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November 11, 2020

**Statement by Mr. Trabinski and Ms. Zhunusbekova on Burkina Faso  
(Preliminary)  
Executive Board Meeting  
November 13, 2020**

**We support the completion of the 4<sup>th</sup> and 5<sup>th</sup> reviews under the ECF arrangement and the authorities' requests for a waiver of nonobservance of one performance criterion as well as rephasing of access.** We acknowledge the authorities' efforts to keep the economy on track despite the challenges caused by the COVID-19 pandemic and deteriorating security conditions. While the current shock is going to put significant pressure on economic activity, the envisaged rebound in 2021 gives hope of a sustained stabilization over the medium term, although we are aware that these projections are subject to high uncertainty. We take positive note of the progress achieved so far under the ECF, underpinned by strong policy and reform effort, and we welcome the authorities' consideration of a successor arrangement.

**The current challenging situation warrants sustained policy engagement by the authorities.** We commend the authorities for addressing the immediate consequences of the pandemic through fiscal and reform measures. The main challenges facing the country going forward are the deteriorating security situation, the unfinished social dialogue with public sector workers' organizations, and the management of the health crisis linked to the pandemic. Therefore, it is critical to continue implementing measures that can help mitigate the impact of the pandemic, while addressing the pre-existing impediments to growth. Specifically, we support further progress in strengthening public financial management, scaling up the national healthcare system and social safety nets, as well as continuing to improve anti-corruption frameworks. In this regard, the authorities' close engagement with the Fund through technical assistance will be of vital importance.

**We encourage the authorities to closely monitor risks to financial stability.** We take positive note of the overall resilience of the banking sector and the BCEAO's actions aimed

at promoting greater access to mobile financial services. In order to fully realize mobile money potential, it will be crucial to increase financial and digital literacy of the population. While we welcome the progress achieved in addressing governance weaknesses in the financial sector, more needs to be done to improve the AML/CFT framework. The authorities' firm action on this front is warranted to avoid gray listing by FATF.

**We commend the authorities for their performance under the program and take note that the country's capacity to repay the Fund remains adequate.** Program performance has been satisfactory despite a very adverse environment. We welcome that most indicative targets and structural benchmarks have been met and that the program is now fully financed. Moreover, we are encouraged by the fact that Burkina Faso's capacity to repay remains adequate and risks are manageable. Finally, we encourage the authorities to closely monitor the sustainability of public debt and to strengthen debt management.