1.8	-1.7	-1.6	-1.6	-1.5	-1.1	-0.5	-3.3	-1.5
of which: official	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	5.3	4.0	3.3	3.0	2.9	2.8	2.5	2.4	2.2	1.5	0.5	3.4	2.2
Net FDI (negative = inflow)	3.4	0.3	1.6	0.8	0.9	1.0	0.7	0.8	0.7	0.5	0.2	1.1	0.7
Endogenous debt dynamics 2/	1.4	-1.5	-3.0	-0.8	-0.9	-0.8	-0.9	-0.8	-0.9	-0.9	-0.8		
Contribution from nominal interest rate	0.2	0.4	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3		
Contribution from real GDP growth	-0.4	-0.7	-1.1	-1.0	-1.1	-1.0	-1.0	-1.0	-1.1	-1.1	-1.1		
Contribution from price and exchange rate changes	1.6	-1.2	-2.1	...	...	...	...	...	...	...	...		
Residual 3/	-11.6	-3.5	-4.6	-3.8	-3.7	-3.7	-3.7	-4.4	-5.0	-4.5	-6.6	-3.4	-4.3
of which: exceptional financing	-1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	16.5	16.1	15.1	14.4	13.8	13.4	13.4	14.1	13.7		
PV of PPG external debt-to-exports ratio	...	...	62.7	54.7	51.9	50.8	50.0	50.2	52.8	59.6	67.9		
PPG debt service-to-exports ratio	3.7	5.0	4.9	5.1	5.2	4.8	4.4	4.3	3.9	3.4	4.6		
PPG debt service-to-revenue ratio	5.9	7.1	6.2	7.5	7.6	6.6	5.8	5.5	4.7	3.6	4.0		
Gross external financing need (Billion of U.S. dollars)	2.2	1.3	1.9	1.3	1.4	1.6	1.7	2.0	2.4	3.1	6.5		
Key macroeconomic assumptions													
Real GDP growth (in percent)	1.5	3.0	5.0	4.2	4.9	4.7	4.7	4.7	4.9	5.1	5.4	4.7	4.8
GDP deflator in US dollar terms (change in percent)	-5.7	4.7	9.0	1.1	3.7	3.2	2.7	2.3	2.3	2.3	2.3	0.9	2.4
Effective interest rate (percent) 4/	0.9	1.7	1.0	1.1	1.0	0.9	0.8	0.8	0.8	1.0	1.4	1.0	0.9
Growth of exports of G&S (US dollar terms, in percent)	-6.6	1.5	3.4	17.9	7.7	5.5	4.5	3.2	2.3	5.9	6.0	7.3	6.4
Growth of imports of G&S (US dollar terms, in percent)	16.1	0.9	6.9	5.6	6.7	6.8	6.6	6.0	6.3	6.2	6.6	5.9	6.3
Grant element of new public sector borrowing (in percent)	...	...	...	56.5	57.5	56.7	59.9	56.7	42.5	39.3	#DIV/0!	...	48.4
Government revenues (excluding grants, in percent of GDP)	19.5	20.6	20.6	19.8	20.1	20.4	20.8	20.9	21.1	21.9	23.5	17.9	21.0
Aid flows (in Billion of US dollars) 5/	256.2	295.4	321.6	0.7	0.7	0.8	0.8	0.8	0.8	0.9	0.7		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	2.6	2.6	2.6	2.5	2.4	2.1	1.8	...	...	2.2
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	69.6	70.5	69.9	73.1	71.1	61.8	58.1	...	...	64.9
Nominal GDP (Billion of US dollars)	19	20	23	25	27	29	31	33	36	51	106		
Nominal dollar GDP growth	-4.3	7.8	14.4	5.4	8.8	8.1	7.6	7.1	7.3	7.4	7.8	5.6	7.4
Memorandum items:													
PV of external debt 7/	...	...	16.5	16.1	15.1	14.4	13.8	13.4	13.4	14.1	13.7		
In percent of exports	...	...	62.7	54.7	51.9	50.8	50.0	50.2	52.8	59.6	67.9		
Total external debt service-to-exports ratio	3.7	5.0	4.9	5.1	5.2	4.8	4.4	4.3	3.9	3.4	4.6		
PV of PPG external debt (in Billion of US dollars)			3.8	3.9	4.0	4.2	4.3	4.4	4.8	7.1	14.5		
(PVt-PVt-1)/GDPt-1 (in percent)				0.5	0.3	0.5	0.4	0.5	1.0	1.3	-0.3		
Non-interest current account deficit that stabilizes debt ratio	6.8	4.7	6.1	3.7	3.6	3.5	3.9	4.4	5.2	4.8	7.2		

Definition of external/domestic debt	Currency-based
Is there a material difference between the two criteria?	Yes





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 2. Burkina Faso: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2025–2035

