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Burkina Faso: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

April 11, 2007

Ouagadougou, April 11, 2007

Mr. Rodrigo de Rato
Managing Director
International Monetary Fund
700 19th Street NW
Washington, DC 20431
USA

Dear Mr. de Rato:

1. The government of Burkina Faso has successfully implemented macroeconomic policies and structural reforms in the context of the Poverty Reduction Strategy Paper (PRSP) our country adopted in June 2003. This PRSP served as a reference for financial support from donors and lenders, including the International Monetary Fund and the World Bank. To consolidate the progress we have achieved and intensify our reform efforts, the government adopted an economic and financial reform program for 2007–09, the objectives of which are set forth in the Annual Progress Report adopted in 2006.

2. The attached memorandum of economic and financial policies sets out the government's economic objectives and policies for 2007–10 and objectives and specific measures planned for the first year of the program, from April 2007 to March 2008. In support of these objectives and policies, the government requests a three-year arrangement under the Poverty Reduction and Growth Facility (PRGF) in an amount equivalent to SDR 6.02 million (10 percent of quota).

3. The government believes that the policies set forth in the attached memorandum will enable it to meet the objectives of its program, but it is ready to take any other measures that may prove necessary to this end. During the period of the proposed three-year arrangement, the authorities will consult with the Fund on the adoption of any measures that may be appropriate, and in advance of revisions to the policies contained in the attached Memorandum of Economic and Financial Policies (MEFP), in accordance with the Fund's policies on such consultation. Moreover, after the arrangement period, and as long as Burkina Faso has outstanding financial obligations to the Fund resulting from loans disbursed under the arrangement, the government will consult with the IMF from time to time on Burkina Faso's economic and financial policies, at its own initiative or at the request of the Managing Director.

4. The government will provide to the Fund any information that the Fund may request for the purpose of monitoring progress made in implementing the economic and financial policies and the measures needed to achieve the program objectives. A technical

memorandum of understanding describing the performance criteria, indicative targets, and structural benchmarks of the program is attached. Burkina Faso will follow a schedule of biannual reviews, the first of which is expected to be concluded before end-December 2007.

Sincerely yours,

/s/

Jean-Baptiste Compaoré
Minister of Finance and Budget
Officer of the National Order
Ouagadougou, Burkina Faso

Attachments: Memorandum of Economic and Financial Policies
Technical Memorandum of Understanding

MEMORANDUM OF ECONOMIC AND FINANCIAL POLICIES OF THE GOVERNMENT FOR 2007–10

I. INTRODUCTION

1. This new Poverty Reduction and Growth Facility (PRGF) arrangement will contribute to meeting the Millennium Development Goals (MDGs) by reducing the poverty rate to below 35 percent by 2015 and achieving per capita growth rates of at least 4 percent. It is largely based on our policies as described in the Poverty Reduction Strategy Paper (PRSP) approved in 2004 and updated in the 2006 priority action plan. The objectives of this program are to (i) increase the domestic revenue effort; (ii) strengthen public financial management (PFM) to allow for better domestic absorption of aid and improved poverty-reducing spending; and (iii) increase private sector participation to accelerate growth and diversify economic activity.

2. Burkina Faso's program engagement with the Fund, going back to 1991, has been instrumental in maintaining macroeconomic stability, increasing economic growth, and reducing poverty. The government has a strong track record of program implementation even under adverse circumstances, such as the shock to the terms of trade from cotton and petroleum prices and difficult developments in the region. Despite significant progress particularly during the last PRGF arrangement from 2003–2006, our economy remains vulnerable to external shocks and institutional constraints. Thus we see continued involvement with the Fund as vital in completing our reform agenda and creating the base for an eventual surveillance relationship with the Fund.

II. PERFORMANCE UNDER THE 2003–06 PROGRAM AND RECENT ECONOMIC DEVELOPMENTS

3. Macroeconomic performance in 2003–2006 was strong in spite of large terms-of-trade shocks. Real GDP growth averaged 6½ percent—implying per capita growth of 4½ percent. Average inflation at 2½ percent was below the West African Economic and Monetary Union (WAEMU) convergence target of 3 percent, even though the terms of trade deteriorated by 15 percent between 2003 and 2006. Whereas the economy as a whole withstood the shock well, the cotton companies suffered large financial losses in 2004/05 and 2005/06. Debt has become considerably more sustainable over the past three years as a result of substantial debt relief under the enhanced Highly Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI).

4. The favorable macroeconomic developments have been supported by structural reforms under the PRGF-supported program, in particular with respect to

- Public financial management, with a focus on improving budget formulation and execution, the production and submission of accounts to the Auditor General Office (AGO, *Cour des Comptes*), and of the audited budget act to parliament;

- Tax and customs administration, especially computerization of tax and customs offices; creation of the large taxpayer office; introduction of a taxpayer identification number; and a taxpayer census; and
- Petroleum prices, with the adoption of an automatic price adjustment mechanism that ensures full pass-through of changes in costs.

5. In spite of these steps, challenges remain in the area of public financial management, in particular modernizing the tax and customs administration, strengthening public expenditure tracking systems, and reinforcing audit systems. Recent surveys of the business and investment climate identified obstacles that we will address over the short and medium term.

6. Macroeconomic performance in 2006 was favorable. Cereal and cotton harvests have been good, which bolstered growth and brought down cereal prices and food-price inflation. The construction and service sectors also thrived, and real GDP growth is estimated at 6½ percent. Average inflation remained low at 2.4 percent. External prices remained unfavorable, with oil prices high and cotton low, but the recent decline in oil prices has offered some respite. Credit growth to the economy (excluding crop credit) slowed from high levels in 2005 to stabilize at about 13 percent in 2006.

7. Fiscal revenues in 2006 were considerably less than projected, mainly because of lower domestic consumption and income taxes in part related to the crisis in the cotton sector. Though total expenditures were also reduced in nominal terms, the overall deficit excluding grants reflected the revenue shortfall and increased to 11 percent of GDP (on an *engagement* basis). However, with higher than expected capital expenditures funded by additional project grant disbursements, the overall balance including grants was in line with projections at 5.2 percent of GDP.

III. Medium-Term Objectives and Macroeconomic Framework for 2007–10

8. The macroeconomic framework for the proposed program is based on a real GDP growth rate of about 6 percent, in line with historical performance. Growth could be higher with additional concessional resources, particularly in the form of grants. This would allow to accelerate progress toward meeting the MDGs. To keep debt sustainability at prudent levels, we plan to limit the overall deficit including grants to about 5½ percent of GDP over the program period. The program will aim for an average inflation rate of about 2 percent, in line with the WAEMU convergence target.

