

INTERNATIONAL MONETARY FUND AND
INTERNATIONAL DEVELOPMENT ASSOCIATION

BURUNDI

Enhanced Initiative for Heavily Indebted Poor Countries—Preliminary Document

Prepared by the Staffs of the International Monetary Fund and the World Bank

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I. INTRODUCTION

1. This paper presents a preliminary assessment of Burundi's eligibility for assistance under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. The findings are based on several joint IDA-IMF missions to Bujumbura, most recently in September and November 2004. Together with the authorities, the September mission conducted a preliminary debt sustainability analysis (DSA). Burundi has a heavy debt burden and limited resources, with a present value (NPV) of debt-to-exports ratio of almost 2,000 percent at end-2003 before application of traditional debt-relief mechanisms. The results of the preliminary DSA show that Burundi's external debt situation would continue to exceed the HIPC threshold even after application of traditional debt-relief mechanisms, with a NPV of debt-to-exports ratio of 1,834 percent at end-2003. However, it should be noted that under the decision to extend the sunset clause under the HIPC Initiative to end-2006, the eligibility requirement was amended such that the requirement of a determination of unsustainable debt should be based on end-2004 data for any member that had not reached the decision point by end-2004.¹ The end-2004 data will be reflected in the documents for the decision point discussion (proposed to be in May 2005).

2. Section II provides background information on eligibility under the enhanced HIPC Initiative, the incidence of poverty, and the policy track record. Section III presents the preliminary DSA, including possible assistance under the enhanced HIPC Initiative. Section IV outlines the proposed timeline for preparation of the decision point document, the proposed key reforms to be considered for the completion point triggers, and gives a preliminary indication of how debt-service savings after the decision point will be used and tracked. Section V includes issues for discussion by the Boards of Executive Directors.

II. BACKGROUND AND ASSESSMENT OF ELIGIBILITY AND QUALIFICATION FOR HIPC ASSISTANCE

A. PRGF and IDA Status

3. Burundi is an IDA-only country, with a per capita GDP of about US\$83 in 2003, and is eligible to receive resources under the IMF's Poverty Reduction and Growth Facility (PRGF). Burundi will continue to need substantial concessional assistance from the international community and is likely to remain an IDA-only country and eligible for PRGF resources for many years to come.

B. Poverty Reduction and Human Resource Development

4. Although income per capita in Burundi has recovered since 2000, it is still less than one-half the historic high of US\$180 attained before civil conflict erupted in 1993. In terms

¹ IMF Decision No. 13367-(04/97) PRGF, October 8, 2004; see also EBS/04/145, 10/08/04 and BUFF/04/171, 9/08/04. IDA Board documents R2004-0187 and IDA/R2004-0234.

of social welfare indicators, Burundi is the fourth least developed country in the world (2004 United Nations Development Program (UNDP)-Human Development Index).² Burundi's social indicators (Box 1) are among the weakest in Sub-Saharan Africa, reflecting pervasive poverty. Since 1992, the percentage of people living below the poverty line has doubled, from 35 percent overall to 68 percent in 2002 (68.7 percent in rural areas, 66.0 percent in urban areas). The child malnutrition rate has risen from 35 percent in 1987 to 45 percent in 2000. Access to safe water and health services remains extremely low, at less than 48 percent and 20 percent of the population, respectively.

5. Displaced persons (400,000 internally and 600,000 refugees in camps abroad at the peak of the fighting) suffer from deprivation, malnutrition, lack of sanitation, and poor health conditions. HIV/AIDS prevalence is rising, particularly in the refugee camps, and increased from less than 1 percent to 6 percent of the population between 1989 and 1998 (11 percent to 20 percent in urban areas). The number of people living with HIV/AIDS in 1999 was about 360,000 in the 15-49 age group, and 19,000 for those under 15. There are some 558,000 orphans, about 195,000 of whom are believed to have been orphaned by AIDS.

Box 1. Poverty and Social Indicators		
(In percent, unless otherwise specified, as of latest year for which data available)		
Indicator	Burundi	Sub-Saharan Africa
Population (in millions; 2002)	7.3	702.6
Population growth (2003)	2.0	2.1
GDP per capita (US\$; (2003)	83	490
Life expectancy at birth (years; 2002)	41.7	45.8
Infant mortality rate (per thousand, 2002)	123	103.1
Child mortality rate (per thousand, 1998)	208	173.9
Maternal mortality rate (per 100,000/live births; 2001)	1300	916.8
HIV/AIDS prevalence (percent of active sexually population ; 2001)	11.3	n.a.
Literacy rate (percent of population; 2001)	55.4	64.9
Gross school enrollment rate (percent of age group; 2001)	71.0	87
Male	79.5	94
Female	62.4	80
Population density (persons/sq km)	262.0	29.2
Sources: Burundi I-PRSP, World Bank, African Development Indicators 2004 and World Development Report 2005; and UNESCO database.		

6. The government adopted an interim Poverty Reduction Strategy Paper (I-PRSP)—assessed by IDA and IMF staffs in January 2004—following a broad-based participatory process. The authorities are also seeking to mobilize development partners to support Burundi's poverty alleviation agenda.

²The index measures a country's achievements in three aspects of human development: longevity, knowledge, and decent standard of living.

C. Policy Implementation Track Record

7. Within a difficult political environment, and starting from a very low base, the Burundi authorities have made **good initial progress in implementing financial and structural reforms**, but large challenges remain. These include the need to complete the political transition to democracy, demobilize armed combatants, and address widespread deep poverty
8. During extended periods of political stability since independence in 1962, Burundi achieved above average economic and social progress compared to Sub-Saharan Africa. However, since 1993 **civil conflict** has derailed this progress and, combined with the effects of a 1996-99 economic embargo imposed by governments in the region, Burundi suffered a ten-year period of economic decline. The turning point for Burundi was the signing of a **peace and reconciliation** agreement among 39 political-ethnic groups in Arusha, Tanzania, in August 2000. Since then a transition government has been established, which subsequently brought in all but one of the armed groups that had not signed the Arusha Agreement. A senate and parliament were established in 2002 and a peaceful presidential change from a Tutsi to a Hutu took place as envisaged in 2003. A referendum on a draft new constitution and national elections are to be held before May 2005. The proposed constitution provides minority Tutsis with a guaranteed 40 percent of seats in the National Assembly and positions in the cabinet.
9. A United Nations peacekeeping force (ONUB) is implementing a **disarmament, demobilization, and reintegration** program supported by the UN, IDA, and bilateral donors through the Multi-Country Demobilization and Reintegration Program (MDRP). In September 2004, agreement was reached on the integration of former rebel combatants into the new armed forces and demobilization commenced in late November 2004. Actions to improve internal security through reform of the security services, justice system, and local administrations are also being undertaken. Actions for **resettlement and reintegration of victims** include a protocol for access and protection of internally displaced persons and the establishment in 2003 of a National Commission on Reintegration of Refugees that has assisted with the return of some 300,000 refugees to date.
10. The improving political and security conditions allowed the authorities to make progress toward restoring **macroeconomic and financial stability**, economic growth, and international trade. These efforts have been supported by the World Bank through balance of payments support (an Emergency Economic Recovery Credit in 2000 and an Economic Recovery Credit in 2002), sector grants and loans, and trust-fund financed support to help cover multilateral debt service and the clearance of arrears to the African Development Bank (AfDB) for 2003-04.³ Beginning in the second half of 2001, the authorities implemented economic reform programs, supported first by an IMF Staff-Monitored Program and

³ Belgium, Italy, the United Kingdom, France, and Norway have supported the trust fund.

subsequently (in 2002-03) by the IMF's Emergency Post-Conflict Assistance, which led to a three-year PRGF arrangement beginning in January 2004. The European Union and bilateral donors have also provided important assistance. The authorities' reform efforts, despite sporadic localized hostilities from the one remaining rebel faction, have restored positive real economic growth, reduced inflation to single digit levels, and increased the provision of social services.

11. The authorities' **medium-term macroeconomic objectives**, as outlined in their I-PRSP, are to achieve sustained economic growth of some 5 percent per annum, lower inflation to about 4-5 percent, increase in the level of foreign reserves to six months of imports of goods and services, reduce the external current account deficit (in relation to GDP), limit external financing to grants and highly concessional loans, restore a sustainable external debt position, and boost private savings and investment. These objectives will only be achieved through sustained export-led growth. Burundi's low export revenue is a serious problem which threatens to derail efforts to secure adequate, sustainable levels of foreign exchange. This issue and related policies which will be addressed by a WTO-IDA-led Diagnostic Trade Integration Study (nearing completion) and an IDA Sources of Growth study planned for 2005. The government is committed to allocating more funds for the poor; fostering community management and partnerships with the private sector and civil society; establishing an enabling environment for private sector activity, while disengaging the State from the productive system; and raising agricultural productivity and diversification.

12. Recent performance in **implementing economic reforms** has been broadly satisfactory, despite delays in structural reforms and some slippages in fiscal policy in 2004. Following the Arusha Agreement, the authorities resumed their financial and structural reform program in a difficult political and economic environment of strong expenditure pressures, related to the establishment of the transitional institutions envisaged in the Agreement, the accommodation of representatives from former rebel factions into the transition government, and restoring coverage of social programs. Measures to boost private sector participation through resumption of privatization, land reform, and sectoral liberalization have generally been delayed by the heavy political agenda, which has drawn out the transition process. Box 2 lists selected measures implemented during 2003-04.

13. Management and discipline in public finances, weakened by personnel losses related to the conflict and subsequent low wage scale, have been strengthened. Key actions have been undertaken in **public expenditure management**, supported by IDA assistance initiated in 2000 and still underway with support from IDA's Economic Management Support Project (EMSP). These include adoption of a functional and economic classification system of budgetary expenditure and a double-entry accounting system, implementation of a system for monitoring the flow of resources and government expenditures with respect to external assistance programs, and computerization of expenditure management. In 2004, legislation establishing an audit court (*Cour des Comptes*) was ratified by parliament and an action plan adopted for its opening in spring 2005. **Revenue mobilization** reforms include strengthened tax administration and collection; elimination of line ministry authority to grant tax

exemptions; and creation of units in the customs and internal revenue departments to monitor the purpose, recipients, and value of exemptions granted.

14. Major progress has been made in liberalizing the **foreign exchange system**. In 2000, the central bank switched from allocating foreign exchange administratively to an auction system. Further liberalization measures resulted in the removal of restrictions on current transactions in 2003 and led to the gradual convergence of the parallel and official exchange rates; by late 2004 the differential fell below 3 percent. To curb **inflation** from double-digit levels, the authorities tightened monetary policy in 2001. Inflation fell to 3.5 percent at end-2002, spiked to 10.7 percent at end-2003, and is projected to return to single-digit levels at end-2004.

Box 2. Selected Economic Policy and Structural Measures, 2003-04	
Measures	Status
Elimination of remaining exchange restrictions on current account transactions and bona fide amortization payments	Done (September 2003)
Preparation and adoption by the cabinet of a gender action plan, satisfactory to IDA, to eliminate gender disparities, including enabling women to inherit land and other properties.	Done (September 2003)
Adoption by the parliament of a budget law (for 2004) in line with program objectives	Done (December 2003)
Extension of transactions tax to domestically produced goods and services	Done (January 2004)
Adoption by the cabinet of a draft legislation to establish an Office of Auditor General responsible for auditing the financial operations of public agencies, and the submission of the draft legislation to the National Assembly.	Done (March 2004)
Assessment that all banks in operation meet the minimum capital requirement	Two banks closed (March 2004)
Establishment of a new audit court (<i>Cour des Comptes</i>)	Justices appointed (June 2004); audit of 2004 government accounts to begin in April 2005.
Adoption by the cabinet of an action plan for the reform of the public procurement administration.	Done (August 2004)
Adoption by the cabinet of a comprehensive strategy, developed in consultation with stakeholders, to revive the coffee, tea, and cotton sub-sectors.	Done (October 2004)
Adoption by the cabinet of the New National Accounting and Budget Nomenclature.	Done (November 2004)

15. The authorities have sought to **normalize relations with international creditors**. By late 2004, arrears to multilateral creditors had been cleared or arrangements to do so were in place, and the AfDB had resumed lending operations to Burundi (Box 3). In March 2004, Burundi was accorded a Paris Club debt rescheduling on Naples terms, and has since

concluded all but one bilateral agreement. Discussions are under way to secure comparable treatment from other non-Paris Club bilaterals and commercial creditors.

Box 3. Arrears Clearance

Burundi has made major efforts to normalize relations with creditors, and during 2003 and 2004 reached the following agreements with multilateral and bilateral creditors:

- The **African Development Bank Group** (AfDB) approved a framework for assisting post-conflict countries (PCC) to clear their arrears to the AfDB in July 2004. The framework is based on sharing the financing cost amongst the country, donors, and the AfDB PCC facility determined on a case-by-case basis. Earlier in 2004, Burundi had paid UA 6.7 million to clear 30 percent of total UA 22.6 million (US\$33.6) in arrears at end-2003.¹ Donors (France and the EU) committed UA 8.0 million and the AfDB Board of Directors approved a UA 8.0 million grant from the PPC facility to complete the arrears clearance program in October 2004.
- The **OPEC Fund** implemented a Commodity Import Program (CIP) to achieve a concessional rescheduling of US\$6.0 million in arrears at end-1998. The program was frozen after Burundi failed to repay US\$1.5 million falling due in 1999. The CIP was resumed in 2003, after a payment from Burundi. The OPEC Fund granted an additional CIP to clear US\$3.2 million in arrears accrued since 1998.
- **BADEA** agreed on consolidating US\$16.7 million in arrears in July 2003 and repayments falling due from August 2003 to end-2004. The total amount of US\$17.3 million will be repaid at concessional terms over 11 years.
- Arrears to the **European Union** totaling some US\$25 million to the EU and the European Investment Bank were cleared in mid-2004 entirely with EU grant assistance.
- Arrears to **Paris Club creditors** were cleared in the context of the March 2004 rescheduling (Box 4).

