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President Wolfensohn - Briefings Books for Presidents Meetings - Meeting Materials
Minister Zephirin Diabre - Minister of Finance - Burkina Faso - July 26, 1996

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WBG Archives

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Document Log

Reference # : Archive-00731

Edit

Print

A. CLASSIFICATION

- ☒ Meeting Material
- ☐ Trips
- ☐ Speeches

- ☐ Annual Meetings
- ☐ Corporate Management
- ☐ Communications with Staff

- ☐ Phone Logs
- ☐ Calendar
- ☐ Press Clippings/Photos

- ☐ JDW Transcripts
- ☐ Social Events
- ☐ Other

B. SUBJECT: MEETING: MINISTER DIABRE, MINISTER OF FINANCE,
BURKINA FASO
VENUE: E1227 (OFFICE)
IN ATTENDANCE: JDW, MINISTER DIABRE
EXC: JOSIE //LFG (7/16/96 11:48a)

DATE: 07/26/96

C. VPU

Corporate

- ☐ CTR
- ☐ EXT
- ☐ LEG
- ☐ MPS
- ☐ OED
- ☐ SEC/Board
- ☐ TRE

Regional

- ☒ AFR
- ☐ EAP
- ☐ ECA
- ☐ LAC
- ☐ MNA
- ☐ SAS

Central

- ☐ CFS
- ☐ DEC
- ☐ ESD
- ☐ FPD
- ☐ FPR
- ☐ HRO

Affiliates

- ☐ GEF
- ☐ ICSID
- ☐ IFC
- ☐ Inspection Panel
- ☐ Kennedy Center
- ☐ MIGA

D. EXTERNAL PARTNER

- ☐ IMF
- ☐ UN
- ☐ MDB/Other IO
- ☐ NGO
- ☐ Private Sector

- ☐ Part I
- ☒ Part II
- ☐ Other

E. COMMENTS:

Burkina Faso at a glance

POVERTY and SOCIAL

	Burkina Faso	Sub-Saharan Africa	Low-income
Population mid-1994 (<i>millions</i>)	10.7	565	3,176
GNP per capita 1994 (<i>US\$</i>)	300	510	390
GNP 1994 (<i>billions US\$</i>)	3.2	288	1,239

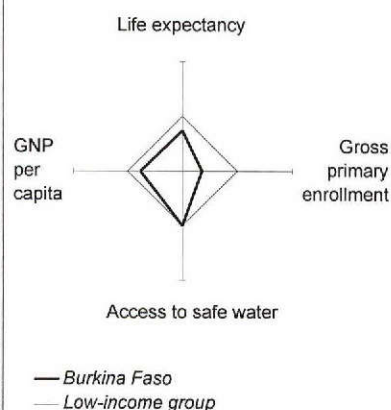
Average annual growth, 1990-94

Population (%)	2.8	2.9	1.8
Labor force (%)	2.1	2.7	1.8

Most recent estimate (latest year available since 1989)

Poverty: headcount index (% of population)	45	..	..
Urban population (% of total population)	10	28	26
Life expectancy at birth (years)	48	52	65
Infant mortality (per 1,000 live births)	132	94	53
Child malnutrition (% of children under 5)	30	..	38
Access to safe water (% of population)	67	..	67
Illiteracy (% of population age 15+)	80	50	41
Gross primary enrollment (% of school-age population)	38	68	106
Male	47	77	112
Female	30	62	100

Development diamond*



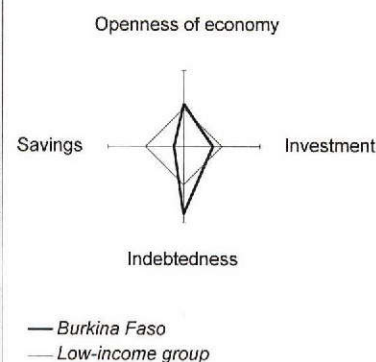
KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1975	1985	1994	1995
GDP (<i>billions US\$</i>)	0.8	1.4	1.9	..
Gross domestic investment/GDP	26.1	24.3	22.1	22.8
Exports of goods and non-factor services/GDP	8.3	10.8	14.3	14.5
Gross domestic savings/GDP	2.5	1.3	6.1	7.0
Gross national savings/GDP	8.8	10.7	19.8	19.4
Current account balance/GDP	-18.4	-13.6	-13.7	-14.0
Interest payments/GDP	0.2	0.7	0.8	0.8
Total debt/GDP	7.5	35.8	60.7	64.0
Total debt service/exports	3.7	10.1	22.6	21.6
Present value of debt/GDP	..	..	31.9	..
Present value of debt/exports	..	..	..	331.6