9. Strengthening the revenue effort will be a central objective of our activities under the PRGF-supported program. This will entail measures to both broaden the tax base and modernize tax and customs administration. Higher revenues will help us to create fiscal space for poverty-reducing expenditures while limiting our need for external borrowing, which is critical to keep debt sustainable.

10. We will consider broadening the tax base to raise additional revenues. To this end, we will review the existing investment code to see where exemptions can be reduced. We have consolidated most tax legislation into a single five-volume tax code, incorporating simplifications that are now being reviewed by the public. We intend to consolidate all

tax relevant legislation into this single tax code *(Code général des impôts)* and will ensure that all future tax policy changes are implemented as amendments to the tax code so as to ensure its comprehensiveness and usefulness as a one-stop reference.

11. On tax administration, we plan to complete the computerization of the large taxpayer office (LTO) in 2007, and of the medium-sized taxpayer office (MTO) over 2008 and 2009. In this context, we will deploy all modules of our computerized tax administration management system *(Sintax)*, which include those for monitoring tax obligations, payment, and collection, beginning with the LTO. Other activities to improve tax administration are to:

- Increase the number of audits and auditors in the LTO, and make better use of issue-oriented audits;
- Reinforce collection enforcement by instituting all measures provided by law; and
- Improve the VAT refund system.

12. To modernize customs administration, we will move to deploy all functionalities of ASYCUDA and make systematic and exclusive use of them in the computerized customs offices. The objective is to reduce both manual procedures and direct interaction between importers and customs officials so as to speed up processing and limit the scope for discretion. Once ASYCUDA has been fully deployed, we will abolish redundant manual procedures and require exclusive use of documents and statements issued by ASYCUDA. We will also ensure that customs inspections use the ASYCUDA selectivity system—which will be based on risk criteria—so we can increase the use of the green channel (with no further controls). We will also strengthen import verification using a recently developed customs valuation database that will help us to detect customs declarations that understate true values.

13. Improving public financial management (PFM) is necessary to make public expenditures more efficient and render the public sector more transparent. We have recently adopted a public finance strengthening strategy (*Stratégie de Renforcement des Finances Publiques,* SRFP) that was prepared in consultation with technical and financial partners. The main PFM objectives of the SRFP are to improve the legal and operational framework for budget procedures, and to enhance transparency and decentralization in budget management. The strategy is expected to be launched officially in April 2007. Its three-year action plan includes biannual reviews. Several donors require progress in implementing the SRFP for their budget support. We have recently received inputs from the public expenditure and financial accountability (PEFA) assessment for this strategy, which will set benchmarks against which progress will be measured, and we intend to request assistance from the Fund in fine-tuning the strategic priorities. Within the first three-year sectoral action plan, the SRFP will emphasize (i) generating more domestic revenue; (ii) reforming public procurement; and (iii), in the area of PFM, reinforcing our audit systems and ensuring that expenditures are properly classified so that poverty-reducing and foreign-financed expenditures can be tracked. Further PFM reforms will be integrated into the program during the first and second reviews.

14. Expanding access to financial services will be at the center of our financial sector reform agenda. The World Bank's Investment Climate Assessment identified limited

access to finance as the largest obstacle for formal and informal enterprises. High guarantee requirements and complex application procedures further constrain access to credit. In particular the land title system and bankruptcy procedures need reform to strengthen the role of collateral. The government is also considering creating a credit bureau to make financial history information available to qualified parties. Recommendations from the Financial Sector Review being conducted by the World Bank and the WAEMU Financial Sector Assessment Program (FSAP) planned for early 2007 will be included in the SRFP action plan and integrated into the program during the first and second reviews.

15. To support growth, it is of paramount importance to improve the business climate and facilitate financial sector development. We will work with the World Bank to (i) streamline procedures for registering businesses and reduce the time and cost of starting up businesses; (ii) reform the labor code to encourage formal employment through increased labor flexibility, while guaranteeing appropriate worker protections; (iii) strengthen the judicial system in the area of commercial law to improve the ability of firms to access the courts and enforce contracts; (iv) ease the procedures for obtaining land titles and simplify and reduce the costs of registering property; and (v) improve liquidation and bankruptcy procedures. A stronger legal system that respects the rights of creditors and easier access to land titles will be critical for financial sector development by increasing the role of collateral, which will facilitate the development of collateralized loans.

16. We will draw on the Diagnostic Trade Integration Study (DTIS) to formulate a trade promotion agenda. Our adoption of the WAEMU common external tariff in 2000 was an important reform and we will work to further liberalize tariffs. However, a lack of export diversification, burdensome customs procedures, and a fragmented and inefficient transportation industry continue to hinder trade. To supplement exports of cotton, we will promote gold mining and the production of fruits and vegetables, two sectors with considerable export potential. Modernization of customs administration under the program will help to streamline cumbersome procedures, which should promote trade and reduce fraud. As for transportation, we will increase investment in rural infrastructure, especially roads, and promote containerization of shipments to help make the sector more professional.

17. The government is preparing, with advice from the World Bank, a transparent electricity tariff mechanism to ensure price adjustments in line with costs. This mechanism will draw on a tariff policy assessment expected to be finalized by June 2008. We also intend to establish a regulatory authority for the electricity sector by June 2009. The preparatory legal work for this new institution will be undertaken in close collaboration with the World Bank as soon as the revised Electricity Law has been submitted to the National Assembly, probably in the second half of 2007. Since 1994 tariffs have been adjusted only twice, in November 2004 and September 2006, and at current electricity tariff levels, SONABEL requires subsidies of about 0.7 percent of GDP that increase with electricity consumption and hardly benefit the poorest consumers. Cost savings from full connection of the electricity grid with Côte d'Ivoire, scheduled for late in 2008, will gradually eliminate the need for subsidies. Moreover, to make progress

toward the MDGs, it is essential to expand electricity access to the rural population. One government objective is to increase rural electrification from 2 percent in 2006 to 15 percent by 2015.