¹ The PCC facility is a legal autonomous entity under the auspices of the African Development Fund (AfDF) for the sole purpose of providing grant resources to assist qualifying PCCs clear their AfDB Group arrears. The facility is financed from UA 100 million from the AfDB net income allocations, UA 100 million from ADF-10 resources, and UA 7 million from Nigeria Trust Fund income allocations.

16. On the structural front, a wide range of programs have been initiated and measures implemented. **Good governance** actions taken include the appointment of a state minister for good governance in 2003, the establishment of an inter-ministerial committee to promote good governance and fight corruption, the preparation of a governance action plan, the strengthening of the Inspectorate General of Finances, creation of an audit court, and establishment of an International Commission of Inquiry on political prisoners.

17. **Private sector development** is key to pro-poor growth. Actions undertaken to promote the sector include programs to clear the government's arrears to private sector suppliers, the implementation of a revised corporate law, and preparation of a new commercial law. Revisions to the bankruptcy laws and improvements in the arbitration system are under way, and a policy framework to re-establish a public enterprise privatization program has been prepared. Like other countries in conflict, Burundi has experienced major net disinvestment with gross private investment of less than 3 percent of GDP failing far short of maintaining a capital stock that has declined through the deterioration and destruction of productive assets. Durable peace is therefore a necessary

condition for these policy actions to reverse the economic decline. In addition, for sustainable growth to occur the government must strengthen the steps it has already taken, and contemplate new measures to improve the business climate.

18. **Human resource development** policy programs that are being implemented include the rehabilitation of education and health infrastructure. Priorities are for improving access to these services in formerly underserved ethnic communities, the decentralization of health management to improve coverage and quality of basic health services, the introduction of an independent and autonomous management structure for public hospitals, and the use of cost-recovery mechanisms to improve and ensure a sustainable provision of health services. A multi-sector strategy for the fight against HIV/AIDS is being implemented. Actions taken in **gender and social protection** include the preparation of a gender action plan, and establishment of a fund to support the development of micro-credit institutions in rural communities and safety net mechanisms to assist the poor and victims of conflict. The matrimonial code has been revised to grant property rights to wives, including the right of widows to inherit land. Campaigns to promote the role of women have been undertaken. Representation of women in public offices has been increased (the Arusha Accord established a minimum threshold of 30 percent). However, Burundi's prospects of meeting the Millennium Development Goals are uncertain. While the goals for gender participation and access to public services are attainable by 2015, it is unlikely that the other goals can be met in this timeframe, given the handicaps from a decade of hostilities, forced displacement of populations, and economic decline.

19. The **rural sector** contributes nearly 50 percent of GDP and supports more than 90 percent of the population. Therefore, increasing agricultural productivity and diversification and rural development are among the government's major priorities to revitalize the economy and reduce poverty. The Council of Ministers approved a comprehensive reform plan of the coffee (a key sector), tea, and cotton sectors in October 2004. Measures have been implemented to rebuild livestock herds. Demographic pressures have led to the degradation of **land** and the government is addressing this through an Agriculture Rehabilitation and Sustainable Land Management Program supported by IDA. While seeking to increase the area available for farming, the government gives priority to programs for resettling war victims and returning refugees and reintegrating them in agricultural activities, restoring them where possible to their former properties, and arranging new properties or vocations for others.

III. DEBT SUSTAINABILITY ANALYSIS AND POSSIBLE HIPC ASSISTANCE

A. Debt Reconciliation Status

20. The DSA presented below was prepared jointly by the authorities and the staffs of IDA and the IMF, based on loan-by-loan data provided by the authorities and creditors for public and publicly guaranteed debt outstanding and disbursed as of end-December 2003.

More than 95 percent of outstanding debt has been reconciled with the creditors, with only information on a few non-Paris Club bilateral creditors still needed.⁴

B. Structure of External Debt

21. At end-December 2003, Burundi's public and publicly guaranteed external debt, including arrears, was estimated at US\$1,351 million in nominal terms. Multilateral creditors account for 84 percent of this debt and Paris Club bilateral creditors for 11 percent. After assuming full use of traditional debt relief mechanisms for bilateral and commercial debt, and excluding the clearance of multilateral arrears (which have since been cleared primarily through external grants), the stock of external debt outstanding in NPV terms is US\$872 million (Table 3, Figures 1 and 2).

22. **External arrears.** From the onset of the civil war in the early 1990s, Burundi accumulated arrears to most of its external creditors for a total stock of arrears amounting to US\$185 million or 14 percent of total debt outstanding at end-2003. About 36 percent of total arrears, or US\$66 million, was owed to multilateral creditors—arrears to the AfDB totaled US\$34 million and to the European Union US\$25 million. As of late 2004, Burundi had cleared its arrears to all multilateral creditors. As of end-2003, 64 percent of total arrears was owed to bilateral and commercial creditors. Arrears to Paris Club bilateral creditors amounted to US\$79 million and US\$39 million was owed to other bilateral and commercial creditors. In March 2004, the Paris Club agreed on a concessional rescheduling (Box 4).

⁴ The reconciliation process has been completed for all multilateral, Paris Club, and commercial debt. Reconciliation is not completed with respect to debt owed to China, Kuwait, Libya, Saudi Arabia, and United Arab Emirates.

Box 4. Paris Club Rescheduling

Paris Club creditors agreed on March 4, 2004, to a restructuring of Burundi's public external debt, following the approval of a PRGF arrangement in January 2004. The deadline for concluding the bilateral agreements was extended from end-September 2004 to early-March 2005, and by November 2004 agreements had been signed with all but one creditor (Japan). The reconciliation of the debt was carried out in the context of the bilateral agreements. A total of US\$85 million was treated, of which US\$4 million was cancelled. The specifics are summarized below:

- The agreement treats both accumulated arrears as of end-2003 and current maturities falling due in 2004-2006 under Naples terms.
- Pre-cut off date (June 20, 1999) official development aid (ODA) debts are rescheduled over 40 years, with 16 years grace, at interest rates at least as favorable as the original interest rates.
- Pre-cut off date commercial credits are rescheduled over 23 years, with 8 years of grace, at market interest rates, with a present value reduction of 67 percent.
- 75 percent of interest accruing in 2005-2006 on rescheduled amounts was capitalized, with repayment (in equal semi-annual installments) between September 2008 and March 2016.
- Creditors agreed to top-up the reduction rate to 90 percent (Cologne terms) as soon as Burundi has reached its decision point under the enhanced HIPC Initiative.
- Burundi committed to seek comparable treatment from other external creditors.

C. Debt Sustainability Analysis

23. The underlying macroeconomic projections assume that Burundi's economy continues to recover in line with the program approved by the government in 2004, with the support of external financing at highly concessional terms (Box 5). According to the baseline scenario, which incorporates a considerable domestic savings effort taking hold as recovery continues, Burundi's external debt is projected to remain above the HIPC thresholds even after HIPC assistance (Table 7). To reach the HIPC threshold would require a very high proportion of external financing to be provided as grants early in the projection period to finance priority expenditure (see sensitivity analysis below) and deep reforms to underpin stronger growth and export performance.

24. The outlook envisages continued consolidation of the peace process, macroeconomic stability, and structural reforms, and full normalization of relations with creditors from 2005. Annual real GDP growth is projected at 5 percent, which could be significantly exceeded early in the projection period, under the impulse of the reconstruction effort, as returning refugees and demobilized combatants begin productive activities, land and other property in recently-insecure locations are reclaimed and are put to economic use, and structural reforms take hold (Table 10 and Box 5). Starting from an exceptionally low base in 2004, exports are expected to surge in 2005 and drive growth over the long term as export volumes increase by 4-9 percent per year (7.5 percent on average), assuming the significant development of nontraditional sectors. In addition, with coffee sector reforms geared toward enhanced quality of production, Burundi's coffee is projected once again to fetch a premium over international prices starting in 2008. With imports easing after the reconstruction period, the trade balance of goods and services improves over the projection period. The current account deficit is projected to remain at above 10 percent of GDP over the medium term and to narrow to 5 percent of GDP by 2023, while private savings gradually rise to 8½ percent of

GDP by 2023. The economic recovery and the reintegration of combatants are expected to be sustained by significant levels of official external financing, which in gross terms are expected to reach 51 percent of GDP in 2004, and then trend down to 9 percent by 2023. Official grants are projected to substantially exceed official loans, which are assumed to be on PRGF or IDA terms, with a combined average grant element of about 40 percent. Fiscal revenues are projected to remain at about 20 percent of GDP.

Box 5. Main Assumptions in the Debt Sustainability Analysis

Real GDP growth averages 5 percent over 2004–23, underpinned by an initial boost from reconstruction and subsequent improvements in agricultural production and other private sector activities.

CPI inflation is projected to decelerate from 11 percent in 2003 to 7 percent in 2004-06 on average, and subsequently to drop steadily to 4 percent through 2023.

Fiscal policy aims at achieving the government’s spending priorities while maintaining macroeconomic stability. Revenues, excluding grants, are assumed to remain at the current 19 percent of GDP through 2010 and to slowly rise to 20 percent of GDP until 2023.

Gross official external financing (grants plus loan disbursements) is expected to average about 46 percent of GDP during 2004–05, then trend down to 10 percent of GDP in 2023. Net resource transfers are expected to remain positive throughout the projection period averaging 37 percent of GDP over 2004–05, then trending down to 7 percent of GDP in 2023.

Official loan financing (excluding the IMF) is assumed to be entirely at concessional rates on terms comparable to IDA.

Export receipts in U.S. dollars are expected to surge in 2005 and then rise annually at rates decelerating from 16 percent in 2006 to 7 percent in 2023. The composition of exports is expected to shift from coffee and tea production to other sectors (other agricultural products, processed foods and light manufactures). Coffee quality is assumed to improve, reflecting the impact of the sector’s reform, and the price discount relative to world prices is assumed to revert to a premium after 2008. The GDP share of exports of goods and services is projected to rise from 8 percent in 2004 to 11 percent in 2008 and to 13 percent from 2021 onwards.

Imports of goods and services in U.S. dollars are projected to average 42 percent of GDP in 2004-05 and, with emergency assistance and reconstruction-related imports winding down, to decline below 30 percent of GDP in 2008.

25. The projected baseline growth rates and export performance may appear optimistic, especially seen against Burundi’s past experience. The rate of real GDP growth slightly exceeds that observed in periods of peace during the 1980s, but is in line with evidence from post-conflict recovery elsewhere. It is likely that growth will be bolstered by the economic contribution of the hundreds of thousands of returning refugees and displaced, and the reintegration of tens of thousands of former armed combatants into productive society, supported by the MDRP and other government programs. Moreover, the baseline does not incorporate a post-conflict catch up period with higher rates of growth. Nevertheless, the authorities will need to vigorously pursue structural reform and security policies which favor

private sector investment. Coffee exports are projected to double over the next twenty years, consistent with Burundi's potential and historical highs. The projections also take into account an export-led diversification of the economy, which has potential to expand into agro-focused goods, light industrial manufactures, and possibly high value mineral resources.⁵ The projections will be revisited for the HIPC Decision Point document.

26. On the basis of these assumptions, and taking into account the phased-in provision of HIPC Initiative assistance, the NPV of outstanding debt-to-exports ratio would remain significantly above 150 percent through the interim period (Table 7), notwithstanding the assumed high share of grants in official assistance (paragraphs 1 and 34). The estimates for the amount of HIPC assistance are based on the NPV of the stock of multilateral debt at end-2003 prior to arrears clearance and on the end-2003 NPV of bilateral and commercial debt assuming the full use of traditional debt relief mechanisms as simulated by a hypothetical stock-of-debt operation on eligible debt on Naples terms. After the full delivery of HIPC assistance, the ratio of the NPV of debt to exports is projected to rise sharply initially, peaking at 302 percent in 2006 and to decline steadily to 182 percent in 2023. This profile reflects significant new reconstruction and adjustment lending by multilaterals on highly concessional terms in the 2004-06 period.⁶

D. Possible HIPC Initiative Assistance

27. After the full use of traditional debt-relief mechanisms to bring the external debt-to-exports ratio down from 1,834 percent at end-2003 to the target ratio of 150 percent implies a **common reduction factor** of 91.8 percent for all creditors or relief in the amount of US\$801 million in NPV terms (Table 4).

28. Of this amount, possible assistance from multilateral creditors would be about US\$681 million in NPV terms, and relief from Paris Club bilateral creditors would amount to about US\$79 million. Commercial creditors would be expected to provide a further US\$8 million of relief in NPV terms and other official bilateral creditors US\$33 million. Assuming the time profile and modalities laid out below, this translates into about US\$1,322 million of debt relief in nominal terms over time. The following assumptions were made in projecting the time profile of possible enhanced HIPC Initiative assistance:

- **Paris Club bilateral creditors.** There would be a flow rescheduling on Cologne terms—or a 90 percent NPV reduction—after reaching the decision point (which is assumed to take place in May 2005), with delivery of the remaining required

⁵ IDA is planning to undertake a study in early 2005 of the potential sources of growth in Burundi.

⁶ At the expected time of the decision point in mid-2005, enhanced HIPC Initiative assistance would be based on end-2004 debt stock. As new disbursements during 2004 would be incorporated in the base period stock of debt, this would imply commensurately higher HIPC assistance and a somewhat lower projected profile in the NPV of debt-to-exports ratio over the projection period, all other things constant.

assistance at the completion point expected at end-2006, through a stock-of-debt operation.