(In percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of debt-to GDP ratio											
Baseline	16	15	14	14	13	13	13	14	14	14	14
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	16	16	16	16	16	15	15	15	15	15	15
A2. Alternative Scenario : Fiscal downside	16	16	15	15	15	16	16	17	18	19	19
B. Bound Tests											
B1. Real GDP growth	16	16	15	15	14	14	14	14	15	15	15
B2. Primary balance	16	16	16	15	15	15	16	16	16	16	17
B3. Exports	16	17	20	19	18	18	18	18	18	18	18
B4. Other flows 3/	16	16	16	16	15	15	15	15	15	15	15
B5. Depreciation	16	19	16	16	15	15	15	16	16	16	16
B6. Combination of B1-B5	16	18	17	16	16	16	16	16	16	16	16
C. Tailored Tests											
C1. Combined contingent liabilities	16	16	16	15	15	15	15	16	16	16	17
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	16	18	20	19	19	19	19	18	18	18	18
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of debt-to-exports ratio											
Baseline	55	52	51	50	50	53	54	55	56	58	60
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	55	55	57	58	59	60	60	61	61	62	64
A2. Alternative Scenario : Fiscal downside	55	54	54	55	57	62	65	69	73	77	82
B. Bound Tests											
B1. Real GDP growth	55	52	51	50	50	53	54	55	56	58	60
B2. Primary balance	55	53	55	55	57	60	63	65	67	69	71
B3. Exports	55	66	85	84	85	88	89	90	91	92	93
B4. Other flows 3/	55	55	58	57	57	60	61	62	63	64	65
B5. Depreciation	55	52	46	45	46	48	49	50	52	54	56
B6. Combination of B1-B5	55	61	55	60	61	63	65	66	67	68	70
C. Tailored Tests											
C1. Combined contingent liabilities	55	55	55	55	56	60	62	64	66	68	70
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	55	77	84	81	79	79	77	78	78	78	79
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt service-to-exports ratio											
Baseline	5	5	5	4	4	4	4	4	4	4	3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	5	5	5	5	5	4	4	4	4	4	4
A2. Alternative Scenario : Fiscal downside	5	5	5	4	4	4	4	4	4	4	4
B. Bound Tests											
B1. Real GDP growth	5	5	5	4	4	4	4	4	4	4	3
B2. Primary balance	5	5	5	4	4	4	4	4	4	4	4
B3. Exports	5	6	6	6	6	5	5	5	5	6	6
B4. Other flows 3/	5	5	5	5	4	4	4	4	4	4	4
B5. Depreciation	5	5	5	4	4	4	4	4	4	3	3
B6. Combination of B1-B5	5	6	5	5	5	4	4	4	4	4	4
C. Tailored Tests											
C1. Combined contingent liabilities	5	5	5	4	4	4	4	4	4	4	4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	5	6	6	6	5	5	4	4	5	5	5
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt service-to-revenue ratio											
Baseline	8	8	7	6	5	5	4	4	4	4	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	8	8	7	6	6	5	5	5	5	5	4
A2. Alternative Scenario : Fiscal downside	7	7	6	6	5	5	4	4	4	4	4
B. Bound Tests											
B1. Real GDP growth	8	8	7	6	6	5	5	4	4	4	4
B2. Primary balance	8	8	7	6	6	5	5	4	4	4	4
B3. Exports	8	8	7	6	6	5	5	5	5	5	5
B4. Other flows 3/	8	8	7	6	6	5	5	4	5	4	4
B5. Depreciation	8	9	8	7	7	6	5	5	5	4	4
B6. Combination of B1-B5	8	8	7	6	6	5	5	5	5	4	4
C. Tailored Tests											
C1. Combined contingent liabilities	8	8	7	6	6	5	5	4	4	4	4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	8	8	7	7	6	5	5	5	5	5	5
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

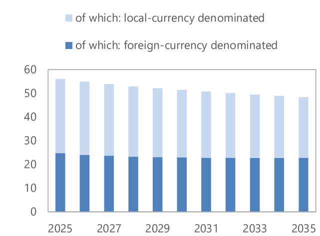
Table 3. Burkina Faso: Public Debt Sustainability Framework, Baseline Scenario, 2022–2045