18. We are preparing for aid to be scaled up. The schedule, scope, and likely areas of increased donor support still need to be determined, but the fact that the World Bank, OECD-DAC, and the UNDP have named Burkina Faso a priority country for scaling up could catalyze higher aid inflows. Preliminary World Bank estimates suggest that over the medium term the country could effectively absorb an increase in aid of about 25 percent beyond the 2006 levels (about 2 percent of GDP annually). The government believes that absorptive capacity is potentially higher and that there might be areas with high absorptive capacity that have received less attention from donors, such as rural infrastructure. An MDG costing exercise will be available by the end of 2007 and could catalyze additional donor resources. The government expects to receive substantial funding from the U.S. Millennium Challenge Corporation over a five-year period starting in late 2007. The current macroeconomic framework does not contemplate a scaling up of aid, but it would be updated as donor commitments become clearer.

19. The government intends to address governance issues systematically. In 2002 we introduced a five-year action plan to strengthen the justice system and created a High Authority of Coordination of the Fight against Corruption (*Haute Autorité de Coordination de la Lutte contre la Corruption,* HACLCC). The HACLCC coordinates the fight against corruption and assists the government in the prevention, detection, and punishment of financial delinquency and corruption within the administration. Recognizing the problems in this area the Council of Ministers on May 14, 2006, adopted a national strategy for the fight against corruption. The government is committed to allowing the HACLCC to directly introduce investigations, provided certain legal conditions are met. Furthermore, the government will review the legal framework governing the internal audit structures *(Inspection Générale de l'État (IGE), Inspection Générale des Finances (IGF), and Inspections techniques des services)* to clarify their mandates and look for synergies in their activities. More generally, the government will work to strengthen internal and external control mechanisms for public financial management (in particular the Auditor General Office, *Cour des Comptes*) and make their actions more visible by extending the scope of their reporting.

IV. Program for 2007

20. The macroeconomic program for 2007 is geared toward keeping the economy stable and laying the foundation for strong pro-poor growth through private sector development. Poverty will also be reduced through larger poverty-related fiscal outlays.

A. Macroeconomic Outlook

21. The government expects growth in 2007 to be about 6½ percent, slightly above trend growth. Processing the strong 2006 cotton harvest will support real GDP growth in 2007. Another positive growth impulse is likely to come from the expected improvement of about 4 percent in the terms of trade, from the impact of debt relief on private sector

confidence, and from a positive fiscal impulse. Downside risks for the 2007 growth outlook could result from the reduction in the cotton producer price for the 2007/08 campaign. Also, delays in payments to farmers for the 2006/07 campaign as a result of the financial difficulties in the cotton sector (see below) may hurt production in 2007. Inflation is projected at about 2 percent, consistent with WAEMU convergence criteria. As a result of the good cereal harvest in 2006, Burkina Faso is entering 2007 with low inflationary pressures.

22. The crisis in the cotton sector is being resolved and the conditions for its sustainable development are being put into place. After sizable losses in two consecutive campaigns (2004/05 and 2005/06), the net worth of Burkina Faso's main cotton company SOFITEX was reduced to below zero. The main reasons behind the loss, based on audited accounts, were the low world cotton prices, the appreciation of the CFAF, and high prices paid to farmers, reflecting slow adjustment to the external shocks. The recapitalization was complicated by the fact that ultimately SOFITEX's main private shareholder decided not to participate. In this context, the government had offered to extend a guarantee of CFAF 50 billion for the outstanding loans from the 2005/06 campaign so that domestic banks would release the funds to pay farmers. The recapitalization need for SOFITEX is currently estimated at CFAF 38 billion. The actual amount will be confirmed in an extraordinary general assembly meeting of shareholders in June 2007. Shareholders must contribute at least 75 percent of the recapitalization amount by end-2007. The final phase, expected after 2007, would bring the company's net worth back to a level compatible with regional business regulations (OHADA). The government's 35 percent share in SOFITEX could temporarily increase as a result of the recapitalization. Given the systemic importance of the cotton sector, the government is consulting with the sectors' stakeholders and technical advisors to find a solution that will minimize the financial impact on the budget. In addition, the government, in collaboration with the World Bank, will approve a liberalization strategy for SOFITEX by end-2007 (a structural benchmark). An agreement on the core elements of this strategy will be reached during the first review of the program. It is expected that shareholders will recapitalize the two private cotton ginning companies. The contribution of producers in the three companies to recapitalization will be limited to contributions from donors.

23. The adoption of a new producer price mechanism is expected to help restore the financial viability of the cotton sector. The new mechanism will be adopted by the interprofessional association of cotton producers and ginning companies (AIPC), in cooperation with the World Bank (an end-June 2007 structural benchmark). The mechanism will link producer prices to world market prices with some smoothing achieved by a fund (*fonds de lissage*) that will initially be funded by donors. The 2007/08 campaign price is expected to be set in accordance with the new mechanism or in a way that is expected to help restore SOFITEX's financial health. The government will not assume responsibility for any potential future losses of the sector.

Fiscal policy

24. The original 2007 budget reflected the government's emphasis on prudent macroeconomic management. Relative to the preliminary outcome of 2006, budgeted

spending would fall by ½ percent of GDP. Revenues were budgeted to increase which would have resulted in a reduction in the budgeted overall deficit including grants of about 1.1 percent of GDP. However, developments in late 2006 and early 2007 have necessitated a revised budget, which was approved by parliament in March 2007. The most important change is that revenues are now projected to be 0.8 percent of GDP lower, in spite of projected gains from the ongoing comprehensive tax and customs administrations reform program. Moreover, some new, mainly one-time, expenditure needs emerged, notably with respect to the SOFITEX recapitalization (CFAF 26 billion); security (CFAF 7.5 billion); utility bills (CFAF 7.5 billion); infrastructure (CFAF 14 billion); and salaries (CFAF 16 billion). Together these created a fiscal gap of CFAF 94 billion (2.7 percent of GDP) compared to the original budget deficit target.

25. The government believes that the increase in the overall deficit including grants in 2007 should be limited to safeguard debt sustainability. We have identified offsetting cuts in nonpriority spending of CFAF 24 billion, mostly through cuts in domestically financed investment (CFAF 12 billion); transfers (CFAF 5 billion); and spending on goods and services (CFAF 3 billion). Total spending would still increase by 10 percent in real terms, and social spending will increase by CFAF 31 billion (18 percent) to further reduce poverty.