(average annual growth)

	1975-84	1985-95	1994	1995	1996-04
GDP	4.0	2.7	1.3	4.5	5.6
GNP per capita	0.9	-0.4	-1.8	1.6	3.0
Exports of goods and nfs	4.7	2.4	-17.2	11.6	5.8

Economic ratios*



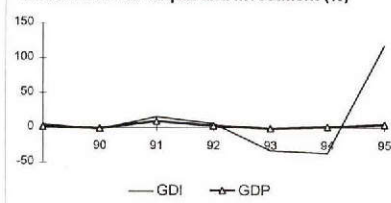
STRUCTURE of the ECONOMY

(% of GDP)	1975	1985	1994	1995
Agriculture	34.3	37.9	33.0	32.9
Industry	29.2	20.1	26.5	26.4
Manufacturing	19.8	15.3	20.2	20.1
Services	36.5	41.9	40.5	40.6
Private consumption	82.9	85.6	78.3	78.5
General government consumption	14.5	13.1	15.6	14.5
Imports of goods and non-factor services	31.8	33.8	30.3	30.3

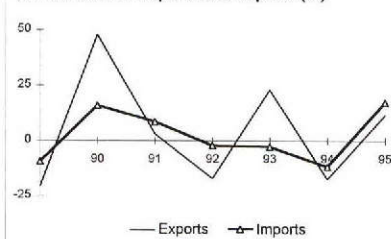
(average annual growth)

	1975-84	1985-95	1994	1995
Agriculture	1.2	3.5	-0.2	4.1
Industry	0.8	1.3	2.3	3.9
Manufacturing	2.8	-5.8	1.7	3.9
Services	10.3	2.9	1.6	5.2
Private consumption	4.1	3.1	6.1	-4.1
General government consumption	5.7	1.8	5.9	-3.6
Gross domestic investment	-0.1	-1.9	-36.4	118.4
Imports of goods and non-factor services	2.4	0.6	-11.5	17.4
Gross national product	4.3	2.7	1.0	4.4

Growth rates of output and investment (%)



Growth rates of exports and imports (%)



Note: 1995 data are preliminary estimates. Figures in *italics* are for years other than those specified.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

JDW

The Minister contacted you by phone and you agreed to see him.

The attached table on Burkina is for your information.

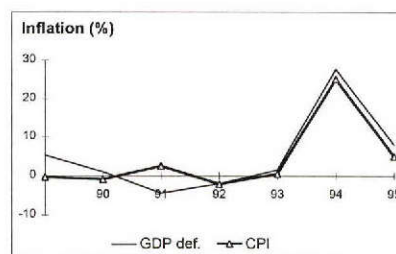
Also in this folder is your note from your last meeting with Diabre in Feb.

You'll meet Ministers on capacity building on Sept. 11.

July 25

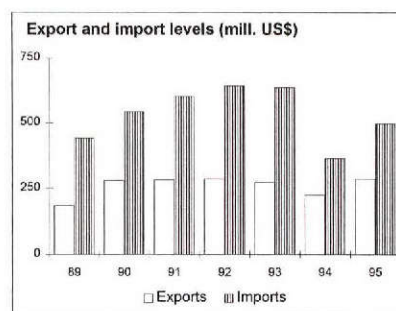
PRICES and GOVERNMENT FINANCE

	1975	1985	1994	1995
Domestic prices				
(% change)				
Consumer prices	18.8	6.9	25.2	5.0
Implicit GDP deflator	8.4	4.7	27.8	8.0
Government finance				
(% of GDP)				
Current revenue	..	9.8	11.0	11.6
Current budget balance	..	1.8	-1.7	0.0
Overall surplus/deficit	..	-4.4	-11.0	-9.8