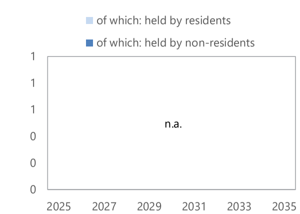
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
Public sector debt 1/	58.5	56.2	56.9	56.1	54.9	53.9	52.9	52.2	51.4	48.4	19.1	44.9	51.7
of which: external debt	26.0	25.9	25.4	24.8	24.0	23.7	23.3	23.1	22.9	22.8	19.8	23.7	23.2
Change in public sector debt	3.1	-2.3	0.7	-0.9	-1.1	-1.0	-1.0	-0.7	-0.7	-0.5	-25.6		
Identified debt-creating flows	8.3	3.1	-0.8	-0.5	-0.7	-0.8	-0.7	-0.5	-0.5	0.0	-25.1	2.6	-0.3
Primary deficit	8.8	4.5	3.6	1.8	1.3	0.6	0.6	0.9	1.0	1.0	-24.2	4.2	1.0
Revenue and grants	21.7	22.3	21.9	21.0	21.2	21.6	21.9	22.1	22.2	22.9	24.2	20.1	22.1
of which: grants	2.2	1.7	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.0	0.7		
Primary (noninterest) expenditure	30.6	26.8	25.5	22.8	22.5	22.2	22.5	22.9	23.2	23.9	0.0	24.3	23.1
Automatic debt dynamics	-0.5	-1.3	-4.4	-2.2	-2.0	-1.4	-1.3	-1.3	-1.5	-1.0	-0.9		
Contribution from interest rate/growth differential	-2.4	-1.0	-3.8	-2.2	-2.0	-1.4	-1.3	-1.3	-1.5	-1.0	-0.9		
of which: contribution from average real interest rate	-1.6	0.7	-1.2	0.0	0.7	1.0	1.2	1.0	1.0	1.4	1.4		
of which: contribution from real GDP growth	-0.8	-1.7	-2.7	-2.3	-2.6	-2.5	-2.4	-2.4	-2.4	-2.4	-2.3		
Contribution from real exchange rate depreciation	1.9	-0.3	-0.5	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	-5.2	-5.4	1.5	-0.4	-0.4	-0.2	-0.4	-0.3	-0.2	-0.6	-0.5	0.5	-0.4
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	48.6	47.4	46.0	44.7	43.4	42.5	41.9	39.7	13.1		
PV of public debt-to-revenue and grants ratio	...	...	222.2	225.8	216.6	207.3	198.2	192.4	188.4	173.4	54.0		
Debt service-to-revenue and grants ratio 3/	41.2	41.1	34.3	45.5	59.3	64.5	70.2	71.8	66.7	48.9	35.1		
Gross financing need 4/	11.4	15.9	9.0	11.3	13.9	14.6	16.0	16.7	15.8	12.2	-15.7		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	1.5	3.0	5.0	4.2	4.9	4.7	4.7	4.7	4.9	5.1	5.4	4.7	4.8
Average nominal interest rate on external debt (in percent)	1.0	1.7	1.0	1.1	1.0	0.9	0.8	0.8	0.8	1.0	1.4	1.0	0.9
Average real interest rate on domestic debt (in percent)	-0.4	3.8	-2.9	0.9	2.9	4.2	4.9	4.5	4.4	4.8	5.0	2.5	4.1
Real exchange rate depreciation (in percent, + indicates depreciation)	8.0	-1.4	-2.2	...	...	...	...	...	...	...	...	2.1	...
Inflation rate (GDP deflator, in percent)	5.9	2.0	8.9	5.9	4.0	3.3	2.8	2.3	2.3	2.3	2.3	2.7	2.9
Growth of real primary spending (deflated by GDP deflator, in percent)	13.7	23.6	-15.6	2.7	-5.1	4.4	3.8	6.7	6.7	5.6	5.9	5.5	4.3
Primary deficit that stabilizes the debt-to-GDP ratio 5/	5.8	6.8	2.9	2.7	2.4	1.6	1.6	1.6	1.7	1.5	1.4	5.1	1.8
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**Yes**

Public sector debt 1/





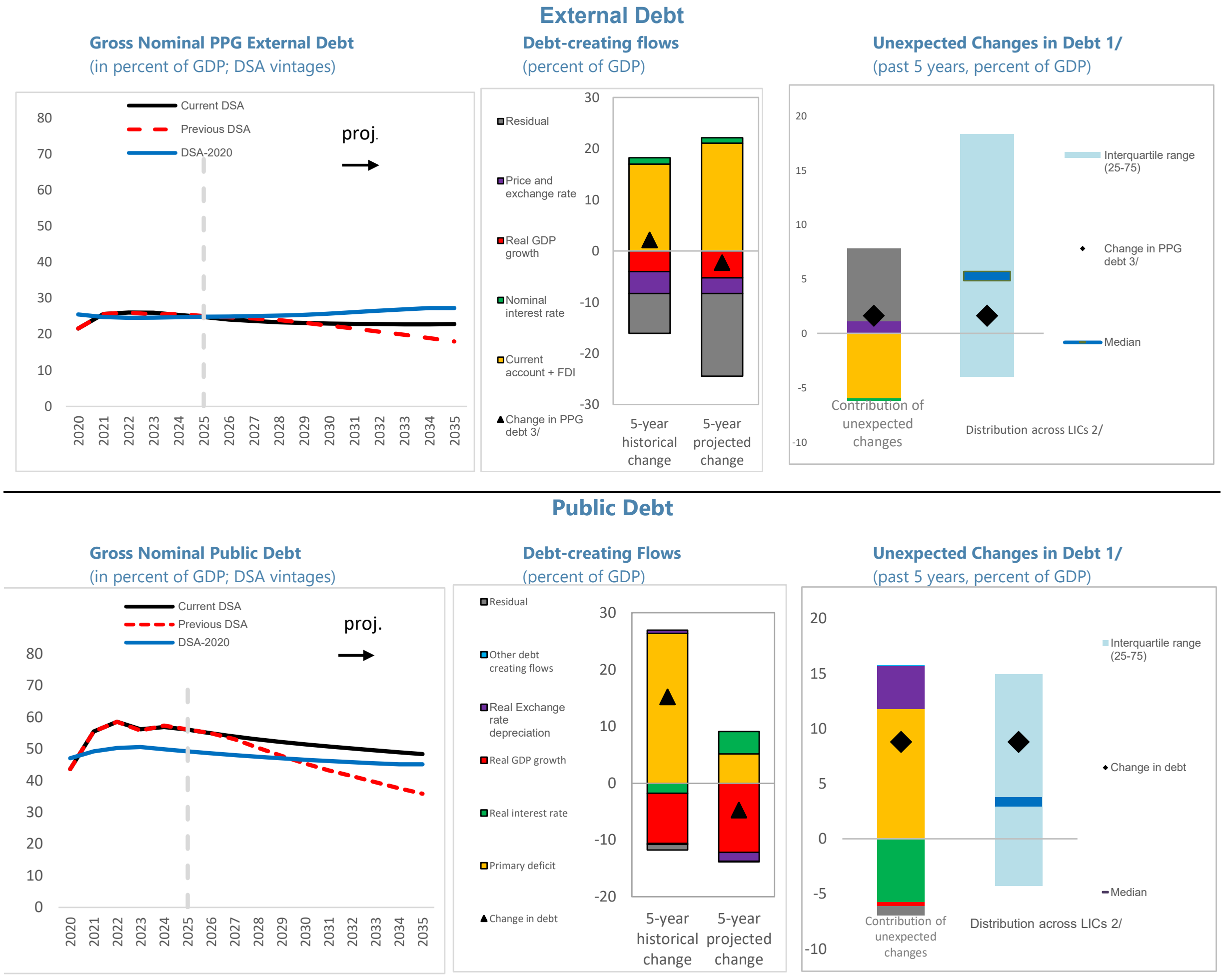
Sources: Country authorities; and staff estimates and projections.
1/ Coverage of debt: The central government, central bank . Definition of external debt is Currency-based.
2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.
4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.
5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.
6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Table 4. Burkina Faso: Sensitivity Analysis for Key Indicators of Public Debt, 2025–2035
(In percent)