26. The deficit would be financed mainly through concessional foreign borrowing and limited use of privatization receipts (CFAF 52 billion). A 51 percent share of the telecommunications company ONATEL was successfully sold to Maroc Telecom for a net amount of CFAF 139 billion (4.0 percent of GDP) in December 2006, and another 20 percent share will be floated on the regional exchange in 2007. We also intend to use these proceeds to repay costly domestic debt (about CFAF 50 billion) and eliminate the payment delays that arose during 2006 (CFAF 15 billion). Moreover, we will draw up a plan for how the remaining resources from privatization will be used over the coming years.

27. As a first step in the area of tax administration by the end of June, we will refocus the computerization priorities and review the organization and functions of the tax administration directorate (*Direction Générale des Impôts*, DGI) to ensure full computerization of the LTO. Moreover, we will

- Use Sintax to generate a list of late filers and nonfilers for the main tax categories *(TVA, BIC, IRVM, IRF)* and send reminders within a week after the filing deadline (a continuous structural performance criterion). This will enable us to better manage taxpayers so we can keep the nonfiler rate in the LTO to below 5 percent by the end of June 2007 and in the two MTOs by end-2007.
- Finalize assigning the unique taxpayer identifier (*IFU*) to all taxpayers in the LTO and the MTOs and update the taxpayer database *(fichier des contribuables)* with the results of the taxpayer census by end-June 2007.
- Strengthen the management of offices by introducing tools to measure performance, such as scorecards, indicators, and quarterly statistical reports.
- Implement all the modules of Sintax at the LTO and the two MTOs by end-December 2007.

- Pay all verified VAT refund requests for exporters within 90 days by streamlining administrative procedures and ensuring an adequate budget allocation for refunds (end-June structural benchmark).
- Finalize the connection of all regional tax offices to the central server by end-December 2007.
- Optimize the management and prioritization of tax arrears *(restes à recouvrer)* in Sintax and formulate a collection enforcement program.
- Amend the regulations to fuse the two collection divisions in the LTO *(la recette de l'impôt, la recette de l'enregistrement)*.
- Encourage taxpayers, particularly large taxpayers, to pay by bank transfer.
- Reorganize the MTO by sector of activity and create a unit for issue-oriented audits.
- Properly staff the tax dispute division *(direction de la législation et du contentieux)* and shorten the time needed for handling disputes.

28. In customs administration, we will introduce the unique customs document (DDU) in all offices (structural performance criterion for end-June 2007), using the lessons learned from the pilot project in the Ouaga Gare office. Further, we intend to fully implement ASYCUDA by making fully operational the modules that (i) allow customs brokers to access ASYCUDA from their premises; (ii) process declarations; (iii) automatically generate duty amounts; and (iv) select the appropriate customs channel. Specifically we will:

- Refocus computerization priorities and draw up a work program to finalize the four main functionalities of ASYCUDA in the Ouagadougou customs offices (an end-September 2007 structural benchmark).
- Apply the principle of selectivity in controls by defining and coordinating risk-based control procedures that distinguish between ex ante and ex post controls and require adherence to the appropriate customs channel, thus allowing the green channel to function as intended without further controls.
- Continue to require a verification certificate issued by the preshipment inspection company Cotecna for any customs declaration exceeding CFAF 3 million in fob value, and introduce a mandatory reference to the Cotecna verification certificate on the DDU.
- Strengthen our risk-based analysis of the monthly data reconciliation of the Cotecna and customs data by creating a tool to detect discrepancies (by, e.g., tariff nomenclature number, importer, and customs office), and identify whether any customs decision not to follow the company's opinion was appropriate.
- Install and implement the customs valuation database in all customs offices (end-September 2007 structural benchmark) and ensure that it is updated every quarter.

29. To reduce the number of exemptions in line with our policy to broaden the tax base, we will eliminate all possibilities for income tax holidays, remove all VAT

exemptions from the existing investment code, and limit the exemption regimes to two categories. To improve the investment climate we will work with the World Bank to draft an investment code that is in line with international best practices. Moreover, we will remove any tax-related elements from the investment code and integrate them into the single tax code. We will ensure that those measures be in accordance with the general framework defined by WAEMU.

30. The single tax code will be submitted to parliament by end-December 2007 (a structural benchmark) and, once adopted, will be posted on the Internet and kept up to date to maintain its usefulness as a one-stop reference. Moreover, we will amend the regulatory framework to ensure that the Minister of Finance cosigns any initiative that has tax policy implications, and we will include an annual tax expenditure calculation in an annex to the budget. A broader review to simplify the tax code, including enlarging the tax base and lowering tax rates, will be launched in mid-2007, and we will request technical assistance from the Fund for this purpose. This reform should help increase the tax-to-GDP ratio over the medium term. The council of ministers will approve a tax policy agenda in line with Fund staff recommendations with a view to broadening the tax base, and eliminating exemptions and nuisance taxes (a structural benchmark for end-December 2007).

31. Good public financial management is key to improving the efficiency and transparency of the public sector. The budget classification system now allows for economic and functional expenditure classification, which increases the analytical value of the budget. Also, we are striving to better track social expenditures and will ensure that they do not fall below an agreed floor. To increase the transparency of public sector finances, starting with the second quarter of 2007, five weeks after each quarter ends we will publish and present to parliament quarterly budget execution reports analyzing developments in revenues, expenditures, and financing. We also intend to improve our budget preparation and revenue forecasting systems and base them on the latest available information.

32. We are evaluating and reinforcing controls on simplified budget execution procedures for cash advances *(régies d'avances, avances de trésorerie)*, limiting this practice to exceptional cases. We will also verify that outstanding balances in treasury accounts *(comptes au Trésor)* reflect current commitments and close accounts that are not necessary. We will complete the development of a fully integrated system to manage externally financed projects by end-2007 (structural benchmark). We will improve the transparency and control mechanisms in revenue collection by implementing the integrated revenue system *(Circuit Intégré des Recettes, CIR)* at the central level and link it to the other systems of expenditure and revenue management, and we will enhance the effectiveness of the internal and external audit systems by adding staff. Local governments and noncommercial public entities will submit budget execution reports to the AGO (*Cour des Comptes*) in a timely manner.