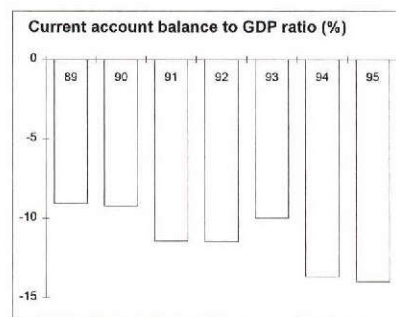
TRADE

	1975	1985	1994	1995
(millions US\$)				
Total exports (fob)	..	136	226	287
Cotton	..	30	59	94
Livestock products	..	14	57	64
Manufactures	..	..	..	..
Total imports (cif)	..	353	365	498
Food	..	59	68	86
Fuel and energy	..	32	35	47
Capital goods	..	106	80	147
Export price index (1985=100)	..	100	145	170
Import price index (1985=100)	..	100	109	117
Terms of trade (1985=100)	..	100	133	145



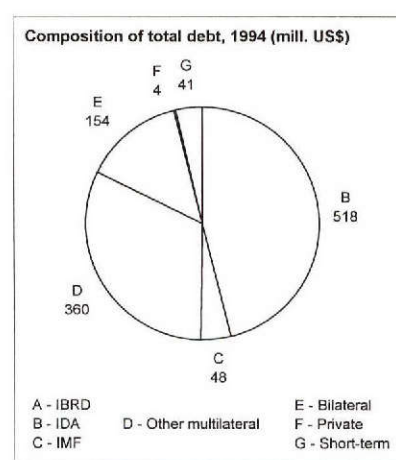
BALANCE of PAYMENTS

	1975	1985	1994	1995
(millions US\$)				
Exports of goods and non-factor services	88	155	266	337
Imports of goods and non-factor services	262	483	563	704
Resource balance	-174	-328	-297	-367
Net factor income	-12	-6	-14	-20
Net current transfers	32	140	56	63
Current account balance, before official transfers	-154	-194	-255	-324
Financing items (net)	147	188	354	451
Changes in net reserves	6	6	-99	-127
Memo:				
Reserves including gold (mill. US\$)	77	143	283	468
Conversion rate (local/US\$)	214.3	449.3	555.2	500.3



EXTERNAL DEBT and RESOURCE FLOWS

	1975	1985	1993	1994
(millions US\$)				
Total debt outstanding and disbursed	63	511	1,115	1,125
IBRD	0	0	0	0
IDA	11	149	425	518
Total debt service	5	29	37	44
IBRD	0	0	0	0
IDA	0	2	6	6
Composition of net resource flows				
Official grants	41	87	227	212
Official creditors	16	50	120	79
Private creditors	1	-9	0	0
Foreign direct investment	0	-1	0	1
Portfolio equity	0	0	0	0
World Bank program				
Commitments	17	64	11	91
Disbursements	5	21	64	79
Principal repayments	0	1	3	3
Net flows	5	21	61	76
Interest payments	0	1	3	3
Net transfers	5	20	58	73



WORLD BANK'S STRATEGY IN BURKINA FASO

Country profile

Income per capita (US\$)	300	Population (millions)	10.7
Average Inflation (% estimate in 1995)	5.0	Population growth (%)	2.8
GDP growth (% estimate in 1995)	4.5	Life Expectancy at birth (1993)	47
Poverty (% of population)	45	Female primary school enrollment (%)	30

- Political Situation**

- President's majority party was dissolved (Feb. 5, 96) and new party was created (Feb. 6) to include 12 small opposition parties.
- Prime Minister Roch Marc Christian Kaboré resigned (Feb. 6), and was appointed Special Adviser to the President.
- New Prime Minister, Mr. Kadré Désiré Ouédraogo, until now BCEAO (franc zone Central Bank) Vice-President, was appointed and a new Government with only 2 new Ministers (Agriculture and Employment) was announced (Feb 9).
- Next Legislative Elections in May 1997 and next Presidential Elections in December 1998.
- Implications:** With removal of reform-minded Prime Minister, we have lost a key partner leaving a vacuum, potentially replaced by more short term, politically-motivated actors.

