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July 16, 2020

Statement by Ms. Pollard and Ms. Senich on Burundi
(Preliminary)
Executive Board Meeting
July 20, 2020

We thank staff for the report and Mr. Mahlinza and Mr. Cham for their helpful Buff statement. We welcome Burundi's re-engagement with the international community following the 2015 political crisis. However, in line with the 2019 U.S. Presidential determination regarding the Trafficking Victims Protection Act of 2000 (Act), we will not support Burundi's request for debt relief under the Catastrophe Containment and Relief Trust until the government complies with the minimum standards for the elimination of trafficking or makes significant efforts to bring themselves into compliance with the Act. The U.S. Chair would like to be recorded as voting "no" on the CCRT request.

We welcome the authorities' recent effort to contain the spread of COVID-19 and limit the impact of the pandemic on the economy. We also appreciate that the authorities' Letter of Intent outlines that the Court of Auditors will undertake and publish an ex post audit of expenses related to COVID. Ahead of a potential RCF, we would expect a commitment to a broader set of safeguard measures including on procurement transparency to ensure proper use of resources. *Could staff comment on whether the Court of Auditors, in consultation with development partners, has sufficient independence and technical capacity to produce results in line with best practices?*

Annex 1 on Political and Economic developments highlights how international isolation has happened concurrently with severely deteriorating economic conditions, marked by low growth which is declining on per capita terms, elevated public debt, external imbalances, and banking system fragility. We note Burundi's large external financing needs and very low level of foreign reserves (1 month of import cover). We strongly encourage the authorities to resume long overdue Article IV consultations with staff to help with staff's diagnostic of Burundi's current economic challenges via more comprehensive sharing of data. *Can staff comment on the authorities' willingness to engage on an Article IV, and a possible timeframe*

considering surveillance delays related to COVID-19? We wish the new administration success in facing the health challenges brought about by the pandemic, and on transitioning to appropriate macroeconomic policies to respond to the economic fallout from the crisis.