Monetary policy and financial sector development

33. Monetary policy, which is set at the WAEMU level, will continue to aim at keeping inflation below the WAEMU convergence target. This will be aided by low

inflationary pressures early in 2007. Growth in credit to the economy (excluding crop credit) stabilized at about 13 percent in 2006; this provided substantial support to the economy without posing inflationary risks, and a similar rate of expansion is expected for 2007. Net foreign assets will increase by a large margin as a result of foreign direct investment inflows related to the privatization of ONATEL. The import coverage of gross foreign assets of the BCEAO is expected to rise to about 5½ months of imports, reversing a large part of the decline in import coverage that took place over 2004–06 as a result of the terms of trade shock. The corresponding buildup in government deposits in 2007 will limit the monetary impact of the privatization inflows.

34. The financial difficulties in the cotton sector put considerable strain on the banking sector in late 2006 and early 2007. SOFITEX's inability to repay outstanding campaign loans on time adversely affected the cash flow of a number of banks. The systemic risks posed by this situation were limited, though, because excess liquidity in the banking system was high. Also, the shareholders in SOFITEX decided to recapitalize the company to increase the company's net worth and settle bank debts. These actions are complemented by the efforts of the monetary authority to reform regulation so as to confront the financial situation of credit institutions—notably to reduce systemic risk by diversifying the sources of financing.

35. We are now drafting a comprehensive strategy for financial sector development, which has been informed by the World Bank's Financial Sector Review and will further benefit from input by the regional FSAP planned for later this year. Access to collateral—in particular, land titles—has emerged as a key obstacle to the promotion of bank lending. In response, we have launched a pilot program to streamline the granting of land titles, and with World Bank assistance we are now fundamentally revising land tenure legislation. Surveys have also revealed weaknesses in our judicial systems that make enforcement of creditor rights a lengthy and costly process. Judicial reform has been one of our principal priorities in past years, and preparations are already under way to strengthen the application of commercial law (see below).

External sector and financing needs

36. The external sector is expected to improve in 2007. The trade deficit is likely to shrink because exports would be boosted by a good cotton harvest from the 2006/07 campaign. Import growth should decline, partly reflecting the decline in international oil prices. ONATEL's privatization, which implies an inflow of foreign direct investment of 6 percent of GDP, will result in a substantial buildup in foreign exchange reserves.

37. We will abstain from nonconcessional external borrowing, except in cases that are well-justified. The program would accommodate nonconcessional borrowing in exceptional circumstances, when (i) a project has a high financial return (verified by the World Bank or another donor); (ii) no project loan on concessional terms can be obtained; (iii) it is not feasible to use fungible concessional resources like budgetary support; and (iv) the risk of debt distress continues to be no more than moderate. If these conditions are met, the ceiling on nonconcessional borrowing could be raised in the context of program reviews to accommodate such projects, provided that they do not jeopardize macroeconomic stability.

B. Structural Policies

38. The government intends to continue with its privatization agenda. Another 20 percent of ONATEL will be sold through an initial public offering (IPO) on the regional market and 6 percent share will be sold to ONATEL employees at a small discount. The government will retain a 23 percent share in the company. Moreover, together with the World Bank, we are studying the possibilities of private sector participation in the oil-importing company SONABHY and the electricity company SONABEL. The full pass-through of international to domestic oil prices will be maintained under the program. Moreover, the government is committed to holding electricity subsidies to their budgeted levels in 2007.

39. Improving the business environment is essential for developing the private sector and increasing growth. Consolidation and simplification of the tax code will reduce the costs of applying the code for individuals and businesses and provide a starting point for the further streamlining of the tax system planned for 2008 and 2009. Laws reforming the land tenure systems and streamlining procedures for granting land titles will be important milestones on the road to enhanced property rights and collateralized lending. Financial sector development will also require better protection of creditor rights; to this end we will intensify our efforts to reform the judiciary and to strengthen application of commercial law. In 2007 this will be complemented by making operational the Arbitration and Commercial Dispute Resolution Center *(Centre d'arbitrage et de règlement des litiges commerciaux)* under the aegis of the Chamber of Commerce. The laws governing its operations were adopted and its operating bodies were installed during 2006. Reform of labor market legislation will be another priority for 2007 so that the labor market can be made more flexible. Finally, we will continue to ease the administrative burden of opening and closing businesses. The government has recently expanded the responsibilities of the enterprise registration centers (*Centres de formalités des entreprises*), by simplifying registration formalities and eliminating certain obstacles to opening a business (such as a criminal record and leasing contracts). To improve the business climate in Burkina Faso, the government is working with the World Bank to reduce the time needed to meet all formalities in case of bankruptcy.

40. We are intensifying our efforts to improve governance and reduce corruption. The HACLCC has been consulting at the national level to finalize a three-year action plan, which will implement the recently adopted national policy on fighting corruption. This plan envisages for 2007 a national survey on corruption that will shed light on the extent of the problem in Burkina Faso. Moreover, we have recently updated the National Plan of Good Governance *(*PNBG*)* for 2004–08. Its action plan was adopted in May 2006—after long discussions with technical and financial partners—and is being implemented. The three main objectives of the PNGB are (i) to enhance the role of the state in the socioeconomic development of the country; (ii) to create incentives for the promotion and professionalization of the private sector; and (iii) to enhance capacities in the civil society to influence political and economic decisions.

41. The government is committed to regular publication of official statistics. The publication of some statistics has been prone to delays; the last release of national

accounts statistics relates to 2001. We intend to produce the national accounts with a delay of no more than two years. By June 30 we will produce a statistical development plan that emphasizes national accounts and balance-of-payments statistics. The intent is to provide adequate staff and resources for surveys to generate enhanced source data.

V. Program Monitoring

42. The PRGF arrangement covers the period from April 2007 through April 2010. Biannual reviews will be based on test dates for end-June and end-December so as to align the program with the budget year and the PRSP process. Quantitative performance criteria and indicative targets used for monitoring program implementation and structural conditionality measures are shown in Tables 1 and 2, based on definitions in the attached Technical Memorandum of Understanding (TMU). The definition of poverty-reducing spending will be refined by the first review of the program; in the meantime we will continue to use the same concept as in the previous program. We will provide data for program monitoring as described in the TMU. During the program period, the government will not impose or intensify restrictions on the making of payments and transfers on current international transactions without the approval of the International Monetary Fund; nor will it introduce or modify multiple currency practices, conclude bilateral payment agreements inconsistent with Article VIII of the IMF's Articles of Agreement, or introduce or intensify import restrictions for balance of payments reasons.