- Comparable treatment would be provided **by non-Paris Club official bilateral creditors**.
- **IMF** assistance would total US\$24.2 million in NPV terms. Immediately following the approval of the decision point by the Boards of IDA and the IMF, the IMF would provide interim assistance in the form of debt-service reduction in 2005-06, covering PRGF interest obligations. PRGF principal repayments due to the IMF begin August 2009. Therefore, most of the IMF's remaining HIPC relief would be delivered following the completion point, with debt-service reduction through 2014 (Table 11).
- **IDA** would provide total assistance amounting to US\$414.0 million in NPV terms. Immediately following the approval of the decision point by the Boards of IDA and the IMF, IDA would begin to provide interim assistance in the form of debt-service reduction on debt outstanding and disbursed at end-2004, and, assuming that Burundi reaches the completion point in early 2006, would continue until 2042 (Table 12).

All other creditors are assumed to provide debt-service reduction until their contributions meet the requirement under the enhanced HIPC Initiative. Discussions are ongoing with AfDB and other multilaterals as to the precise modalities.

E. Impact of HIPC Initiative Assistance

29. Burundi's exports and budgetary resources cannot support its external debt burden, and significant donor support on grant or highly concessional terms will be necessary through the medium-term. Some 56 percent of the bilateral nominal stock of debt was in arrears (at end-2003). Consequently, total debt-service obligations before HIPC relief also include significant interest on arrears. During the process of normalizing its relations with the international community, the entire stock of external arrears is assumed to be replaced by new successor arrangements or rescheduled. Notwithstanding debt relief received from Paris Club creditors in 2004, scheduled debt service would rise after arrears clearance (Table 6). HIPC assistance would reduce debt service due in the interim period (June 2005 to end-2006)⁷ from an average of 54 percent of exports after traditional debt relief to 21 percent. Debt service would subsequently trend down to an average of 7.9 percent in 2014-23. Similarly, debt service due in 2005 after traditional debt relief is expected to reach 27.6 percent of fiscal revenue, but would decline to 12.8 percent, after HIPC assistance, and subsequently to an average of 5.2 percent in 2014-23. Additional external resources, including from the recovery of exports, will more than offset debt service obligations and result in a net positive inflow during the interim period and beyond (Table 9). However, in

⁷ Interim relief is assumed to be provided by the IMF, IDA, the African Development Bank, other multilateral creditors and the Paris Club.

the interim period projected ratios of debt service to exports after HIPC relief do not compare favorably with the average ratio (8.2 percent in 2004) of the 27 countries that have reached their decision or completion points because of the limited number of creditors assumed to provide interim relief and debt service on new borrowing. The reduction of debt service as a result of HIPC assistance is expected to average nearly US\$27 million in 2005, increasing to an annual average of about US\$40 million after the completion point.⁸

F. Sensitivity Analysis

30. Four scenarios were carried out to test the sustainability of Burundi's external debt after HIPC Initiative assistance (Table 8, Figure 4). The **first scenario** considers the sensitivity of the baseline projections to higher non-oil prices on imports, assuming an unchanged level of investment and private and public consumption. Non-oil prices are assumed to be 5 percentage points higher than projected during 2005-09, and thereafter to increase according to the baseline scenario. The higher import growth is assumed to be partially financed by additional concessional borrowing for the whole projection period. Under these assumptions, the ratio of the NPV of debt to exports and the ratio of debt service to exports would be on average 39 percentage points and 1 percentage point higher, respectively, than in the baseline scenario, during 2003-13; the corresponding figures for 2014-23 are projected to be 92 percentage points and 2 percentage points, respectively.

31. The **second scenario** considers the impact of a two percentage point increase in interest rates paid on all loans, starting in 2005 and remaining in place throughout the projection period. Both export receipts and government revenues are assumed to remain unchanged from the baseline scenario. Under these assumptions, the ratio of the NPV of debt to exports would remain on average 104 percentage points higher than the baseline scenario over the period 2003-13, while the debt-service-to-exports ratio would average 8 percentage points higher. The corresponding figures for 2014-23 are 122 percentage points and 9 percentage points higher, respectively.

32. A **third scenario** illustrates the effect on debt ratios of assuming future financing (excluding the IMF) is entirely grants until the ratio of NPV of debt to exports reaches 150 percent. Under this scenario, Burundi would benefit from 100 percent grant financing during the period 2006-08. Under this scenario, the NPV of debt-to-exports ratio is projected to reach 150 percent in 2011. After 2011, financing needs are assumed to be met with a mix of 50 percent grants and 50 percent concessional loans. The highly concessional terms assumed after 2011 maintains the ratio of the NPV of debt to exports permanently below the 150 percent threshold and significantly lowers the debt-service burden with respect to the baseline scenario.

⁸ In nominal flow terms, HIPC assistance by multilateral creditors is defined as the reduction in debt service due after arrears clearance and after HIPC assistance. For bilateral and commercial creditors it is defined as the difference between debt service due after traditional debt relief and that due after HIPC assistance.

33. A **fourth scenario** highlights the risks of failing to achieve robust and prolonged export growth. The baseline scenario assumes that exports would significantly contribute to growth over the medium and long term. If the assumption is changed so that export volumes are projected to increase at a rate 1 percentage point lower than that of the baseline scenario, the NPV of debt-to-exports ratio is projected to average 14 percentage points more than the baseline scenario in the period 2004-2013 and to be 72 percentage points above the baseline level at the end of the projection period.

34. Other possible scenarios were considered, in particular adverse price shocks reflecting Burundi's vulnerability to coffee price developments in world markets. Such shocks would worsen the sustainability of Burundi's debt compared to the baseline. These issues highlight the importance of a deep and sustained reform effort by the local and international community to re-establish internal security, and by the authorities to attract private sector investment necessary to achieve the projected growth and diversification of GDP and exports and attain a more robust external debt position.

35. The sensitivity analysis indicates that Burundi's ability to service external debt after HIPC relief is very vulnerable to external shocks and export performance. The achievement of a robust external debt position is also heavily influenced by the composition and terms of external assistance. The small export base constrains the amount of debt that Burundi will be able to service in the medium and long term, especially if public expenditure is to give priority to achieving the MDGs. The analysis underscores the importance of a strong and sustained domestic reform effort, an active program to develop exportable production (traditional and nontraditional), prudent debt management strategy, and external assistance heavily weighted toward grants.

IV. THE DECISION AND FLOATING COMPLETION POINTS

A. The PRSP Process

36. The government has prepared an I-PRSP based on broad consultations although they were limited by the security situation in some provinces. It presents a long-term vision of development based on six strategic themes for promoting sustainable, equitable economic growth deemed essential for poverty alleviation: (i) peace and democratic governance; (ii) reintegration of conflict victims and disadvantaged groups into the economy; (iii) private sector development; (iv) human capital development; (v) HIV/AIDS; and (vi) advancing the role of women in development. The government is actively implementing this program. The Joint Staff Assessment (JSA) for this I-PRSP was presented to the Boards of the IMF and IDA in January 2004. Burundi intends to adopt a full PRSP based on a participatory process currently under way at the *colline* (neighborhood) level by May 2005.

B. Proposed Decision Point Timing

37. In the staffs' view, Burundi's overall record of macroeconomic stabilization and reforms since 2000, including under the PRGF arrangement since January 2004, its submission of the I-PRSP and active progress on its PRSP, and its state of debt reconciliation

would allow the decision point for debt reduction to be reached by mid 2005.⁹ To reach the decision point, there would need to have been continued satisfactory execution of the PRGF-supported economic program, as evidenced by completion of the second program review, the identification of expenditures that will benefit the poor, and adequate progress in establishing a system for monitoring and tracking poverty-related spending and the use of HIPC Initiative resources.

C. Triggers for the Floating Completion Point

38. IDA and IMF staffs have reached preliminary understandings with the authorities on the nature of triggers for the completion point (Box 6). The first four items would be standard general triggers to be complemented by satisfactory performance on a few specific and monitorable policy measures, aimed at raising growth and reducing poverty. The policy reforms would place special emphasis on pro-poor policy reform and expenditure policy in education, health, basic infrastructure, and social protection of vulnerable groups and conflict victims, as well as improved transparency and accountability in financial management. The reforms will aim at fostering an investment climate conducive to private sector development and improving efficiency in the allocation and use of scarce resources directly benefiting the poor. Should Burundi remain on track with regards to implementation of its poverty reduction strategy and economic reforms supported by IDA and the IMF, the HIPC completion point could be reached within 14 months of the HIPC decision point.

⁹ Under the proposed timing, Burundi would have met the qualification requirement for a satisfactory poverty reduction strategy as set out in SM/04/374 and the IMF Board decision (Decision No. 13373-(04/105), November 9, 2004) to amend the PRGF-HIPC Trust and the PRGF Trust Instruments and in IDA/SECM2004-0598/1, "Poverty Reduction Strategy Progress in Implementation."

Box 6. Possible Triggers for the Floating Completion Point

1. A full PRSP has been prepared through a participatory process and satisfactorily implemented for at least one year as evidenced by a Joint Staff Assessment Note on the country's annual progress report.
2. Maintenance of macroeconomic stability as evidenced by satisfactory implementation of an ongoing PRGF-supported program.
3. Use of budget savings in accordance with the criteria set forth at the decision point and use of interim relief as reported and discussed by a national monitoring committee on a semi-annual basis.
4. A monitoring and tracking system for the budget, in particular for poverty-related spending, has been put in place.
5. Satisfactory progress on key policy measures and targets drawn from those outlined below, and to be refined during further discussions with the authorities:

Structural measures: Pro-poor growth-promoting reforms such as, (i) speeding up the reform and divestiture of public sector enterprises; (ii) deepening structural reforms already initiated, especially in the areas of the trade and exchange regimes and the liberalization of the coffee sector; (iii) addressing the government's domestic debt and arrears, and (iv) steps to revitalize the private sector.

Governance measures: (i) strengthening the core functions of government, including financial management and putting in place an integrated public expenditure computerized system (IPECS) supported by IDA, and strengthening and modernizing revenue collection and public procurement; (ii) commencement of an audit of the 2005 government accounts by the *Cours des Comptes*.

Social and Poverty targets: (i) education: an agreed increase in the number of children enrolled in primary and secondary schools, of rural schools rehabilitated and reconstructed, and of teachers and textbooks in schools; (ii) health: increased rate of child immunizations; increased access of rural population to potable water and rehabilitation of rural primary healthcare facilities; (iii) HIV/AIDS: increased awareness and prevention campaigns; increased care for persons infected; and (iv) infrastructure: rehabilitation of rural access roads.

D. Monitoring the Use of HIPC Initiative Resources

39. Securing the effective use of debt relief assistance for poverty reduction and, more generally, the capacity to implement and monitor a shift in the composition of expenditure toward poverty-related objectives, is a key element of the HIPC Initiative. It will require continued efforts to strengthen the programming, management and control of expenditure, and to improve service delivery in key sectors. Within this framework, the technical assistance already being provided in the area of public expenditure management by IDA, particularly through its EMSP, and by the IMF will be essential to restore an adequate budget management capacity. An Assessment and Action Plan (AAP) for tracking poverty-related expenditure is provided for under the EMSP.

40. A new budget nomenclature is being put in place with the 2005 budget to make possible the tracking of resources allocated by activity and region, and the monitoring of the efficiency of resource use for poverty reduction purposes. In addition, financial management is to be strengthened by the implementation of an integrated public expenditure computerized system in 2006. A special treasury sub-account will be established in the central bank where the budgetary savings from the debt relief will be deposited in a special account. IDA's

EMSP and Grant on Procurement Reform will provide resources to strengthen and modernize the public procurement system with the adoption and implementation of a legal, regulatory, and institutional framework in line with international best practices.

41. An Independent Oversight Committee will monitor these expenditures. It will include national and local representatives, as well as members of the international donor community. This approach has been successfully implemented in other countries in the region. The use of HIPC Initiative resources would be subject to independent technical and financial audits to ensure the effective use of these resources for poverty reduction, and all such audits would be made publicly available.

42. It is important that poverty reduction programs be prepared according to standard budget procedures. Possible expenditure priorities for the use of HIPC resources, consistent with the priorities described in the I-PRSP document, are provided below (Box 7) and will be further discussed and specified with authorities in the decision point document.

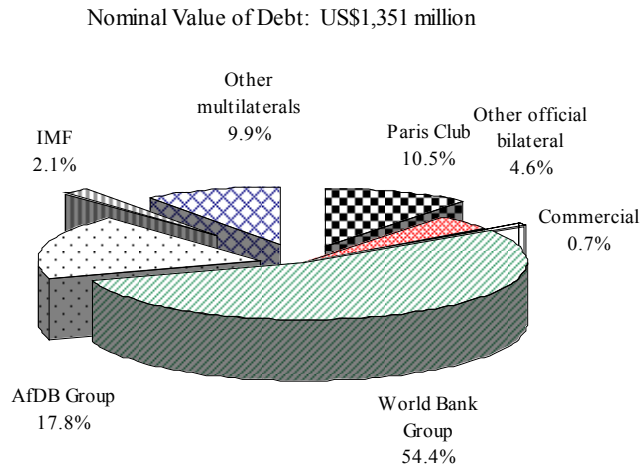
Box 7. Possible Expenditure Priorities for the Use of HIPC Debt Relief	
National reconciliation and security	<ul style="list-style-type: none">• Resettlement and reintegration of ex-combatants.• Resettlement of internal displaced people and refugees.• Economic reintegration of civil strife victims.• Justice system reform.• Disarmament, demobilization, and reintegration of combatants.
Health	<ul style="list-style-type: none">• Public awareness programs to control the spread of HIV/AIDS.• Rehabilitation and strengthening of existing basic health facilities and services and, establishing new facilities.• Reinforcing programs for the prevention and control of the major endemic-epidemic diseases and promoting health education.• Improving the availability drugs in urban and rural facilities.• Improving the performance of national child vaccination program.• Improving access to potable water supplies particularly in the rural areas.
Education	<ul style="list-style-type: none">• Rehabilitation or reconstruction of rural schools.• Provision of suitable teaching materials for rural and urban schools.• Increasing the number of teaching personnel particularly in rural areas.
Infrastructure	<ul style="list-style-type: none">• Rehabilitation and expansion of coverage of rural water supply systems.• Rehabilitation of key rural roads and bridges.• Construction of new roads and bridges in urban and rural areas.
Agriculture	<ul style="list-style-type: none">• Strengthening research and development through support to agricultural research institutions.• Promoting private sector involvement.