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	47	46	45	43	42	42	41	41	40	40	40
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	47	49	51	53	55	**56**	**58**	**60**	**61**	**63**	**65**
A2. Alternative Scenario : Fiscal downside	50	51	51	52	53	55	**56**	**57**	**58**	**59**	**61**
B. Bound Tests											
B1. Real GDP growth	47	48	50	49	50	50	51	51	52	52	53
B2. Primary balance	47	51	55	53	52	51	50	49	48	48	47
B3. Exports	47	48	50	48	47	46	46	45	44	44	43
B4. Other flows 3/	47	47	47	45	44	44	43	43	42	41	41
B5. Depreciation	47	47	44	41	39	38	36	35	34	32	31
B6. Combination of B1-B5	47	49	50	47	45	44	43	42	41	40	39
C. Tailored Tests											
C1. Combined contingent liabilities	47	55	53	52	50	49	49	48	47	46	46
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	47	47	47	48	49	49	50	51	52	52	53
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	226	217	207	198	192	188	185	182	179	176	173
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	226	231	237	242	247	253	259	265	271	277	282
A2. Alternative Scenario : Fiscal downside	237	238	238	238	241	245	250	254	257	261	265
B. Bound Tests											
B1. Real GDP growth	226	227	229	225	224	224	225	226	228	229	230
B2. Primary balance	226	239	253	242	235	229	223	218	214	209	205
B3. Exports	226	225	230	220	213	208	204	200	196	192	188
B4. Other flows 3/	226	221	216	207	201	196	193	189	186	182	179
B5. Depreciation	226	223	204	190	179	171	164	156	149	143	137
B6. Combination of B1-B5	226	229	231	216	206	199	193	186	181	177	172
C. Tailored Tests											
C1. Combined contingent liabilities	226	258	247	236	228	222	217	213	208	204	200
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	226	230	225	225	226	226	227	226	228	229	231
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	45	59	65	70	72	67	70	63	57	52	49
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	45	60	70	81	88	87	95	92	88	86	86
A2. Alternative Scenario : Fiscal downside	45	64	73	82	88	86	92	88	84	81	81
B. Bound Tests											
B1. Real GDP growth	45	61	70	78	82	78	84	79	73	69	68
B2. Primary balance	45	59	74	88	88	84	87	78	70	64	60
B3. Exports	45	59	65	71	72	67	70	64	57	53	50
B4. Other flows 3/	45	59	65	70	72	67	70	64	57	52	49
B5. Depreciation	45	56	62	65	67	62	65	60	53	48	46
B6. Combination of B1-B5	45	58	66	80	79	74	76	67	60	54	51
C. Tailored Tests											
C1. Combined contingent liabilities	45	59	82	84	86	83	83	75	67	62	58
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	45	62	67	73	78	76	81	77	72	69	67
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the benchmark.
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.
3/ Includes official and private transfers and FDI.

Figure 1. Burkina Faso: Drivers of Debt Dynamics - Baseline Scenario – External Debt



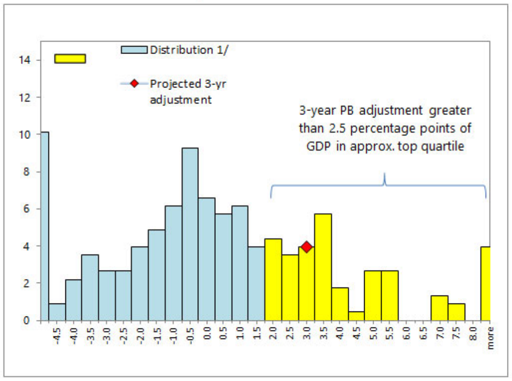
1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

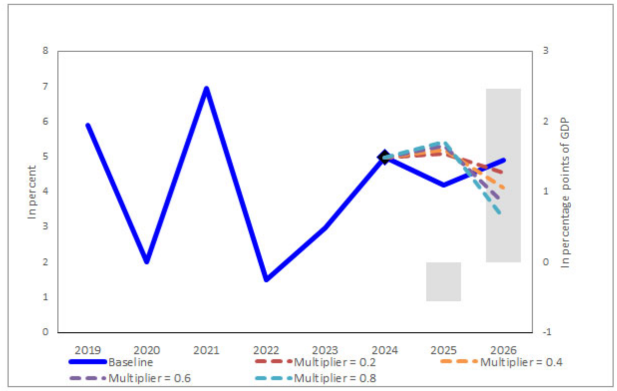
Figure 2. Burkina Faso: Realism Tools

3-Year Adjustment in Primary Balance
(percent of GDP)