43. Structural conditionality focuses on tax and customs administration, public financial management, and private sector development. Quantitative PCs and targets for 2007 are based on cumulative changes from 2006, and include

- a ceiling on the overall fiscal deficit including grants (PC), with one limited upward adjuster for shortfalls in grants and another for concessional foreign borrowing;
- a floor on fiscal revenues (indicative target);
- a floor on poverty-reducing social expenditures (indicative target);
- a zero ceiling on the accumulation of domestic arrears (PC);
- a zero ceiling on the accumulation of external arrears (PC);
- a ceiling on new nonconcessional external debt contracted or guaranteed by the government (PC); and
- a ceiling on new short-term external debt contracted or guaranteed by the government (PC).

44. The first review of the PRGF will assess performance through June 2007 on quantitative targets and structural conditionality. The second review will assess performance through December 2007 on quantitative targets and structural conditionality.

Table 1. Burkina Faso: Preliminary Quantitative Performance Criteria and Indicative Targets for the Program Under the Poverty Reduction and Growth Facility Arrangement, 2007

(Billions of CFA francs; cumulative from beginning of year)

	2006	2007			
	Dec. Actual	End-Mar. Proj.	End-Jun. Proj.	End-Sep. Proj.	End-Dec. Proj.
Performance criteria and indicative targets[1]					
Ceiling on the overall fiscal deficit including grants (payment-order basis)[2]	140.3	70.0	80.0	155.0	215.0
Ceiling on the amount of new nonconcessional external debt contracted or guaranteed by the government[3, 4]	0.0	0.0	0.0	0.0	0.0
Ceiling on the amount of new external debt of less than one year's maturity contracted or guaranteed by the government[3, 4]	0.0	0.0	0.0	0.0	0.0
Accumulation of domestic payments arrears[3]	0.0	0.0	0.0	0.0	0.0
Accumulation of external payments arrears[3]	0.0	0.0	0.0	0.0	0.0
Indicative targets					
Government revenue	392.4	95.0	230.0	340.0	450.0
Poverty-reducing social expenditures	173.2	45.0	95.0	150.0	204.0
Maximum upward adjustment of fiscal deficit ceiling including grants due to:					
Shortfall in grants relative to program projections		25.0	25.0	25.0	25.0
Excess in concessional loan financing relative to program projections		15.0	15.0	15.0	15.0
Memorandum items:					
Grants[5]	846.6	39.5	110.0	140.2	178.0
Concessional loans[5]	133.2	28.7	69.5	161.5	189.5

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

[1] Performance criteria at the end of June and December 2007.

[2] The ceiling on the overall fiscal deficit including grants is to be adjusted in line with the specifications set out in the TMU.

[3] To be observed continuously.

[4] Excluding Treasury bills and bonds issued in CFA francs on the regional West African Economic and Monetary Union (WAEMU) market. This ceiling excludes supplier credit with a maturity of one year or less.

[5] Includes identified financing only.

Table 2. Burkina Faso—Structural Conditionality

	Measure	Timing	PC / Benchmark
Tax administration	Use Sintax to generate a list of LTO late filers and nonfilers for the main tax categories (VAT, corporate income, tax on income from securities, and tax on income from real estate), and send reminders within a week after the declaration deadline (MEFP ¶27).	June 30, 2007 (start date)	Continuous PC
	Put in place a mechanism to accelerate VAT refunds so that verified refund requests are paid within 90 days. (MEFP ¶27)	June 30, 2007	Benchmark (1st review)
Customs administration	Implement the single customs declaration form (MEFP ¶28).	June 30, 2007	PC (1st review)
	Make main ASYCUDA modules fully functional in computerized offices and put them into operation, beginning with Ouagadougou (MEFP ¶28).	September 30, 2007	Benchmark (1st review)
	Put in operation a computerized customs-specific valuation database in the computerized offices (MEFP ¶28).	September 30, 2007	Benchmark (1st review)
Public financial management	Introduce a comprehensive system for tracking foreign-financed expenditures (MEFP ¶32).	December 31, 2007	Benchmark (2nd review)
Tax policy	Submit the single tax code to parliament consolidating all tax legislation (MEFP ¶30).	December 31, 2007	Benchmark (2nd review)
	Secure approval from the Council of Ministers for a tax policy reform strategy in line with Fund staff recommendations (MEFP ¶30).	December 31, 2007	Benchmark (2nd review)
Cotton sector	Adopt a formula-based producer price mechanism for cotton linking the producer price to world prices in collaboration with the World Bank (MEFP ¶23).	June 30, 2007	Benchmark (1st review)
	Secure government approval of a liberalization strategy for SOFITEX in collaboration with the World Bank (MEFP ¶22).	December 31, 2007	Benchmark (2nd review)

TECHNICAL MEMORANDUM OF UNDERSTANDING

Ouagadougou, April 11, 2007

1. This memorandum defines the quantitative performance criteria and indicative targets for the program supported by the Poverty Reduction and Growth Facility (PRGF) of the International Monetary Fund (IMF). It also sets deadlines for reporting data to Fund staff to facilitate program monitoring.

I. DEFINITIONS

2. For the purposes of this memorandum, the following definitions of "debt," "government," "payments arrears," and "government obligations" will be used:

- **Debt,** as specified in point 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted by the Executive Board of the IMF on August 24, 2000, will be understood to mean a current, not contingent, liability, created by contract through provision of value in the form of assets (including currency) or services, that requires the obligor to make one or more payments in the form of assets (including currency) or services, at one or more future points in time; these payments being made to discharge principal and interest liabilities incurred under the contract. Debts can take a number of forms, the primary ones being:
    - (i) loans, consisting of advances of money to the obligor (e.g., deposits, bonds, obligations, commercial loans, and buyers' credits), who undertakes to repay the funds in the future, and temporary exchanges of assets that are equivalent to fully collateralized loans where the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (e.g., repurchase agreements and official swap arrangements);
    - (ii) suppliers' credits, which are contracts where the supplier lets the obligor defer payments until after the date on which the goods have been delivered or the services provided; and
    - (iii) leases, which are arrangements in which property is provided for the use of the lessee for a specified period, usually shorter than the total expected life of the property, while the lessor retains title to the property. For purposes of this guideline, 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, except payments that cover the operation, repair, or maintenance of the property.
    - Treasury bills and bonds issued in CFA francs on the WAEMU (West African Economic and Monetary Union) regional market are included in domestic debt for purposes of this memorandum.