V. ISSUES FOR DISCUSSION

43. This paper presents a preliminary assessment of Burundi's eligibility for assistance under the enhanced HIPC Initiative, and seeks the Executive Boards' endorsement of this assessment. In addition, Executive Directors' view and guidance are sought on following issues:

- **Eligibility.** Do Directors agree that Burundi has met the eligibility criteria under the Enhanced HIPC Initiative, other than the criterion on unsustainable debt that will be based on end-2004 data, recognizing that the end-2003 debt data indicate that Burundi is likely to meet this criterion?
- **Timing of the Decision Point.** Do Directors agree that Burundi could reach its HIPC Decision Point by May 2005, provided that the country remains on track with its macroeconomic program as agreed under the PRGF arrangement?
- **Completion point.** What are the Executive Directors' views on the possible triggers and key policy measures (for which satisfactory performance has to be achieved) linked to the floating completion point?

Figure 1. Burundi: Composition of Stock of External Debt at End-December 2003
Before Full Use of Traditional Debt-Relief Mechanisms



Present Value of Debt: US\$936.4 million

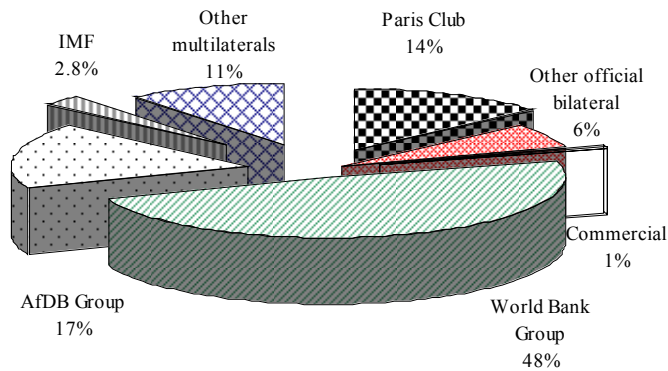
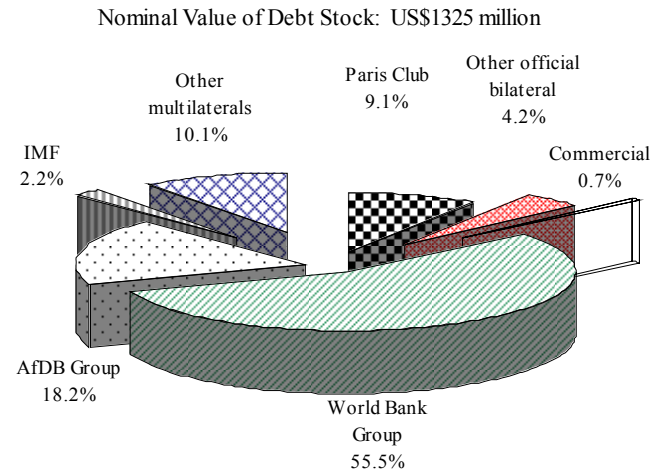
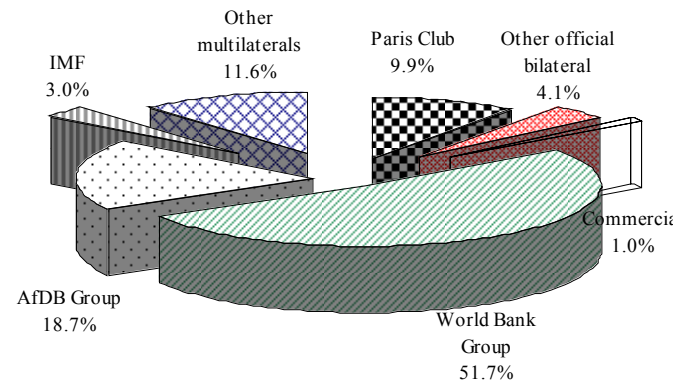


Figure 2. Burundi: Composition of Stock of External Debt at End-December 2003
After Full Use of Traditional Debt-Relief Mechanisms

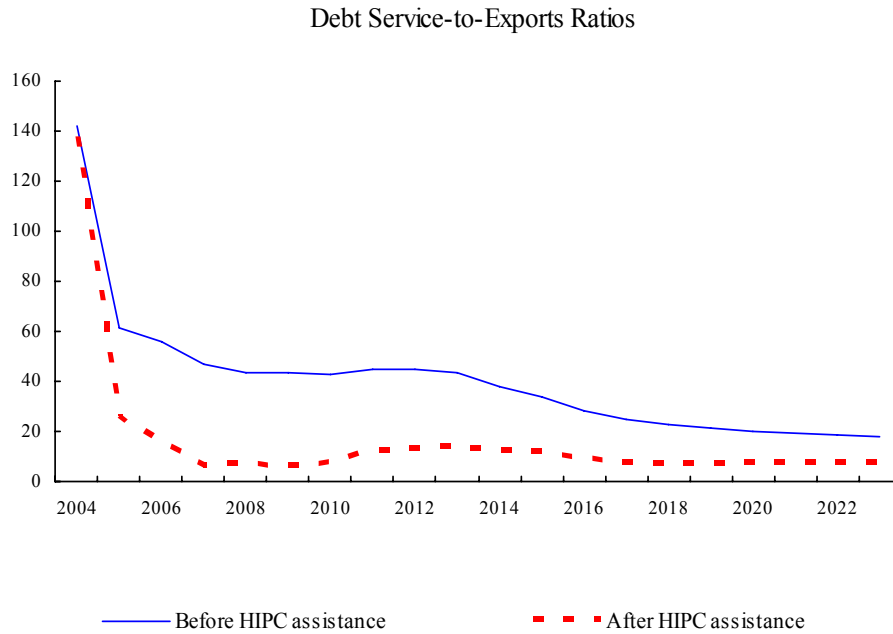
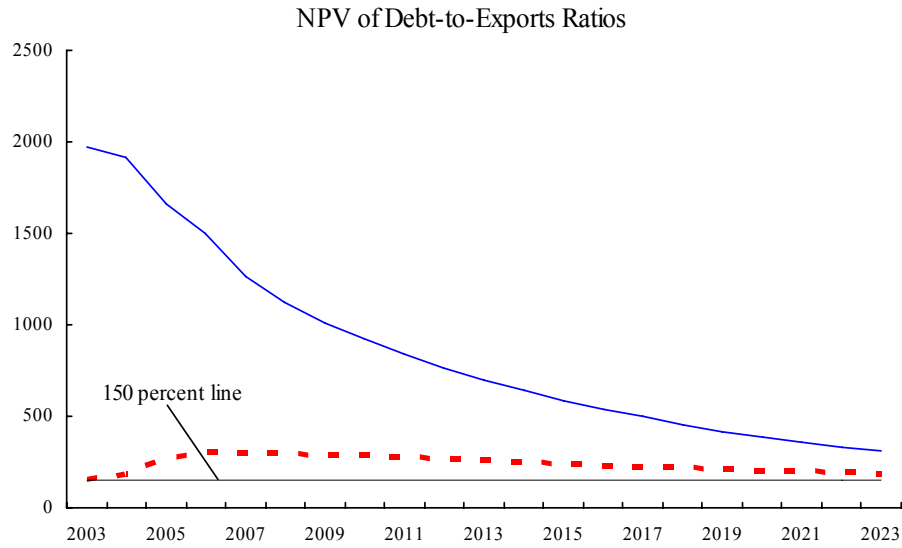


Present Value of Debt Stock: US\$872 million



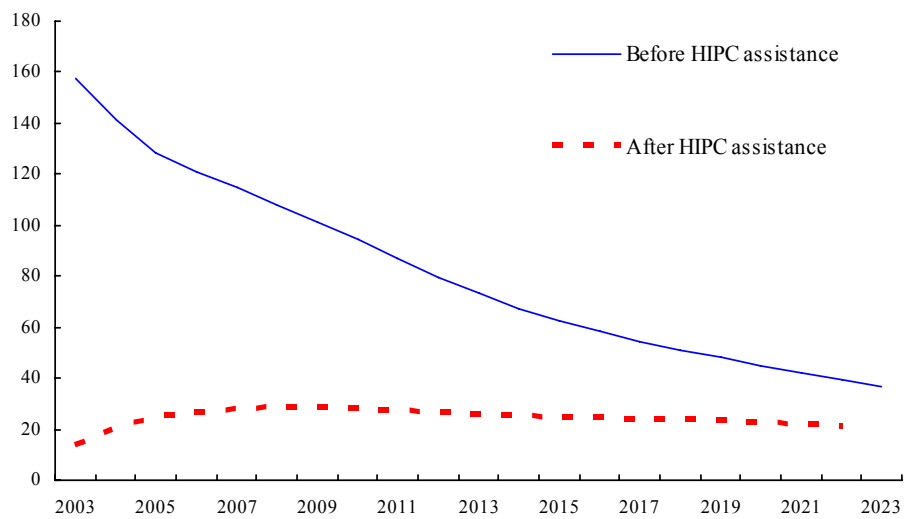
Sources: Burundi authorities; and staff estimates.

Figure 3. Burundi : External Debt Profile:
External Sustainability Indicators, 2003-23
(In percent)



Sources: Burundi authorities; and staff estimates and projections.

Figure 5. Burundi: External Debt Profile:
Net Present Value of Debt-to-GDP Ratio, 2003-23
(In percent)



Sources: Burundi authorities; and staff estimates and projections.

Table 1. Burundi: Selected Economic and Financial Indicators, 2002-07

	2002	2003		2004		2005 Proj.	2006 Proj.	2007 Proj.
		Prog.	Actual	Prog.	Proj.			
(Annual percentage change, unless otherwise indicated)								
National income and prices								
Real GDP growth	4.5	1.1	-1.2	5.1	5.5	5.0	5.0	5.0
GDP deflator	1.7	10.4	11.6	6.7	8.0	6.7	6.0	5.8
Consumer prices (period average)	-1.3	9.9	10.7	6.4	7.5	6.6	5.3	5.1
Consumer prices (end of period)	3.5	7.5	10.7	5.5	8.5	5.5	5.2	5.0
External sector								
Exports, f.o.b. (in U.S. dollars)	-20.3	63.1	28.6	-30.1	9.4	39.1	15.7	14.3
Imports, f.o.b. (in U.S. dollars)	-4.2	12.5	29.0	9.9	44.9	6.2	-6.9	2.2
Export volume	-19.7	55.7	30.3	-33.8	-18.2	39.2	9.4	7.0
Import volume	-3.4	5.3	25.7	9.1	30.9	6.5	-6.7	2.0
Terms of trade (deterioration -)	-0.1	-1.9	-3.8	4.8	20.9	0.1	6.0	6.7
Real effective exchange rate (annual average; depreciation -)	-15.1	...	-18.6	...	-4.3 1/	...	...	...
Central government								
Revenue	7.5	6.0	14.9	9.8	4.9	9.7	11.9	11.3
Total expenditure and net lending (commitment basis)	1.1	28.8	50.1	10.3	36.4	15.0	-6.5	0.5
Noninterest current expenditure	0.7	12.9	15.9	3.8	22.7	2.0	13.8	11.7
(Change in percent of beginning-of-period M2, unless otherwise indicated)								
Money and credit								
Net foreign assets	7.1	-4.1	19.0	-1.9	-7.7	2.8	2.7	0.7
Domestic credit	24.0	36.9	14.0	20.8	30.6	11.5	7.6	9.5
Government	-10.2	17.2	9.6	9.2	18.9	-4.9	-2.5	0.0
Private sector	34.0	15.2	5.5	15.3	13.7	16.4	10.4	9.8
Money and quasi money (M2)	27.2	14.0	23.1	18.3	18.6	14.9	16.5	15.0
Income velocity (ratio of GDP to M2; end of period)	4.1	3.6	3.7	3.6	3.6	3.5	3.3	3.2
Reserve money (12-month growth rate)	23.2	14.3	10.9	14.3	26.9	7.7	12.9	12.4
Central bank refinancing rate (in percent; end of period)	15.5	15.5	14.5	...	14.5 2/	...	...	...
Commercial bank lending rate (in percent; medium term; period average)	20.6	19.6	20.7	...	20.5 1/	...	...	...
(In percent of GDP)								
Central government								
Revenue (excluding grants)	20.3	19.4	21.1	19.7	19.4	19.0	19.1	19.2
Total expenditure and net lending	25.9	29.5	35.3	29.5	42.2	43.4	36.4	33.0
Primary budget balance (excluding foreign-financed projects)	2.2	-1.5	-0.8	0.0	-3.2	-1.9	-1.9	-1.7
Overall balance (commitment basis)								
Excluding grants	-5.7	-10.1	-14.2	-9.8	-22.8	-24.3	-17.3	-13.8
Including grants	-1.4	-7.3	-6.3	...	0.3	-3.6	-4.4	-4.0
Savings-investment balances								
Current account balance (excluding capital grants)	-6.5	-8.1	-6.1	-9.3	-20.4	-19.0	-15.1	-14.5
Gross investment	5.2	11.7	10.4	11.7	12.4	12.8	12.7	13.0
Public	3.6	8.7	8.3	8.7	9.4	9.4	8.7	8.7
Private	1.6	3.0	2.1	3.0	3.0	3.3	4.0	4.3
Gross national savings	-1.3	3.6	4.2	2.4	-7.9	-6.2	-2.4	-1.4
Public	-0.2	-1.8	-1.3	-1.4	-4.4	-2.5	-2.4	-2.4
Private	-1.1	5.3	5.5	3.7	-3.5	-3.7	0.0	0.9
(In millions of U.S. dollars, unless otherwise indicated)								
External sector								
Current account	-40.7	-48.3	-36.5	-60.1	-135.9	-148.0	-129.9	-133.5
Overall balance of payments	-27.1	-63.2	-11.9	22.4	25.4	-27.0	-28.4	-20.5
Gross official reserves (end of period)	60.1	52.9	68.9	87.9	81.7	115.0	111.5	113.9
Gross official reserves (in months of imports, c.i.f.)	5.9	4.6	5.3	6.5	4.3	5.8	6.0	6.0
Net official reserves (in months of imports, c.i.f.)	2.2	3.1	2.5	2.2	1.7	1.6	2.0	2.0
Debt-service ratio (scheduled; in percent of export and service receipts)	121.7	96.8	108.3	193.9	146.0	62.4	54.9	45.8
External payments arrears	181.1	...	176.8	...	...	...	...	...
Memorandum items:								
Exchange rate (Burundi francs per U.S. dollar; average)	931	1,074	1,083	1,120	1,101 2/	...	...	...
GDP at current market prices (in billions of Burundi francs)	584.6	647.4	644.7	722.5	734.3	822.5	915.1	1,015.9

Sources: Burundi authorities; and Fund staff estimates and projections.