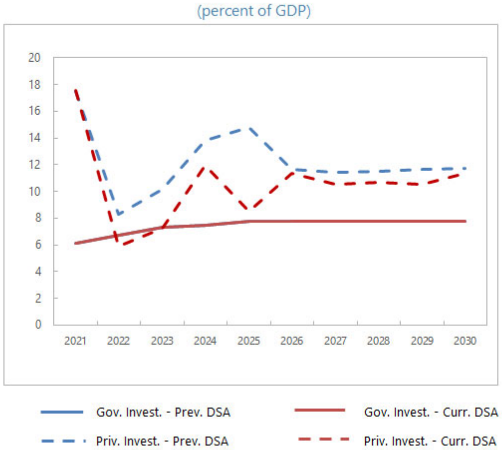
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP growth
(percent, 5-year average)

Figure 3. Burkina Faso: Indicators of Public and Publicly Guaranteed External Debt Under Alternative Scenarios, 2025–2035

Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price 2/	Yes	No
Market financing	n.a.	n.a.

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.1%	1.1%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	34	34
Avg. grace period	6	6

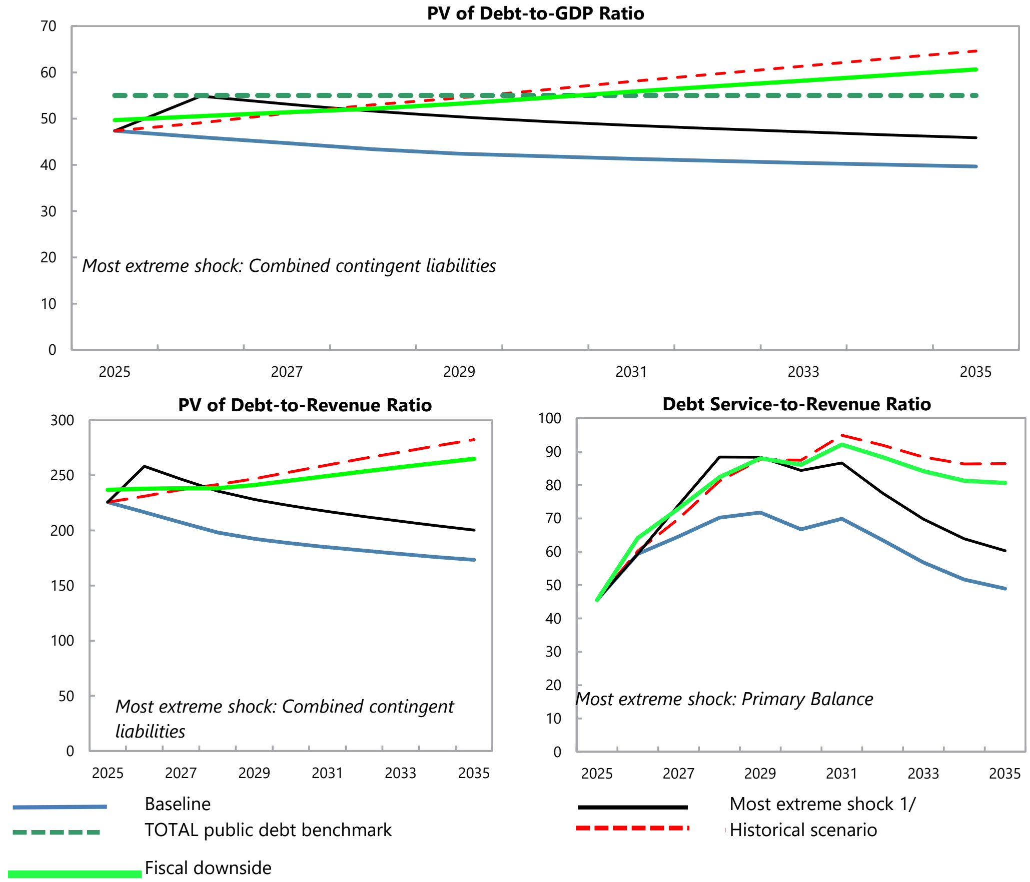
* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 4. Burkina Faso: Indicators of Public Debt Under Alternative Scenarios, 2025–2035



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	17%	17%
Domestic medium and long-term	48%	48%
Domestic short-term	36%	36%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.1%	1.1%
Avg. maturity (incl. grace period)	34	34
Avg. grace period	6	6
Domestic MLT debt		
Avg. real interest rate on new borrowing	4.6%	4.6%
Avg. maturity (incl. grace period)	4	4
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	3.6%	3.6%

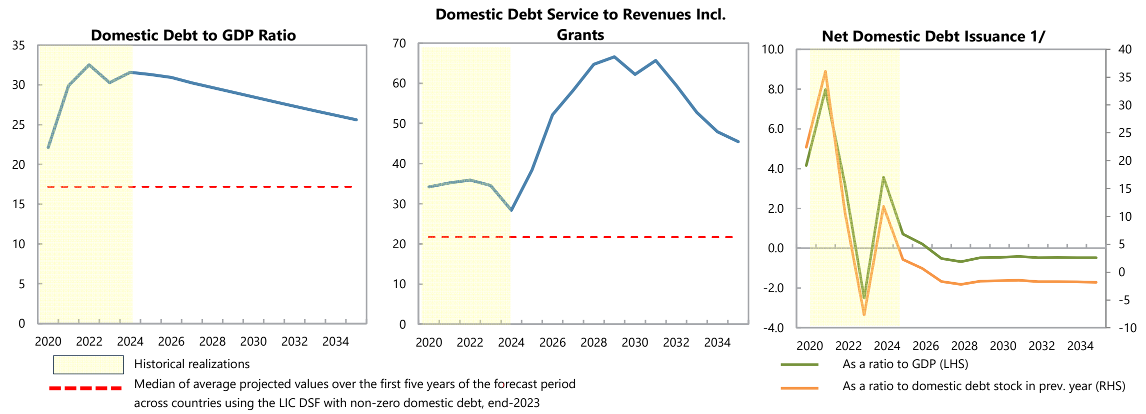
* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Figure 5. Burkina Faso: Indicators of Domestic Public Debt, 2020–2035