- Major Current Issues**

- Moving from stabilization to faster growth in the agricultural/livestock/mining sectors and opening up to new innovative sources of growth.
- Accelerating social sector development (gender focus across sectors plus primary and post-primary education; health).

- Possible Topics that Minister Diabré may raise**

- The possibility of his President's visit to the United States, mainly in his capacity as President of UEMOA - Franc Zone cooperation -with a possible side agenda of improving relations with the US.
- Debt sustainability for the poorest (proposal for you to address the ACP - Africa, Caribbean and Pacific Countries' Finance Ministers at a Conference on debt in Brussels - date still to be determined).
- Gender issues and rural finance.

- Structural Adjustment Program**

- Burkina started its adjustment program only in 1991 after an unusually participatory beginning. Internal adjustment through fiscal reform, trade liberalization, public enterprise and banking reform was augmented by the January 1994 devaluation of the CFA franc.
- Public Sector Development. Public Financial Management reforms are now progressing well; Burkinabè teams have taken the lead in completing a Poverty Profile and a 2nd Public Expenditure Review (this is one of the Flagship Operations on Participation); budget/info/statistics, public procurement and civil service reforms have started to emerge with concrete results.
- Private Sector Development. 13 enterprises and 4 formerly state-owned banks have been privatized or liquidated, but progress has been hesitant, particularly as it relates to state monopolies operating in major export sectors - gold, cotton etc.
- Social Sectors. Although social indicators remain very low, primary school enrollment has increased from 29% in 1991 to 36% in 1995 and health services are improving with the provision of generic drugs and increased decentralization of delivery.

- Macroeconomic Situation**

- Performance under the Fund's Enhanced Structural Adjustment Facility (ESAF) has recently been good. All quantitative targets for the 1995 program have been met and the authorities were able to reduce outstanding domestic and external arrears faster than anticipated as a result of strong revenue collection. Inflation has returned to traditionally low levels, below 5 percent, following the devaluation-induced surge in 1994. Real GDP growth was likely around 4-5 percent in 1995 and is expected to increase to 6% over the medium-term.
- The External Debt situation is assessed as sustainable, assuming current levels of grant and concessional financing remain available over the medium term, and Paris Club reschedulings followed by a stock-of-debt operation in 1996. NPV Debt/Export ratio is projected to decline from 332% in 1995 to 191% by the year 2000; Debt Service/Export ratio is expected to decline from 21.6 in 1995 to 14.5 percent in 2000.

- The Bank's Strategic Priorities**

The agreed (early December 1995 CAS discussions) overarching objective of poverty reduction was confirmed during our 2nd round of CAS discussions in early February 1996. The same can be said for: (i) macroeconomic stability and growth objectives; (ii) increased emphasis on human and natural resources development; (iii) public and (iv) private sector development; and (v) regional integration. Where insufficient policy level discussion, due to the political changes noted above, has occurred is on the different growth scenarios, related policy reforms and choices to which commitment must occur to know the content and timing of the various IDA instruments available.

2/15
This is basically
a courtesy visit.
M. Diabre appreciates
you seeing him.
John

Prepared by
Whitney Foster
Sr. Country Officer

ZEPHIRIN DIABRE

Minister of Finance, Economy and Planning, Burkina Faso

Mr. Diabre was born in 1959 in Ouagadougou, Burkina Faso. He received his undergraduate degree from the Bordeaux School of Commerce, a masters from the Institute of Enterprise Administration in Bordeaux and a doctorate in economics from the University of Bordeaux 1. Mr. Diabre worked as a professor and personnel manager until 1992, when he was elected to the National Assembly as the representative of Zoundweogo. Soon thereafter, in June 1992, Mr. Diabre was named Minister of Industry, Commerce and Mines, a post he held until March 1994, when he was named Minister of Finance and Planning.