1/ Data through September 2004.

2/ Data through November 15, 2004.

Table 2. Burundi: Balance of Payments, 2001-23
(In millions of U.S. dollars, unless otherwise indicated)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Current account	-44.9	-40.7	-36.5	-135.9	-148.0	-129.9	-133.5	-130.7	-132.8	-134.2	-133.8	-135.6
Trade balance	-69.2	-72.7	-93.8	-150.2	-145.2	-121.3	-115.3	-112.6	-113.7	-117.6	-120.9	-125.2
Exports, f.o.b.	39.2	31.2	40.2	43.9	61.1	70.7	80.8	90.8	100.1	108.8	118.8	128.8
<i>Of which: coffee</i>	19.7	16.7	25.5	26.2	42.8	50.3	58.8	67.1	74.9	81.8	89.1	95.9
Imports, f.o.b.	-108.4	-103.9	-134.0	-194.1	-206.3	-192.0	-196.2	-203.4	-213.7	-226.3	-239.7	-254.0
<i>Of which: petroleum products</i>	-16.4	-15.9	-30.0	-58.7	-60.5	-61.8	-63.5	-65.3	-67.5	-71.6	-75.9	-80.5
<i>Of which: imports related to reconstruction effort</i>	-49.9	-62.5	-95.7	-136.1	-119.1	-110.5	-98.0	-95.0	-92.2	-95.5	-100.7	-106.3
Services (net)	-31.0	-35.7	-27.7	-94.7	-93.4	-81.7	-71.8	-65.0	-59.3	-56.2	-55.0	-55.1
Credits	6.9	7.7	17.5	7.2	11.4	13.2	15.1	17.0	18.8	20.5	22.5	24.4
Debits	-37.9	-43.3	-45.2	-101.8	-104.8	-94.9	-86.9	-82.0	-78.1	-76.7	-77.5	-79.5
Income (net)	-12.8	-14.1	-20.1	-21.9	-21.6	-19.0	-18.5	-18.4	-18.3	-18.7	-19.1	-19.5
<i>Of which: interest on public debt (including IMF charges and morat</i>	-10.2	-12.1	-13.4	-10.8	-10.9	-9.7	-9.9	-10.0	-10.1	-10.1	-10.0	-10.0
Current transfers (net)	68.1	81.8	105.2	130.9	112.2	92.1	72.1	65.2	58.4	58.3	61.2	64.1
Private (net)	6.5	5.5	7.0	7.4	8.2	9.2	10.2	11.3	12.5	13.1	13.8	14.5
Official (net)	61.6	76.3	98.2	123.6	104.0	83.0	62.0	54.0	46.0	45.2	47.4	49.7
Capital account	13.6	26.2	47.0	145.8	77.3	85.0	90.8	96.1	101.8	108.0	114.0	120.5
Project grants	7.1	14.1	33.0	73.1	50.0	55.0	57.8	59.8	61.9	64.0	65.6	67.3
Program grants	6.5	12.1	14.0	72.7	27.3	30.0	33.0	36.3	40.0	44.0	48.4	53.2
Financial account	-10.6	2.6	-21.6	11.3	43.7	16.4	22.2	20.4	18.4	18.7	17.3	16.4
Direct investment	0.0	0.0	0.0	0.0	5.0	10.0	11.0	11.6	12.1	12.7	13.4	14.0
Medium- and long-term official loans (net)	-19.7	1.9	-7.2	-0.5	45.1	6.6	11.4	9.1	6.5	6.3	4.3	2.7
Disbursements	15.2	34.6	41.9	35.0	79.4	43.0	45.5	44.9	43.3	42.9	42.5	42.1
Project loans	8.8	14.6	21.0	20.2	28.8	23.0	23.5	23.9	24.4	24.9	25.4	25.9
Program loans	6.4	20.0	20.9	14.8	50.6	20.0	22.0	21.0	18.9	18.0	17.1	16.2
Amortization (excluding IMF)	-34.9	-32.7	-49.1	-35.5	-34.4	-36.4	-34.0	-35.9	-36.8	-36.6	-38.2	-39.4
Other capital	9.1	0.7	-14.4	11.7	-6.3	-0.2	-0.2	-0.3	-0.3	-0.3	-0.4	-0.4
<i>Of which: short-term capital</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions	0.6	-15.2	-0.9	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-41.3	-27.1	-11.9	25.4	-27.0	-28.4	-20.5	-14.2	-12.6	-7.5	-2.6	1.2
Financing (- increase in assets)	41.3	27.1	11.9	-25.4	-0.9	4.8	-0.8	-1.4	-2.0	-2.4	-2.6	-2.8
Change in central bank net foreign reserves (- increase)	13.2	-5.7	-9.8	0.7	-0.6	-4.7	-0.8	-1.4	-2.0	-2.4	-2.6	-2.8
IMF, net	4.4	-10.0	-12.5	-10.4	-32.2	-21.1	-10.6	0.0	3.9	9.9	14.2	18.1
Other reserves, net	8.8	4.3	2.7	11.1	31.6	16.4	9.7	-1.4	-5.9	-12.3	-16.7	-20.9
Change in arrears (+ increase)	28.2	32.7	-5.4	-125.0	-51.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional financing 1/	0.0	0.0	27.1	99.0	50.9	9.5	0.0	0.0	0.0	0.0	0.0	0.0
Cancellation	0.0	0.0	0.0	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduling of debt service and arrears	0.0	0.0	27.1	65.7	50.9	9.5	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	0.0	27.8	23.6	21.3	15.6	14.6	9.9	5.2	1.6
Memorandum items:												
Trade balance (in percent of GDP)	-10.4	-11.6	-15.8	-22.5	-18.6	-14.1	-12.5	-11.3	-10.6	-10.1	-9.6	-9.2
Current account (in percent of GDP)	-6.8	-6.5	-6.1	-20.4	-19.0	-15.1	-14.5	-13.1	-12.4	-11.6	-10.7	-10.0
<i>Of which: excluding current official transfers</i>	-106.5	-117.0	-134.7	-259.4	-251.9	-212.9	-195.4	-184.6	-178.8	-179.3	-181.2	-185.3
Gross official reserves												
In million of U.S. dollars	23.8	60.1	68.9	81.7	115.0	111.5	113.9	118.1	124.1	131.4	139.2	147.5
In months of imports, c.i.f.	2.3	5.9	5.3	4.3	5.8	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Net reserves (in months of imports, c.i.f.)	1.6	2.2	2.5	1.7	1.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total external debt	107.4	121.7	108.3	146.0	62.4	54.9	45.8	42.5	42.7	43.7	44.1	44.0
Debt-service ratio (in percent of exports of goods and services)												
Scheduled debt service (including IMF)	107.4	121.7	108.3	146.0	62.4	54.9	45.8	42.5	42.7	43.7	44.1	44.0
Actual debt service (including IMF; after reheduling)	46.3	37.5	70.6	87.5	50.1	43.6	45.8	42.5	42.7	43.7	44.1	44.0
Exchange rate (Burundi francs per U.S. dollar; period average)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral debt service due (in millions of U.S. dollars)												
Nominal GDP (in millions of U.S. dollars)	662.3	628.1	595.5	667.2	780.9	857.6	923.4	995.1	1,073	1,160	1,254	1,354

Sources: Burundi authorities; and Fund staff estimates and projections.

Table 2. Burundi: Balance of Payments, 2001-23
(In millions of U.S. dollars, unless otherwise indicated)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Current account	-134.5	-137.8	-140.3	-141.9	-141.3	-143.0	-145.1	-148.0	-151.4	-155.8	-161.0
Trade balance	-129.6	-133.8	-137.5	-140.3	-141.2	-144.2	-147.6	-151.7	-156.4	-162.0	-168.4
Exports, f.o.b.	139.3	151.0	164.0	179.0	197.1	214.0	231.5	249.6	268.5	287.8	307.7
<i>Of which: coffee</i>	102.9	109.9	116.4	123.3	132.7	140.8	149.2	158.0	167.3	176.9	187.3
Imports, f.o.b.	-268.9	-284.7	-301.5	-319.3	-338.3	-358.1	-379.1	-401.3	-424.9	-449.8	-476.1
<i>Of which: petroleum products</i>	-85.4	-90.6	-96.1	-101.9	-108.0	-114.6	-121.5	-128.9	-136.7	-144.9	-153.7
<i>Of which: imports related to reconstruction effort</i>	-105.3	-104.8	-106.1	-108.6	-111.2	-114.7	-118.4	-122.2	-126.2	-130.4	-134.7
Services (net)	-52.2	-54.3	-56.4	-58.4	-60.1	-62.2	-64.4	-66.9	-69.5	-72.3	-75.4
Credits	26.5	28.8	31.4	34.3	37.9	41.3	44.8	48.5	52.3	56.3	60.4
Debits	-78.7	-83.1	-87.8	-92.7	-98.0	-103.5	-109.3	-115.4	-121.8	-128.6	-135.8
Income (net)	-19.9	-20.3	-20.4	-20.9	-21.4	-22.0	-22.7	-23.3	-24.0	-24.8	-25.6
<i>Of which: interest on public debt (including IMF charges and morat</i>	-9.9	-9.8	-9.3	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2	-9.2
Current transfers (net)	67.3	70.6	74.0	77.6	81.4	85.4	89.5	93.9	98.5	103.3	108.3
Private (net)	15.2	15.9	16.7	17.6	18.5	19.4	20.3	21.4	22.4	23.6	24.7
Official (net)	52.1	54.6	57.3	60.1	63.0	66.0	69.2	72.6	76.1	79.7	83.6
Capital account	116.8	113.8	113.4	114.8	116.2	118.9	121.7	124.5	127.5	130.5	133.7
Project grants	69.0	70.7	72.4	74.3	76.1	78.8	81.5	84.4	87.3	90.4	93.6
Program grants	47.9	43.1	40.9	40.5	40.1	40.1	40.1	40.1	40.1	40.1	40.1
Financial account	15.8	16.6	14.2	16.1	15.8	16.0	17.3	17.7	17.6	17.9	17.4
Direct investment	14.7	15.5	16.3	17.1	17.9	18.8	19.8	20.7	21.8	22.9	24.0
Medium- and long-term official loans (net)	1.5	1.5	-1.6	-0.4	-1.5	-2.1	-1.8	-2.3	-3.4	-4.1	-5.7
Disbursements	42.5	42.8	43.2	43.6	44.0	44.4	44.9	45.3	45.8	46.2	46.7
Project loans	26.4	26.9	27.5	28.0	28.6	29.2	29.8	30.3	31.0	31.6	32.2
Program loans	16.0	15.9	15.7	15.6	15.4	15.3	15.1	15.0	14.8	14.7	14.5
Amortization (excluding IMF)	-41.0	-41.3	-44.8	-44.0	-45.5	-46.6	-46.6	-47.6	-49.2	-50.3	-52.4
Other capital	-0.4	-0.5	-0.5	-0.5	-0.6	-0.6	-0.7	-0.7	-0.8	-0.8	-0.9
<i>Of which: short-term capital</i>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Errors and omissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-1.8	-7.5	-12.7	-11.0	-9.2	-8.0	-6.2	-5.7	-6.4	-7.3	-9.9
Financing (- increase in assets)	-2.9	-3.1	-3.2	-3.4	-3.7	-3.8	-4.1	-4.3	-4.6	-4.8	-5.1
Change in central bank net foreign reserves (- increase)	-2.9	-3.1	-3.2	-3.4	-3.7	-3.8	-4.1	-4.3	-4.6	-4.8	-5.1
IMF, net	19.1	15.4	9.8	4.9	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves, net	-22.0	-18.5	-13.1	-8.4	-4.7	-3.8	-4.1	-4.3	-4.6	-4.8	-5.1
Change in arrears (+ increase)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional financing 1/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduling of debt service and arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap	4.7	10.5	16.0	14.4	12.9	11.9	10.2	10.0	10.9	12.2	15.0
Memorandum items:											
Trade balance (in percent of GDP)	-8.9	-8.5	-8.1	-7.7	-7.3	-6.9	-6.6	-6.3	-6.1	-5.9	-5.7
Current account (in percent of GDP)	-9.2	-8.8	-8.3	-7.8	-7.3	-6.9	-6.5	-6.2	-5.9	-5.7	-5.5
<i>Of which: excluding current official transfers</i>	-186.6	-192.4	-197.5	-201.9	-204.3	-209.0	-214.3	-220.5	-227.5	-235.5	-244.6
Gross official reserves											
In million of U.S. dollars	156.2	165.4	175.1	185.4	196.4	208.0	220.2	233.1	246.7	261.2	276.5
In months of imports, c.i.f.	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Net reserves (in months of imports, c.i.f.)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total external debt	42.2	37.0	32.7	27.3	23.7	21.8	20.2	19.0	18.2	17.3	16.7
Debt-service ratio (in percent of exports of goods and services)											
Scheduled debt service (including IMF)	42.2	37.0	32.7	27.3	23.7	21.8	20.2	19.0	18.2	17.3	16.7
Actual debt service (including IMF; after reheduling)	42.2	37.0	32.7	27.3	23.7	21.8	20.2	19.0	18.2	17.3	16.7
Exchange rate (Burundi francs per U.S. dollar; period average)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral debt service due (in millions of U.S. dollars)											
Nominal GDP (in millions of U.S. dollars)	1,460	1,572	1,690	1,815	1,947	2,086	2,233	2,391	2,559	2,740	2,933

Sources: Burundi authorities; and Fund staff estimates and projections.