(Percent)

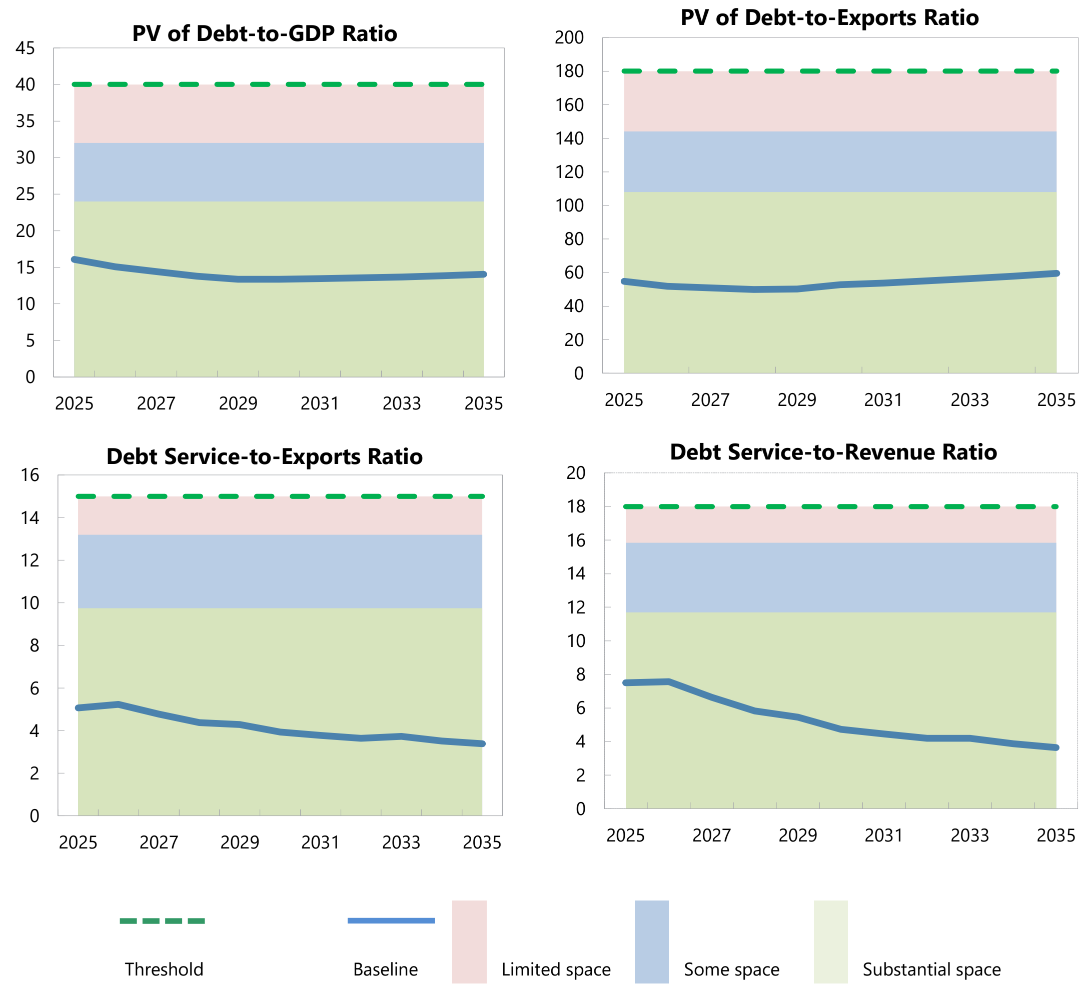


Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	57%
Short-term	43%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	4.6%
Avg. maturity (incl. grace period)	4
Avg. grace period	1
Domestic short-term debt	
Avg. real interest rate	3.6%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Figure 6. Burkina Faso: Qualification of the Moderate Category, 2025–2035 1/



Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Statement by Mr. Ouattara Wautabouna, Executive Director for Burkina Faso and Mr. Abdoulaye Tall, Senior Advisor to Executive Director June 20, 2025

I. Introduction

On behalf of Burkina Faso's authorities, we would like to thank Staff and Management for the constructive and productive policy dialogue held in Ouagadougou in connection with the Third Review under the Extended Credit Facility (ECF). We also thank Executive Directors for the Fund's continued support to Burkina Faso.

Burkina Faso continues to face significant challenges, notably on restoring security and territorial integrity, addressing significant poverty reduction and development needs, as well as humanitarian and social spending requirements stemming from the security crises, climate related extreme events, and tight financing conditions on regional and international capital markets. Against this difficult backdrop, the authorities have made to steady progress in implementing their homegrown medium-term strategic Action Plan for Stabilization and Development (PA-SD), and their Fund-supported program under the ECF, which is closely aligned with the PA-SD.