- **Government** is defined as the central government of Burkina Faso and does not include any political subdivision, government-owned entity with a separate legal personality, or the central bank.
- **External payments arrears** are external payments due but unpaid. Domestic arrears are domestic payments due but unpaid after a 90-day grace period, unless the obligation specifies a different grace period.
- **Government obligation** is any financial obligation of the government accepted as such by the government (including any government debt).

II. Quantitative Performance Criteria

3. The numerical values for quantitative performance criteria, indicative targets, and adjusters are set out in Table 1 of the attached Memorandum of Economic and Financial Policies (MEFP).

A. Overall Deficit Including Grants

Definition

4. For the program, the overall deficit including grants is valued on a payment-order basis *(ordonnancement)*. It is defined as the sum of foreign and domestic financing (net) of the government measured from the financing side plus cash basis adjustment. Net foreign financing is the sum of foreign borrowing and debt relief minus amortization. Net domestic financing is the sum of (i) net bank credit to the government, including both net bank credit to the treasury as defined below and other government claims on and debts to national banking institutions; (ii) unredeemed government bills and bonds held outside national commercial banks; and (iii) privatization receipts. Net bank credit to the treasury is the balance of the treasury's claims and debts vis-à-vis national banking institutions. Treasury claims include the cash holdings of the Burkinabè Treasury, deposits with the central bank, deposits with commercial banks, secured obligations, and government deposits with the postal system (CCP). Treasury debt to the banking system includes funding from the central bank (including statutory advances, consolidated advances, IMF financing, and refinancing of secured obligations), government securities held by the central bank, funding from commercial banks (including government securities held by commercial banks), and CNE *(Caisse Nationale d'Épargne Postale)*/CCP securitized deposits. Net bank credit to the government is calculated by the Central Bank of West African States (BCEAO), whose figures are recognized as valid for program purposes. The stock of treasury bills and other government debt, as well as net foreign financing, is calculated by the Ministry of Finance. Cash basis adjustment is the sum of (i) payment orders not executed *(ordonnonancées non-payées)*; and (ii) change in treasury deposits.

5. All these items are valued according to the statement of government budgetary execution established monthly in the central government's financial operations table. This is

prepared by the Permanent Secretariat for the Monitoring of Financial Policies and Programs (SP-PPF), in collaboration with the other directorates of the Ministry of Finance and Budget.

Adjustment

6. The overall deficit including grants is adjusted upward by the amount that grants fall short of what is programmed up to a maximum (see the MEFP, Table 1). It will not be adjusted if grants are higher than programmed.

7. The overall deficit including grants will also be adjusted upward by the amount that concessional loans exceed what is programmed up to a maximum (see the MEFP, Table 1).

Reporting deadlines

8. The Ministry of Finance will forward data to the IMF on the overall deficit excluding grants within six weeks after the end of each quarter.

B. Nonaccumulation of Domestic Arrears

Definition

9. The government undertakes not to accumulate any new arrears on domestic government obligations. The treasury keeps records of such arrears and records repayments.

Performance criterion

10. The government will not accumulate any arrears on domestic government obligations during the program period. This is a performance criterion, to be observed continuously.

Reporting deadlines

11. Data on balances, accumulation, and repayment of arrears on domestic obligations will be reported within four weeks after the end of each month.

C. Nonaccumulation of External Arrears

Performance criterion

12. The government's external debt is the stock of debt owed or guaranteed by the government. External arrears are external payments due but not paid on the due date. Under the program, the government undertakes not to accumulate arrears on its external debt, except those arising from government debt that is being renegotiated with creditors, including non-Paris Club bilateral creditors. Nonaccumulation of external arrears is a performance criterion, to be observed continuously.

Reporting deadlines

13. Data on outstanding balances, accumulation, and repayment of external arrears will be forwarded within four weeks after the end of each month.

D. Nonconcessional External Debt Contracted or Guaranteed by the Government

Performance criterion

14. The government undertakes not to contract or guarantee any external debt maturing in one year or more that has a grant element of less than 35 percent (calculated using the interest reference rate for borrowed foreign currencies provided by the IMF) beyond the ceiling indicated in the MEFP (Table 1). This performance criterion applies not only to debt as defined in point 9 of the Guidelines (see ¶2), but also to all commitments contracted or guaranteed for which value has not been received. However, it does not apply to treasury bills and bonds issued in CFA francs on the WAEMU regional market. This performance criterion is to be observed continuously.

Reporting deadlines

15. Details on any loan (terms and creditors) to the government or guaranteed by the government must be reported within four weeks of the end of each month.

E. Government Short-Term External Debt

16. The government undertakes not to accumulate or guarantee any new external debt with a contractual maturity of less than one year. This performance criterion applies not only to debt as defined in point 9 of the Guidelines (see ¶2), but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are import- and export-related loans and treasury bills and bonds issued in CFA francs on the WAEMU regional market and normal short-term suppliers' credits of one year or less. This performance criterion is to be observed continuously. As of April 1, 2007, the government of Burkina Faso had no short-term external debt.

III. Other Quantitative Indicative Targets

17. The program also includes indicative targets on total government revenue and poverty-reducing social expenditures.

A. Total Government Revenue

Definition

18. Total government revenue is valued on a cash basis. It includes all tax and nontax revenue collected by the Directorate General of Taxation, the Directorate General of

Customs, the Burkinabè Treasury, and revenue collection units at ministries and institutions, and it also includes revenue from treasury checks.

Reporting deadlines

19. Details on total revenue will be sent to IMF staff by the SP-PPF of the Ministry of Finance and Budget within six weeks after the end of each month.

B. Poverty-Reducing Social Expenditures

Definition

20. Poverty-reducing social expenditures are defined by the PRSP priority sector programs designed to accelerate the reduction of poverty. They cover all spending categories for the following ministries: Primary Education and Literacy; Health; Social Action and National Solidarity; Promotion of Women; Labor and Social Security; Employment and Youth; Agriculture, Water and Fishing Resources; Animal Resources; and Environment. They also cover rural roads and HIPC resources for infrastructure spending and for the Justice Ministry and the Ministry of Economy and Development. Until 2006 these expenditures were compiled from budget execution tables and from the special HIPC account. Starting in 2007 they are monitored directly through the budget, as are all HIPC resources.

Reporting deadlines

21. The government will report within six weeks after the end of each month the monthly data on poverty-reducing social expenditures.