Table 3. Burundi: Nominal and Net Present Value of External Debt Outstanding by Creditor Groups, End-December 2003

	Nominal Debt Stock		Stock of Arrears		NPV of Debt		NPV of Debt After Traditional Debt Relief 1/	
	US\$ million	Percent of total	US\$ million	Percent of total	US\$ million	Percent of total	US\$ million	Percent of total
Total	1,351.2	100.0	184.7	100.0	936.4	100.0	872.0	100.0
Multilateral	1,138.8	84.3	66.0	35.7	741.2	79.2	741.2	85.0
IDA	734.9	54.4	0.0	0.0	450.9	48.1	450.9	51.7
AfDB Group	240.9	17.8	33.4	18.1	162.8	17.4	162.8	18.7
AfDB	14.0	1.0	14.0	7.6	14.0	1.5	14.0	1.6
AfDF	226.1	16.7	19.1	10.4	148.0	15.8	148.0	17.0
NTF	0.8	0.1	0.3	0.2	0.7	0.1	0.7	0.1
IMF	28.6	2.1	0.0	0.0	26.4	2.8	26.4	3.0
European Union	74.8	5.5	25.1	13.6	59.5	6.4	59.5	6.8
EU administered by IDA	0.9	0.1	0.0	0.0	0.6	0.1	0.6	0.1
IFAD	30.5	2.3	0.3	0.2	19.3	2.1	19.3	2.2
BADEA	16.9	1.3	0.0	0.0	11.7	1.2	11.7	1.3
OPEC Fund	9.2	0.7	6.5	3.5	8.9	1.0	8.9	1.0
BDEGL	2.0	0.2	0.7	0.4	1.2	0.1	1.2	0.1
Bilateral and commercial	212.5	15.7	118.7	64.3	195.2	20.8	130.9	15.0
Paris Club 2/	141.3	10.5	79.3	42.9	127.7	13.6	86.3	9.9
Post-cutoff date	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ODA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-ODA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-cutoff date	141.3	10.5	79.3	42.9	127.7	13.6	86.3	9.9
ODA	119.0	8.8	56.9	30.8	105.4	11.3	84.1	9.6
Non-ODA	22.3	1.7	22.3	12.1	22.3	2.4	2.2	0.3
Austria	15.6	1.2	0.0	0.0	7.4	0.8	3.7	0.4
France	78.7	5.8	44.3	24.0	73.8	7.9	55.9	6.4
Japan	24.7	1.8	12.7	6.9	24.2	2.6	24.6	2.8
Russia	22.3	1.7	22.3	12.1	22.3	2.4	2.2	0.3
Other official bilateral	61.6	4.6	39.0	21.1	58.6	6.3	35.9	4.1
Post-cutoff date	4.4	0.3	3.1	1.7	4.4	0.5	4.3	0.5
ODA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-ODA	4.4	0.3	3.1	1.7	4.4	0.5	4.3	0.5
Pre-cutoff date	57.2	4.2	35.9	19.4	54.2	5.8	31.6	3.6
ODA	48.8	3.6	35.9	19.4	46.8	5.0	28.8	3.3
Non-ODA	8.5	0.6	0.0	0.0	7.4	0.8	2.8	0.3
China	13.7	1.0	0.0	0.0	11.9	1.3	4.2	0.5
Kuwait	20.8	1.5	18.6	10.0	19.3	2.1	12.0	1.4
Libya	4.4	0.3	3.1	1.7	20.7	2.2	13.8	1.6
Saudi Arabia	20.3	1.5	15.0	8.1	2.4	0.3	1.7	0.2
United Arab Emirates	2.4	0.2	2.4	1.3	4.4	0.5	4.3	0.5
Commercial	9.5	0.7	0.5	0.2	8.9	0.9	8.6	1.0
Post-cutoff date	9.1	0.7	0.0	0.0	8.4	0.9	8.4	1.0
Pre-cutoff date	0.5	0.0	0.5	0.2	0.5	0.0	0.1	0.0
Germany	0.5	0.0	0.5	0.2	0.5	0.0	0.1	0.0
Israel	9.1	0.7	0.0	0.0	8.4	0.9	8.4	1.0

Sources: Burundi authorities; and Bank-Fund staff estimates.

1/ Includes a stock-of-debt operation on Naples terms at end-2003; and at least comparable action by other official bilateral and commercial creditors on eligible debt (pre-cutoff and non-ODA).

2/ Paris Club cutoff date is June 30, 1999.

Table 4. Burundi: HIPC Initiative—Assistance Under a Proportional Burden-Sharing Approach 1/ 2/
(In millions of U.S. dollars, unless otherwise indicated)

NPV of debt- to-exports target (in percent)	Total			Common Reduction Factor 4/ (Percent)
	(In NPV terms at end-2003)			
	Total	Bilateral 3/	Multilateral	
150	801	120	681	91.8
Memorandum items:				
NPV of debt 5/	872	131	741	
Paris Club Creditors 3/	86			
<i>Of which:</i> pre-cutoff non-ODA debt	2			
Non-Paris Club Creditors 3/	45			
<i>Of which:</i> pre-cutoff non-ODA debt	3			
<i>Of which:</i> commercial creditors	9			
Three-year average of exports	47.5			
Current-year exports	57.6			
NPV of debt-to-exports ratio 6/	1834			

Sources: Congolese authorities; and Fund staff estimates.

1/ The proportional burden-sharing approach is described in "HIPC Initiative—Estimated Costs and Burden-Sharing Approaches" (EBS/97/127, 7/7/97 and IDA/SEC M 97-306, 7/7/97).

2/ Includes a hypothetical stock-of-debt operation on Naples terms (December 2003) and comparable treatment by other official bilateral creditors.

3/ Includes official bilateral creditors and commercial debt.

4/ Each creditor's NPV reduction in percent of its exposure at the decision point.

5/ Based on end-2003 data after full application of traditional debt-relief mechanisms.

6/ Based on the three-year export average (backward-looking average, i.e., 2001-03).

Table 5. Burundi: Discount and Exchange Rate Assumptions at End-2003

Currency Name	Discount Rate 1/ (In percent per annum)	Exchange Rate 2/ (Currency per U.S. dollar)
Austrian Schillings	4.63	10.89
Canadian Dollar	5.18	1.29
Chinese Yuan	4.20	8.28
Deutsche Mark	4.63	1.55
Danish Kroner	4.77	5.91
Euro	4.63	0.79
Great Britain Sterling	5.37	0.56
Japanese Yen	1.70	107.10
Kuwaiti Dinar	4.47	0.29
Libyan Dinar	4.20	1.30
Norwegian Kroner	5.30	6.67
Russian Rouble	4.20	0.60
Saudi Arabia Ryal	4.20	3.75
Special Drawing Rights	4.20	0.67
Swedish Kroner	5.00	7.20
Swiss Franc	3.21	1.24
United Arab Emirates Dhiraams	4.20	3.67
United States Dollar	4.47	1.00
Memorandum item:		
Paris Club cutoff date	June 20, 1999	

Sources: OECD; and IMF, *International Financial Statistics*.

1/ The discount rates used are the average commercial interest reference rates over the six-month period prior to end-December 2003, i.e., the end of the period for which actual debt and export data are available.

2/ The exchange rates are expressed as national currency per U.S. dollar at end-December 2003.

Table 6. Burundi: External Debt Service, 2004–23 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages			
																					2004-13	2014-23		
Before traditional debt relief																								
Total scheduled debt service	72.8	44.7	47.1	44.9	46.8	51.5	55.1	63.1	68.5	72.0	68.3	65.9	59.9	57.6	57.4	58.3	60.0	62.4	64.4	67.3	56.7	62.1		
Existing debt 2/	72.6	43.6	45.4	42.8	44.3	48.7	51.9	53.2	54.1	55.4	51.3	47.2	44.4	44.0	43.5	42.1	41.6	41.9	41.7	42.3	51.2	44.0		
Multilateral	59.0	32.0	34.2	34.7	36.8	42.6	47.7	49.2	50.3	51.9	48.0	44.0	41.4	41.1	40.8	40.4	40.7	41.2	41.1	41.7	43.8	42.0		
World Bank Group	19.4	20.4	21.8	22.2	24.1	25.7	27.2	28.5	29.0	30.1	30.0	30.3	30.3	30.1	29.9	29.6	30.0	30.6	30.5	31.3	24.8	30.3		
IMF	28.8 3/	0.4	0.6	0.6	0.6	4.6	8.5	8.4	8.4	8.4	4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.9	0.4		
AfDF/AfDB Group	6.0	6.1	6.2	6.4	6.4	6.5	6.4	7.1	7.5	7.7	8.0	8.0	7.9	7.9	7.8	7.8	7.7	7.6	7.6	7.5	6.6	7.8		
Others	4.7	5.1	5.6	5.5	5.7	5.8	5.6	5.2	5.5	5.7	5.7	5.8	3.2	3.2	3.1	3.1	3.0	3.0	3.0	2.9	5.4	3.6		
Official bilateral	10.5	8.5	8.2	8.0	7.5	6.1	4.3	4.1	3.8	3.4	3.3	3.2	3.0	3.0	2.7	1.7	0.9	0.6	0.6	0.6	6.4	2.0		
Paris Club	5.0	5.1	4.9	4.9	4.8	4.2	3.6	3.5	3.4	3.4	3.2	3.1	2.9	2.9	2.6	1.6	0.8	0.5	0.5	0.5	4.3	1.9		
Non-Paris Club	5.5	3.5	3.3	3.1	2.7	1.9	0.7	0.5	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	2.1	0.1		
Commercial	3.1	3.1	3.0	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	0.0	0.0	0.0	0.9	0.0		
New debt	0.2	1.1	1.7	2.2	2.5	2.9	3.2	9.9	14.4	16.7	16.9	18.7	15.5	13.6	13.8	16.1	18.4	20.6	22.8	24.9	5.5	18.1		
Debt service-to-exports ratio (excluding arrears)	142.4	61.7	56.2	46.8	43.4	43.4	42.6	44.7	44.7	43.5	38.0	33.7	28.1	24.5	22.5	21.1	20.1	19.5	18.7	18.3	56.9	24.4		
Debt service-to-revenue ratio (excluding arrears)	56.2	30.1	28.7	25.3	24.4	24.9	24.5	25.9	25.9	25.3	22.2	19.8	16.7	15.0	13.9	13.1	12.6	12.2	11.7	11.4	29.1	14.9		
After arrears clearance																								
Total	76.6	46.6	51.5	59.7	61.2	65.4	68.5	65.6	70.9	74.4	70.2	67.8	61.8	59.6	59.3	60.2	62.0	64.4	67.2	70.0	64.0	64.3		
Existing debt	76.4	45.5	49.8	57.6	58.6	62.6	65.3	55.7	56.5	57.7	53.3	49.2	46.3	46.0	45.5	44.1	43.6	43.9	44.4	45.1	58.6	46.1		
Multilateral	69.4	32.7	34.9	35.4	37.4	43.1	48.2	49.7	50.8	52.4	48.0	44.0	41.4	41.1	40.8	40.4	40.7	41.2	41.1	41.7	45.4	42.0		
IMF/World Bank	48.3 3/	20.8	22.4	22.8	24.7	30.3	35.7	36.9	37.4	38.4	34.4	30.3	30.3	30.1	29.9	29.6	30.0	30.6	30.5	31.3	31.8	30.7		
AfDF/AfDB Group	15.9 4/	6.1	6.2	6.4	6.4	6.5	6.4	7.1	7.5	7.7	8.0	8.0	7.9	7.9	7.8	7.8	7.7	7.6	7.6	7.5				
Other multilaterals	5.3	5.7	6.2	6.1	6.3	6.4	6.1	5.7	6.0	6.2	5.7	5.8	3.2	3.2	3.1	3.1	3.0	3.0	3.0	2.9	6.0	3.6		
Official bilateral	4.6	9.7	11.9	21.9	20.9	19.1	16.8	6.0	5.7	5.4	5.2	5.1	4.9	4.9	4.7	3.7	2.9	2.6	3.3	3.4	12.2	4.1		
Paris Club	0.9	4.4	6.8	6.8	6.7	6.1	5.5	5.4	5.4	5.3	5.2	5.0	4.9	4.8	4.6	3.6	2.8	2.5	3.2	3.3	5.3	4.0		
Non-Paris Club	3.7	5.3	5.1	15.0	14.2	13.0	11.3	0.5	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	6.8	0.1		
Commercial	2.3	3.1	3.1	0.4	0.3	0.3	0.3	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	1.0	0.0		
New debt	0.2	1.1	1.7	2.2	2.5	2.9	3.2	9.9	14.4	16.7	16.9	18.7	15.5	13.6	13.8	16.1	18.4	20.6	22.8	24.9	5.5	18.1		
Debt service-to-exports ratio (percent)	149.8	64.3	61.4	62.2	56.7	55.0	53.0	46.4	46.3	44.9	39.0	34.7	29.0	25.4	23.2	21.8	20.8	20.1	19.5	19.0	64.0	25.3		
Debt service-to-revenue ratio (percent)	59.1	31.4	31.4	33.7	31.9	31.6	30.5	26.9	26.9	26.1	22.8	20.4	17.3	15.5	14.3	13.6	13.0	12.6	12.2	11.9	32.9	15.4		
After traditional debt relief 5/																								
Total	67.6	41.0	43.7	41.6	44.0	49.3	54.7	63.0	68.6	72.5	68.9	66.7	60.9	58.7	58.7	60.6	65.0	68.0	70.2	73.2	54.6	65.1		
Existing debt	67.4	39.8	42.0	39.4	41.5	46.4	51.5	53.1	54.3	55.8	52.0	48.0	45.4	45.1	44.9	44.5	46.7	47.4	47.4	48.3	49.1	47.0		
Multilateral	59.0	32.0	34.2	34.7	36.8	42.6	47.7	49.2	50.3	51.9	48.0	44.0	41.4	41.1	40.8	40.4	40.7	41.2	41.1	41.7	43.8	42.0		
World Bank Group	19.4	20.4	21.8	22.2	24.1	25.7	27.2	28.5	29.0	30.1	30.0	30.3	30.3	30.1	29.9	29.6	30.0	30.6	30.5	31.3	24.8	30.3		
IMF	28.8 3/	0.4	0.6	0.6	0.6	4.6	8.5	8.4	8.4	8.4	4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.9	0.4		
AfDF/AfDB Group	6.0	6.1	6.2	6.4	6.4	6.5	6.4	7.1	7.5	7.7	8.0	8.0	7.9	7.9	7.8	7.8	7.7	7.6	7.6	7.5	6.6	7.8		
Others	4.7	5.1	5.6	5.5	5.7	5.8	5.6	5.2	5.5	5.7	5.7	5.8	3.2	3.2	3.1	3.1	3.0	3.0	3.0	2.9	5.4	3.6		
Official bilateral	5.3	4.7	4.7	4.7	4.6	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.1	4.1	5.9	6.1	6.4	4.4	4.9		
Paris Club	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9	4.2	4.3	4.5	4.6	2.8	3.5		
Non-Paris Club	2.6	2.0	1.9	1.9	1.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.7	1.8	1.9	1.6	1.4		
Commercial	3.1	3.1	3.0	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	0.0	0.0	0.0	0.9	0.0		
New debt	0.2	1.1	1.7	2.2	2.5	2.9	3.2	9.9	14.4	16.7	16.9	18.7	15.5	13.6	13.8	16.1	18.4	20.6	22.8	24.9	5.5	18.1		
Debt service-to-exports ratio (percent)	132.3	56.5	52.1	43.3	40.8	41.5	42.3	44.6	44.8	43.8	38.3	34.1	28.5	25.0	23.0	21.9	21.8	21.2	20.4	19.9	54.2	25.4		
Debt service-to-revenue ratio (percent)	52.2	27.6	26.6	23.5	23.0	23.8	24.4	25.9	26.0	25.4	22.4	20.1	17.0	15.2	14.2	13.7	13.7	13.3	12.8	12.4	27.8	15.5		