II. Recent Economic Developments and outlook

Burkina Faso's economy continued to show resilience amidst the significant abovementioned challenges. The country's economic growth accelerated to 5.0 percent in 2024, compared to 3.0 percent in 2023, driven by robust agricultural output and services. Inflation increased to 4.2 percent in 2024 on an annual average basis, from 0.7 percent in 2023, primarily due to rising food prices. In response, the authorities took steps to limit imported inflation, along with a tighter monetary policy stance. The current account deficit increased from 5 per cent of GDP in 2023 to 5.7 per cent of GDP in 2024 as imports of capital goods, and a decline in exports proceeds from cotton outweighed the increase in gold price and exports.

Outlook, Challenges, and Risks

The outlook for 2025 and beyond is promising although significant risks remain. Burkina's authorities project the GDP to grow by 6 percent in 2025, supported by gains in security and a favorable agropastoral season.

Despite these positive developments, Burkina Faso continues to face significant challenges. The risks include heightened geo-strategic tensions and shifting global trade policy landscape. Regional and global capital market are expected to remain tight. Additionally, external shocks, such as recurring extreme climate events and fluctuations in commodity prices, could impact the country's economic outlook.

At the national level, restoring security will continue to remain a priority, as well as addressing the associated humanitarian and social spending pressures. The authorities are closely monitoring risks and proactively taking steps to adapt to and mitigate them, including through contingency plans and the implementation of the ECF-supported reforms.

III. ECF Program implementation

Program implementation for the third ECF Review remained satisfactory underscoring the authorities' track record and commitment to sound policies. All prior actions were met. Four of the six **performance criteria** were met, including on external debt ceilings, the non-accumulation of new external arrears, limits on guarantees on loans to suppliers, and bank prefinancing of public investments. Ceilings on the primary deficit and the related domestic financing were missed due to one-off priority capital expenditures. The authorities took appropriate corrective actives to realign the primary deficit and domestic financing with the program objectives.

The government has also made notable progress in advancing fiscal consolidation and strengthening public financial management. On **revenue mobilization**, the indicative floors on government revenues were met. The authorities registered a 20.6 per cent of GDP of total revenue in 2024, a higher performance than projected.

Expenditure rationalization measures have been implemented to ensure fiscal sustainability, while prioritizing social spending to protect the most vulnerable segments of the population. Although, technically, the floor on current social spending was not met, the authorities increased by more than 10 percent the expenditure aimed at reducing poverty and inequality. Implementation of the Single Social Register (RSU) was pursued to cover 277,220 vulnerable households representing more than 1,7 million people spread over 21 urban and 54 rural municipalities. The authorities launched, as well, the Program for Empowerment of Poor and Vulnerable Households (PAMPV) with the view to improving access to the productive social safety nets for poor and vulnerable households. Furthermore, progress was made to operationalize the universal health insurance system (RAMU). The authorities welcome staff's finding that Burkina compares favorably to regional peers on social spending and are committed to further strengthening the social safety nets in Burkina.

The program ceilings on primary current expenditure, including the wage bill, which was contained below 50 per cent of revenues and on a declining path, and contractual arrangements for PPPs were observed. Going forward, the authorities will aim at further improving expenditure efficiency.

Structural reforms have been a cornerstone of the ECF program. Key reforms include: i) Enhancing public financial management through the establishment of the Treasury Single Account (TSA) and the operationalization of the Treasury Deposit Bank (TDB); ii)

Streamlining government financial operations, reducing waste, and improving budget execution; iii) Implementing recommendations from the IMF's Governance Diagnostic Assessment mission to improve fiscal governance and transparency; iv) Rationalizing energy subsidies and improving the efficiency of the energy sector to ensure reliable and affordable energy supply, reduce the fiscal burden from subsidies, and promote renewable energy sources.

IV. Medium-term Policies and reforms for the rest of 2025 and beyond

The authorities medium term policies and reforms will continue to be guided by the National Development Strategy (PA-SD) along four strategic pillars:

On security, the first pillar of the national development strategy, Burkina Faso has made significant strides in fighting terrorism, with 71 percent of the territory now back under full governmental control. The government will pursue the strengthening of security forces and improve coordination with international partners.

Addressing the challenging humanitarian situation is the second pillar of the strategy. The authorities will continue the progress made in addressing the needs of the population in this respect. Notably, delivery of food, water, and medical supplies to internally displaced persons (IDPs) will be scaled up, in tandem with efforts to secure the territory. The government's effective response has already helped to facilitate the voluntary return of more than 1 million IDPs to their region of origin.

The third pillar of the strategy is rebuilding state institutions and enhancing governance. Key priorities in this area will include: i) implementation of reforms to strengthen public institutions and improve service delivery; ii) strengthening of anti- corruption frameworks to enhance transparency and accountability in public administration;
iii) strengthening public financial management.

On promoting national reconciliation and social cohesion, the fourth pillar of the strategy, the government will continue to promote the initiatives aimed at fostering reconciliation and recovery among communities affected by conflict.

Within the PA-SD framework, the ECF program aims to strengthen macro-economic stability and address medium-term balance of payment needs, focusing on i) creating the fiscal space for priority spending and reducing debt vulnerability; ii) strengthening resilience to shocks while reducing poverty and inequality; and iii) improving fiscal discipline and governance.

On fiscal policy

The authorities are committed to deepening reforms aimed at creating the fiscal space needed for priority spending, while preserving fiscal sustainability.

On revenue, the authorities will continue to deepen reforms aimed at increasing revenues with the goal of mobilizing an additional 0.5 per cent of GDP a year in 2025. They plan to achieve this goal through the implementation of the **strategic plan for revenue mobilization**. Amongst others, it is envisioned to broaden the tax base, by removing tax exemptions and by enhancing taxation of new sectors including real estate. They also plan permanent new tax policy reforms and leveraging digitalization to enhance the efficiency of the tax and customs administration.