IV. Structural Performance Criteria

22. The program incorporates structural performance criteria (see the MEFP, Table 2).

A. Nonfiler Notices

23. The government will use Sintax to generate a list of Large Taxpayer Office (LTO) late filers and nonfilers for the main tax categories and send reminders within a week after the deadline for returns. This performance criterion will be observed on a continuous basis starting in June 30, 2007. A late filer is anyone who files a tax return after the deadline. A nonfiler is anyone in the database who did not file taxes. The main tax categories are the VAT *(TVA)*, the corporate income tax *(BIC)*, the tax on income from securities *(IRVM)*, and the tax on income from real estate *(IRF)*. Declaration deadlines for the main tax categories are set in the tax code. The government will send reminders to at least 98 percent of the late filers and nonfilers.

B. Single Customs Declaration Form

24. The government will by June 30, 2007, implement the single customs declaration form (a performance criterion). The form *(Document en Douane Unique, DDU)* will be the sole document used for customs declarations in all customs offices after June 30, 2007.

V. Additional Program-Monitoring Information

A. Public Finance

25. The government will report the following to Fund staff:

- A monthly government flow-of-funds table (TOFE) and the customary appendix tables, to be forwarded within six weeks after the end of each month; if data on actual investment financed by external grants and loans are not available in time, a linear implementation estimate based on the annual projections will be used.
- Complete monthly data on domestic budgetary financing (net bank credit to the government and stock of unredeemed treasury bonds and bills), to be provided within six weeks after the end of each month.
- Quarterly data on implementation of the public investment program, including details on financing sources, to be sent within six weeks after the end of each quarter.
- Quarterly data on external debt stock, external debt service, signing of external loans, and disbursements of external loans, to be sent within four weeks after the end of each quarter.
- Monthly data on prices and the taxation of petroleum products, including (i) prices prevailing during the month; (ii) detailed calculation of the price structure, from the f.o.b.-MED price to the retail price; (iii) volumes purchased and made available for consumption by the petroleum distributor (SONABHY); and (iv) a breakdown of receipts from the taxation of petroleum products—customs duties, tax on petroleum products (TPP), and value-added tax (VAT)—and of subsidies, to be provided within four weeks after the end of each month.
- A monthly statement of the status of accounts with the treasury, classified by major category (administrative services, state enterprises, mixed enterprises, public administrative enterprises, international organizations, private depositors, and others), to be provided within six weeks after the end of each month.
- Quarterly data for the large taxpayer office on (for *TVA, BIC, IRVM, and IRF*) the numbers of:
    - registered taxpayers
    - declarations received on time

- declarations with payments
- declarations with credit balances
- declarations with no tax liability
- declarations with tax liability but without payment
- reminder letters sent to late and nonfilers
- penalty letters sent for late filing, failure to file, and insufficient payments
- comprehensive and issue-oriented audits

as well as:

- amounts of additional tax liabilities, assessed penalties, and collections amounts (principal and penalties)
- data by tax type (VAT, CIT, and excises)
- the stock of tax arrears (original amount, penalties, and interest)
- the flow of new tax arrears
- amounts recovered, and amounts written off.

These quarterly statistics are to be provided within two weeks after the end of each quarter. Similarly, quarterly data on the following are to be sent within 2 weeks of the end of the quarter:

- total number of customs declarations
- number of declarations selected by channel
- number of declarations processed by customs in less than 24 hours
- number of transit declarations not acquitted within 30 days and the value of the corresponding goods
- number of declarations reviewed after release
- number of post-release audits on traders premises
- duties and penalties assessed by category of offences
- collected duties and penalties
- total duty assessed
- total duty collected
- stock of duty under deferred payment (*crédit d'enlèvement*)
- stock of customs arrears.

B. Monetary Sector

26. The government will provide the following information within six weeks after the end of each month:

- the consolidated balance sheet of monetary institutions
- provisional data on the monetary survey (with final data provided ten weeks after the end of each month)
- borrowing and lending interest rates
- customary banking supervision indicators for bank and nonbank financial institutions, if necessary.

C. Balance of Payments

27. The government will report the following to Fund staff:

- any revision of balance of payments data (including services, private transfers, official transfers, and capital transactions), as they occur
- foreign trade statistics compiled by the National Statistics Institute, within three months after the end of the month concerned
- preliminary annual balance of payments data within nine months after the end of the year concerned

D. Real Sector

28. The government will report the following to Fund staff:

- disaggregated monthly consumer price indices, within two weeks after the end of each month
- provisional national accounts
- any revision of the national accounts

E. Structural Reforms and Other Data

29. The government will also report the following:

- any study or official report on Burkina Faso's economy, within two weeks after its publication
- any decision, order, law, decree, ordinance, or circular that has economic or financial implications as soon as it is published or at the latest when it enters into force.

Summary of Data Requirements

Type of Data	Tables	Frequency	Reporting Deadline
Real sector	Provisional national accounts	variable	End of provisional estimate + eight weeks
	Revisions of national accounts	Variable	End of revision + eight weeks
	Disaggregated consumer price index	Monthly	Month's end + two weeks
Public finance	Net treasury and government position at the BCEAO and details of nonbank financing, including the stock of treasury bills and bonds	Monthly	Month's end + six weeks
	Government flow-of-funds table (TOFE) and the customary appendix tables	Monthly	Month's end + six weeks
	Execution of capital budget	Quarterly	End of quarter + six weeks
	Poverty-reducing social expenditures	Monthly	Month's end + six weeks
	Petroleum product pricing formula, tax receipts on petroleum products, and subsidies paid	Monthly	Month's end + four weeks
	Status of the deposit accounts with the public treasury, classified by major category	Monthly	Month's end + six weeks
	Statistics of the LTO on tax filings, tax audits, tax arrears, and collection enforcement actions.	Quarterly	End of quarter + (two) weeks
	Statistics on customs declarations.	Quarterly	End of quarter + four weeks
Monetary and financial data	Monetary survey	Monthly	Month's end + six weeks
	Consolidated balance sheet of monetary institutions	Monthly	Month's end + six weeks
	Borrowing and lending interest rates	Monthly	Month's end + six weeks
	Banking supervision ratios	Quarterly	End of quarter + eight weeks
Balance of payments	Balance of payments	Annual	End of year + nine months
	Trade statistics	Quarterly	End of quarter + eight weeks
	Revised balance of payments data	Variable	When revisions occur
External debt	Outstanding external debt stock, arrears and repayments (if applicable)	Quarterly	End of quarter + four weeks
	Details of all new external borrowing	Quarterly	End of quarter + four weeks