Table 6. Burundi: External Debt Service, 2004–23 (concluded) 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages		
																					2004-13	2014-23	
After HIPC assistance 6/																							
Total	70.5	19.0	13.0	5.9	7.2	7.7	10.0	17.1	20.5	22.8	22.9	22.8	19.4	17.4	17.6	19.9	22.2	24.5	26.6	29.1	19.4	22.2	
Existing debt	70.3	17.9	11.4	3.7	4.7	4.8	6.8	7.2	6.1	6.1	6.0	4.2	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.2	13.9	4.1	
Multilateral	69.4	13.1	3.5	3.0	2.9	3.1	5.1	5.5	5.5	5.6	5.5	3.6	3.3	3.3	3.3	3.2	3.3	3.3	3.3	3.4	11.7	3.5	
World Bank Group	19.4	9.6	2.1	2.1	2.3	2.5	2.6	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	3.0	4.9	2.9	
IMF	28.8 3/	0.3	0.5	0.4	0.1	0.1	2.0	2.2	2.1	2.0	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9	0.2	
AfDF/AfDB Group	15.9 4/	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	1.8	0.3	
Others	5.3	2.9	0.6	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.1		
Official bilateral	0.8	3.0	5.1	0.7	1.8	1.8	1.7	1.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.8	1.8	0.6	
Paris Club 7/	0.8	0.1	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Non-Paris Club	0.0	2.9	5.1	0.4	1.5	1.4	1.4	1.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	1.5	0.2	
Commercial	0.0	1.8	2.8	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	0.0	0.0	0.5	0.0	
New debt	0.2	1.1	1.7	2.2	2.5	2.9	3.2	9.9	14.4	16.7	16.9	18.7	15.5	13.6	13.8	16.1	18.4	20.6	22.8	24.9	5.5	18.1	
Debt service-to-exports ratio (percent)	137.9	26.3	15.5	6.1	6.7	6.5	7.8	12.1	13.3	13.7	12.8	11.7	9.1	7.4	6.9	7.2	7.4	7.6	7.7	7.9	12.0	8.6	
Debt service-to-revenue ratio (percent)	54.4	12.8	7.9	3.3	3.8	3.7	4.5	7.0	7.8	8.0	7.4	6.9	5.4	4.5	4.3	4.5	4.7	4.8	4.9	4.9	6.5	5.2	
			5.7																				
Reduction in debt service as a result of																							
HIPC Initiative assistance 8/	...	22.6	31.3	36.3	37.4	42.1	45.2	46.4	48.7	50.2	46.0	43.8	41.5	41.3	41.1	40.7	42.9	43.5	43.6	44.1	40.0	42.9	
Multilateral	...	18.9	30.7	31.8	34.0	39.5	42.6	43.6	44.8	46.4	42.6	40.4	38.1	37.8	37.6	37.2	37.4	37.9	37.8	38.3	36.9	38.5	
Bilateral and Commercial	...	3.0	-0.1	3.9	2.8	2.1	2.2	2.2	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.6	5.4	5.6	5.8	5.8	2.5	4.3	
Memorandum items:																							
Exports of goods and nonfactor services 9/	51	72	84	96	108	119	129	141	153	166	180	195	213	235	255	276	298	321	344	368	112	269	
Government revenues 10/	130	149	164	177	192	207	225	244	264	285	308	332	358	385	414	444	476	511	549	589	204	437	

Sources: Burundi authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after rescheduling, unless otherwise indicated.

2/ Includes only scheduled debt service on current maturities and does not include projected interest on arrears.

3/ Includes the repurchase of SDR 19.2 million previously drawn under the post-conflict emergency assistance policy.

4/ Includes the repayment of SDR 6.7 million as Burundi's contribution to the clearance of arrears according to the framework implemented by the AfDB Group for Post Conflict Countries eligible for HIPC relief.

5/ Assumes a hypothetical stock-of-debt operation by the Paris Club creditors on Naples stock terms and comparable treatment from other bilateral and commercial creditors; excludes multilateral arrears clearance.

6/ Creditors are generally assumed to start providing HIPC assistance through the interim period and to provide the balance of their assistance at the completion point expected in end 2006. Specifically, the IMF, World Bank, AfDB, the EU and OPEC Fund (as a result of current negotiations presented in Box 3) are expected to start providing assistance during the interim period, while the remaining multilaterals are assumed to provide their assistance at the completion point. Paris Club creditors are assumed to provide a Cologne flow rescheduling on eligible debt during the interim period and to provide a stock of debt operation on Cologne terms at the completion point. Other bilateral and commercial creditors are assumed to provide assistance on comparable terms.

7/ Assumes also a flow rescheduling on Naples terms during the consolidation period, since Burundi has received on March 2004 a Naples flow for the consolidation period which clears all arrears to Paris Club creditors before the decision point. Then during the interim period, assumes a flow rescheduling under cologne term, and a stock operation under Cologne term at the completion point.

8/ HIPC assistance is supposed to be delivered from June 2005. For Paris Club and other bilateral and commercial creditors, HIPC assistance is measured by the debt service reduction between the projected debt service after full use of traditional debt relief and debt service after the application of HIPC relief. For multilateral creditors, HIPC assistance is measured by the debt service reduction between the debt service following arrears clearance operations and after the application of HIPC relief.

9/ As defined in IMF, Balance of Payments Manual, 5th edition, 1993. Refers to current year exports.10/ Revenues are defined as central government revenues, excluding grants.

10/ Revenues are defined as central government revenues, excluding grants.

Table 7. Burundi: Net Present Value of External Debt After HIPC Assistance, 2003-23
(In millions of U.S. dollars, unless otherwise indicated)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages		
																						2003-13	2014-23	
I. Before traditional debt-relief																								
NPV of total debt	936.4	941.8	1,004.4	1,034.5	1,060.4	1,075.9	1,086.4	1,092.5	1,089.7	1,080.4	1,068.2	1,060.8	1,057.0	1,058.9	1,063.1	1,067.7	1,071.5	1,074.0	1,074.5	1,073.7	1,070.9	1,042.8	1,067.2	
NPV of outstanding debt	936.4	924.7	917.9	902.9	889.9	874.9	854.9	830.8	804.4	776.1	745.4	717.3	692.2	669.0	645.1	620.7	596.7	572.2	546.5	519.9	491.4	859.8	607.1	
Official bilateral and commercial	195.2	184.7	175.7	166.8	160.7	154.9	150.2	147.2	144.3	141.5	139.0	136.5	134.0	131.6	129.2	126.9	125.6	124.9	124.6	124.3	123.9	160.0	128.1	
Paris Club	127.7	124.6	121.3	118.1	114.7	111.3	108.3	105.8	103.3	100.8	98.3	95.8	93.4	91.1	88.7	86.5	85.1	84.6	84.3	84.0	83.7	112.2	87.7	
Other official bilateral	58.6	53.9	51.0	48.3	45.6	43.2	41.5	40.9	40.5	40.3	40.2	40.2	40.1	40.1	40.1	40.0	39.9	39.9	39.9	39.8	39.8	45.8	40.0	
Commercial	8.9	6.2	3.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	2.0	0.5	
Multilateral	741.2	740.0	742.1	736.0	729.2	720.0	704.6	683.6	660.2	634.6	606.4	580.9	558.3	537.4	515.9	493.8	471.2	447.3	421.9	395.6	367.5	699.8	479.0	
World Bank Group	450.9	450.5	449.1	446.3	442.9	437.5	430.2	421.2	410.5	398.8	385.6	371.9	357.3	342.1	326.4	310.3	293.8	276.2	257.2	237.5	216.2	429.4	298.9	
IMF	26.4	26.9	34.4	35.2	36.1	37.0	34.0	26.9	19.6	12.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26.6	0.0	
AfDF/AfDB Group	162.8	161.8	161.3	159.9	158.2	156.5	154.8	153.1	150.6	147.6	144.3	140.6	136.8	132.9	128.9	124.8	120.6	116.3	111.8	107.3	102.7	155.5	122.3	
Others	101.1	100.8	97.4	94.7	92.0	89.0	85.7	82.4	79.5	76.1	72.3	68.4	64.2	62.4	60.6	58.7	56.8	54.9	52.9	50.8	48.7	88.3	57.8	
NPV of new borrowing	...	17.1	86.6	131.6	170.5	201.0	231.5	261.7	285.2	304.3	322.8	343.5	364.7	389.9	418.0	447.0	474.8	501.7	528.0	553.8	579.5	183.0	460.1	
Memorandum items:																								
NPV of debt-to-exports ratio (percent) 1/																								
Total debt	1,969.7	1,913.4	1,662.4	1,495.6	1,260.8	1,121.9	1,010.0	920.5	839.4	764.8	696.3	638.1	586.2	539.8	495.4	455.2	419.3	388.3	360.1	334.5	311.0	1,241.3	452.8	
Outstanding debt	1,969.7	1,878.7	1,519.1	1,305.3	1,058.1	912.3	794.7	700.0	619.7	549.4	485.8	431.5	383.9	341.0	300.6	264.7	233.5	206.9	183.1	162.0	142.7	1,072.1	265.0	
NPV of debt-to-revenue ratio (percent)																								
Total debt	745.2	726.6	676.1	630.3	598.2	561.6	524.4	486.4	447.3	409.5	374.4	344.3	318.1	295.8	276.0	258.1	241.4	225.5	210.3	195.7	181.8	561.8	254.7	
Outstanding debt	745.2	713.4	617.8	550.1	502.0	456.7	412.7	369.9	330.2	294.2	261.3	232.8	208.3	186.9	167.5	150.1	134.4	120.2	107.0	94.8	83.4	477.6	148.5	
II. After traditional debt-relief 2/																								
NPV of total debt	872.0	884.7	953.5	989.7	1,021.9	1,043.4	1,059.5	1,069.7	1,070.8	1,065.3	1,056.7	1,052.9	1,052.7	1,058.2	1,065.9	1,074.0	1,080.4	1,082.9	1,083.0	1,081.5	1,077.8	1,007.9	1,070.9	
NPV of outstanding debt	872.0	867.6	867.0	858.1	851.4	842.3	828.0	807.9	785.5	761.0	733.9	709.4	688.0	668.3	648.0	627.1	605.6	581.2	555.0	527.7	498.3	825.0	610.9	
Official bilateral and commercial	130.9	127.6	124.9	122.0	122.2	122.3	123.3	124.3	125.3	126.4	127.5	128.6	129.7	130.9	132.0	133.2	134.5	133.9	133.1	132.1	130.8	125.2	131.9	
Paris Club	86.3	86.8	87.3	87.8	88.4	89.0	89.6	90.2	90.9	91.5	92.2	92.9	93.7	94.4	95.2	96.0	96.8	96.4	95.8	95.1	94.2	89.1	95.1	
Other official bilateral	35.9	34.9	34.5	34.1	33.6	33.2	33.6	34.0	34.3	34.7	35.1	35.5	35.9	36.3	36.7	37.1	37.5	37.4	37.2	36.9	36.5	34.4	36.7	
Commercial	8.6	5.9	3.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.7	0.1	
Multilateral	741.2	740.0	742.1	736.0	729.2	720.0	704.6	683.6	660.2	634.6	606.4	580.9	558.3	537.4	515.9	493.8	471.2	447.3	421.9	395.6	367.5	699.8	479.0	
NPV of new borrowing	...	17.1	86.6	131.6	170.5	201.0	231.5	261.7	285.2	304.3	322.8	343.5	364.7	389.9	418.0	447.0	474.8	501.7	528.0	553.8	579.5	183.0	460.1	
Memorandum items:																								
NPV of debt-to-exports ratio (percent) 2/																								
Total debt	1,834.3	1,797.5	1,578.2	1,430.9	1,215.0	1,088.0	984.9	901.3	824.8	754.1	688.8	633.3	583.8	539.4	496.8	458.0	422.8	391.5	362.9	336.9	313.0	1,190.7	453.8	
Outstanding debt	1,834.3	1,762.8	1,434.9	1,240.6	1,012.2	878.3	769.7	680.7	605.1	538.7	478.3	426.7	381.5	340.6	302.0	267.4	237.0	210.1	186.0	164.4	144.7	1,021.4	266.0	
NPV of debt-to-revenue ratio (percent)																								
Total debt	694.0	682.6	641.8	603.0	576.5	544.6	511.5	476.2	439.5	403.8	370.4	341.7	316.8	295.6	276.8	259.7	243.4	227.4	212.0	197.1	183.0	540.4	255.3	
Outstanding debt	694.0	669.4	583.5	522.8	480.3	439.7	399.7	359.7	322.5	288.5	257.2	230.3	207.0	186.7	168.2	151.6	136.4	122.0	108.6	96.2	84.6	456.1	149.2	
III. After enhanced HIPC assistance 3/																								
NPV of total debt	920.7	902.9	921.6	208.4	247.1	276.4	305.6	332.4	352.0	368.2	383.7	401.3	421.2	445.3	472.3	500.2	526.9	552.6	577.6	602.0	625.9	474.5	512.5	
NPV of outstanding debt	920.7	885.8	835.1	76.8	76.6	75.4	74.1	70.7	66.8	63.9	60.9	57.8	56.5	55.4	54.3	53.2	52.1	50.9	49.5	48.2	46.5	291.5	52.4	
Official bilateral and commercial	179.6	165.1	161.7	21.0	21.1	20.2	19.2	18.3	17.4	17.5	17.7	17.8	18.0	18.2	18.4	18.6	18.8	19.0	19.2	19.5	19.4	59.9	18.7	
Paris Club 4/	112.1	96.4	97.8	10.3	10.3	10.4	10.4	10.5	10.6	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.3	11.4	11.5	11.6	11.6	35.5	11.2	
Other official bilateral	58.6	59.4	56.9	10.8	10.8	9.8	8.8	7.8	6.8	6.9	6.9	7.0	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.9	7.9	22.1	7.5	
Commercial	8.9	9.3	6.9	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	0.0	0.0	0.0	2.3	0.0	
Multilateral	741.2	720.7	673.4	55.7	55.4	55.2	54.8	52.4	49.5	46.4	43.2	40.0	38.5	37.2	36.0	34.6	33.3	31.9	30.3	28.7	27.0	231.6	33.8	
World Bank Group	450.9	450.5	419.6	37.1	36.8	36.4	35.7	35.0	34.1	33.1	32.1	30.9	29.7	28.4	27.1	25.8	24.4	23.0	21.4	19.8	18.0	145.6	24.9	
IMF	26.4	33.4	5/	34.1	8.6	8.6	8.8	9.1	7.5	5.6	3.7	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.4	0.0	
AfDF/AfDB Group	162.8	137.5	6/	130.6	5.0	5.0	4.9	4.9	4.8	4.7	4.6	4.4	4.3	4.1	4.0	3.8	3.7	3.5	3.3	3.1	3.0	2.8	42.6	3.6
Others	101.1	99.4	7/	89.1	5.0	5.1	5.1	5.1	5.1	5.1	5.1	5.0	4.9	4.8	4.7	4.8	5.0	5.2	5.4	5.6	5.8	30.0	5.4	
NPV of new borrowing	...	17.1	86.6	131.6	170.5	201.0	231.5	261.7	285.2	304.3	322.8	343.5	364.7	389.9	418.0	447.0	474.8	501.7	528.0	553.8	579.5	183.0	460.1	