On spending, the authorities will continue to improve spending efficiency and the allocation of resources towards priority sectors. To better target social spending to the most vulnerable households, they will pursue the roll out of the Single Social Register (RSU), while scaling up efforts to better control hydrocarbon subsidies. They will also aim at strengthening further the social safety nets, including by implementing the PAMPV program, and the Universal Health Insurance System (RAMU), with the support of development partners, including the World Bank.

On debt, the authorities will pursue efforts to ensure debt sustainability along three main axes: mobilizing domestic resources and concessional resources; lengthening maturities and lowering debt service through liability management; and maintaining prudent borrowing policies through quantitative limits on non-concessional borrowing and the contracting of PPP. They will also implement their arrear clearance plans with the view to clearing all domestic arrears by end-2025.

Monetary and Financial Sector Policies

Burkina Faso's monetary and financial sector policies will continue to enhance financial stability, support economic growth, and improve access to financial services.

Monetary Policy

The regional Central Bank of West African States (BCEAO) oversees monetary policy for the West African Economic and Monetary Union (WAEMU), including Burkina Faso. The BCEAO plans to continue implementing its mandate to maintain price and external stability. After a period of tightening, the latest Monetary Policy Committee meeting decided to lower the policy rate by 25 basis point to 3.25 per cent to support economic activity in the region.

Financial Sector Policies

The banking sector remains sound overall, although the authorities are closely monitoring, jointly with the WAEMU Banking commission, individual banks for compliance with regional regulation. While the financial soundness indicators of the main banks in Burkina Faso are strong, the global and regional financial tightening, as well as insecurity contributed to reducing outstanding credit and related financial soundness indicators for a few small banks. To strengthen the banking systems' balance sheets, the authorities doubled the capital adequacy requirement effective on January 1st, 2024. All banks are either compliant or have in place mandatory plans approved with the regulator to gradually comply with the new rule by 2026. Furthermore, the authorities' domestic arrears clearance plans will contribute to further strengthening the banking system.

On anti-money laundering and countering the financing of terrorism, (AML-CFT), the authorities continued to make progress in strengthening their frameworks and addressing the strategic deficiencies, in close partnership with the Financial Actions Task Force. 94.5 percent of the action items have been implemented to date and the authorities are making good progress to implement the two action items remaining to be removed from the FATF's grey list.

On financial inclusion, the authorities' efforts will be geared to improving access to financial services, particularly for small and medium-sized enterprises (SMEs), and rural populations. This would entail the implementation of the regional financial inclusion strategy, promoting financial literacy, reducing gender disparities in access to finance, and deploying services to underserved areas, including locations impacted by security.

Structural reforms

The authorities are committed to deepening structural reforms as part of Burkina Faso's broader strategy to achieve inclusive and sustainable growth, improve living standards, and reduce poverty.

Efforts are being made to diversify the economy beyond its reliance on agriculture and mining. This includes promoting sectors like manufacturing and services to create more jobs and reduce poverty. In this respect, progress has been made in incubating industrial units and restructuring struggling enterprises. Going forward, the authorities will forcefully support production and processing of local production, including through the agency for promotion of Community Entrepreneurship. On the key mining sector, they will implement the newly adopted mining code with the view to leveraging this sector's contribution to promoting economic diversification and inclusive growth.

The authorities also plan to continue **increasing public investment** notably to improve infrastructure, such as roads, electricity, and internet access, which are crucial for enhancing productivity and connectivity. They will also continue to invest in education and healthcare to build a skilled workforce and improve the population's overall well-being.

The authorities will also **focus on strengthening governance to ensure transparency, reduce corruption, and improve public financial management.** In this vein, they will prepare an action plan to implement the IMF Governance diagnostic recommendations. The publication of the Diagnostic report is planned for end-June 2025.

On the **key energy sector**, the authorities plan on advancing reforms towards improving the overall efficiency of the sector and optimizing energy subsidies. In this respect, they will strive to implement the tripartite performance contracts between the Government and the main State-Owned Enterprises involved in the energy sectors, SONABHY and SONABEL. They will also leverage the related technical assistance received from the IMF.

On climate, the authorities' efforts will aim at addressing the impacts of climate change and improving food security. This involves implementing sustainable agricultural practices and enhancing resilience to climate-related shocks. They are appreciative of the recently provided IMF technical assistance and will build on the diagnostic assessments to inform their mitigation and adaptation strategies. They reiterate their interest in an IMF- supported arrangement under the Resilience and Sustainability Facility given the significant macro- economic implications of climate related events in Burkina Faso, and the important role climate change is playing as driver of fragility and conflicts.

V. Conclusion

Burkina Faso’s authorities are firmly committed to achieving macroeconomic stability and sustainable development. They have made significant progress in implementing the ECF-supported arrangement, despite facing significant challenges. Their track record of performance under the program remained broadly strong, including through the implementation of all prior actions, and most program quantitative performance criteria and structural reforms. They also took appropriately strong corrective actions to address the missed performance criteria. The Government intends to maintain the momentum of reforms to address remaining challenges going forward.

Based on Burkina Faso’s track record of satisfactory program performance, and commitment to sound policies, our authorities seek Directors’ support for the completion of the third review under the ECF arrangement. They also look forward to the continued support from international partners, which will be crucial in sustaining these achievements and addressing remaining challenges.