Table 7. Burundi: Net Present Value of External Debt After HIPC Assistance, 2003-23 (concluded)

(In millions of U.S. dollars, unless otherwise indicated)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages	
																						2003-13	2014-23
Memorandum items:																							
NPV of debt-to-exports ratio (percent) 2/																							
Total debt	1,936.8	1,834.5	1,525.3	301.2	293.8	288.3	284.1	280.1	271.2	260.7	250.1	241.4	233.6	227.0	220.1	213.3	206.2	199.8	193.5	187.5	181.8	684.2	210.4
Outstanding debt	1,936.8	1,799.8	1,382.1	111.0	91.0	78.6	68.8	59.6	51.5	45.2	39.7	34.8	31.3	28.3	25.3	22.7	20.4	18.4	16.6	15.0	13.5	514.9	22.6
NPV of debt-to-revenue ratio (percent)																							
Total debt	732.7	696.6	620.3	127.0	139.4	144.3	147.5	148.0	144.5	139.6	134.5	130.2	126.8	124.4	122.6	120.9	118.7	116.0	113.1	109.7	106.3	288.6	118.9
Outstanding debt	732.7	683.5	562.1	46.8	43.2	39.4	35.7	31.5	27.4	24.2	21.3	18.8	17.0	15.5	14.1	12.9	11.7	10.7	9.7	8.8	7.9	204.3	12.7
IV. After enhanced HIPC assistance assumed committed unconditionally 8/																							
NPV of total debt	71.3	89.5	158.9	208.4	247.1	276.4	305.6	332.4	352.0	368.2	383.7	401.3	421.2	445.3	472.3	500.2	526.9	552.6	577.6	602.0	625.9	254.0	512.5
NPV of outstanding debt	71.3	72.4	72.4	76.8	76.6	75.4	74.1	70.7	66.8	63.9	60.9	57.8	56.5	55.4	54.3	53.2	52.1	50.9	49.5	48.2	46.5	71.0	52.4
Official bilateral and commercial	10.7	14.1	15.9	21.0	21.1	20.2	19.2	18.3	17.4	17.5	17.7	17.8	18.0	18.2	18.4	18.6	18.8	19.0	19.2	19.5	19.4	17.6	18.7
Paris Club	7.1	8.1	8.7	10.3	10.3	10.4	10.4	10.5	10.6	10.6	10.7	10.8	10.9	11.0	11.1	11.2	11.3	11.4	11.5	11.6	11.6	9.8	11.2
Other official bilateral	2.9	5.5	6.8	10.8	10.8	9.8	8.8	7.8	6.8	6.9	6.9	7.0	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.9	7.9	7.6	7.5
Commercial	0.7	0.5	0.4	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	0.0	0.0	0.0	0.1	0.0
Multilateral	60.6	58.3	56.5	55.7	55.4	55.2	54.8	52.4	49.5	46.4	43.2	40.0	38.5	37.2	36.0	34.6	33.3	31.9	30.3	28.7	27.0	53.5	33.8
World Bank Group	36.9	36.5	37.3	37.1	36.8	36.4	35.7	35.0	34.1	33.1	32.1	30.9	29.7	28.4	27.1	25.8	24.4	23.0	21.4	19.8	18.0	35.5	24.9
IMF	2.2	8.7	5/	8.7	8.6	8.8	9.1	7.5	5.6	3.7	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7	0.0
AfDF/AfDB Group	13.3	5.1	6/	5.1	5.0	4.9	4.9	4.8	4.7	4.6	4.4	4.3	4.1	4.0	3.8	3.7	3.5	3.3	3.1	3.0	2.8	5.6	3.6
Others	8.3	7.9	7/	5.4	5.0	5.1	5.1	5.1	5.1	5.0	4.9	4.8	4.7	4.8	5.0	5.2	5.4	5.6	5.8	6.0	6.3	5.6	5.4
NPV of new borrowing	...	17.1	86.6	131.6	170.5	201.0	231.5	261.7	285.2	304.3	322.8	343.5	364.7	389.9	418.0	447.0	474.8	501.7	528.0	553.8	579.5	183.0	460.1
Memorandum items:																							
NPV of debt-to-exports ratio (percent) 2/																							
Total debt	150.0	181.8	263.1	301.2	293.8	288.3	284.1	280.1	271.2	260.7	250.1	241.4	233.6	227.0	220.1	213.3	206.2	199.8	193.5	187.5	181.8	256.8	210.4
Outstanding debt	150.0	147.1	119.8	111.0	91.0	78.6	68.8	59.6	51.5	45.2	39.7	34.8	31.3	28.3	25.3	22.7	20.4	18.4	16.6	15.0	13.5	87.5	22.6
NPV of debt-to-revenue ratio (percent)																							
Total debt	56.8	69.1	107.0	127.0	139.4	144.3	147.5	148.0	144.5	139.6	134.5	130.2	126.8	124.4	122.6	120.9	118.7	116.0	113.1	109.7	106.3	123.4	118.9
Outstanding debt	56.8	55.9	48.7	46.8	43.2	39.4	35.7	31.5	27.4	24.2	21.3	18.8	17.0	15.5	14.1	12.9	11.7	10.7	9.7	8.8	7.9	39.2	12.7
Exports of goods and nonfactor services 9/	57.6	51.1	72.5	83.9	95.9	107.9	118.9	129.3	141.3	153.2	165.8	179.8	195.4	213.3	235.0	255.3	276.4	298.1	320.8	344.1	368.1	107.0	268.6
Exports of goods and nonfactor services (3-yr average) 10/	47.5	49.2	60.4	69.2	84.1	95.9	107.6	118.7	129.8	141.3	153.4	166.3	180.3	196.2	214.6	234.5	255.5	276.6	298.4	321.0	344.3	96.1	248.8
Government revenue 11/	125.7	129.6	148.6	164.1	177.3	191.6	207.2	224.6	243.6	263.8	285.3	308.1	332.3	358.0	385.1	413.6	443.9	476.2	510.9	548.6	589.1	196.5	436.6

Sources: Burundi authorities; and staff estimates and projections.

1/ In terms of simple historical three-year average of exports of goods and nonfactor services.

2/ Shows the external debt situation after the full use of traditional debt-relief mechanisms, and assuming at least comparable treatment from official bilateral creditors.

3/ Assumes interim relief under the enhanced Initiative in June 2005-December 2006 and full delivery of assistance in December 2006. For the assumptions, see footnote 6 of Table 8.

4/ Assumes also a flow rescheduling on Naples terms during the consolidation period, since Burundi has received on March 2004 a Naples flow for the consolidation period, which clears all arrears to Paris Club creditors before the decision point. Then during the interim period, assumes a flow rescheduling under cologne term, and a stock operation under Cologne term at the completion point.

5/ The increase in the NPV of debt is due to the disbursement of the first tranche of the PRGF in February 2004 amounting to SDR 26.4 million.

6/ The NPV of debt reflects the payment of UA 22.6 million in arrears at end-2003 according to the Post Conflict Countries arrears clearance framework of the AfDB in October 2004.

7/ BADEA and the OPEC Fund agreed on a concessional rescheduling of Burundi's arrears in 2004.

8/ NPV of debt shows the results of the (hypothetical) unconditional commitment and delivery of enhanced HIPC assistance at end-2003.

9/ As defined in IMF, Balance of Payments Manual, 5th edition, 1993. Refers to current year exports.

10/ Three-year backward looking average of exports of goods and nonfactor services.

11/ Revenues are defined as central government revenues, excluding grants.

Table 8. Burundi: External Debt Indicators and Sensitivity Analysis, 2003-23 1/

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2004-13	2014-23
	Act.	Est.																					
(In percent, unless otherwise indicated)																							
Baseline scenario																							
NPV of debt-to-GDP ratio	12.0	13.4	20.4	24.3	26.8	27.8	28.5	28.7	28.1	27.2	26.3	25.5	24.9	24.5	24.3	24.0	23.6	23.1	22.6	22.0	21.3	25.1	23.6
NPV of debt-to-exports ratio 2/ 3/	150.0	181.8	263.1	301.2	293.8	288.3	284.1	280.1	271.2	260.7	250.1	241.4	233.6	227.0	220.1	213.3	206.2	199.8	193.5	187.5	181.8	267.4	210.4
NPV of debt-to-revenue ratio 4/	56.8	69.1	107.0	127.0	139.4	144.3	147.5	148.0	144.5	139.6	134.5	130.2	126.8	124.4	122.6	120.9	118.7	116.0	113.1	109.7	106.3	130.1	118.9
Debt service to export ratio	...	137.9	26.3	15.5	6.1	6.7	6.5	7.8	12.1	13.3	13.7	12.8	11.7	9.1	7.4	6.9	7.2	7.4	7.6	7.7	7.9	24.6	8.6
Debt service to revenue ratio	...	54.4	12.8	7.9	3.3	3.8	3.7	4.5	7.0	7.8	8.0	7.4	6.9	5.4	4.5	4.3	4.5	4.7	4.8	4.9	4.9	11.3	5.2
Sensitivity analysis																							
Higher non-oil import prices scenario 5/																							
NPV of debt-to-exports ratio 2/ 3/	150.0	181.8	268.6	315.3	316.8	322.0	329.7	335.8	335.7	332.8	328.6	325.3	321.9	318.4	313.1	307.1	300.4	294.3	287.9	281.7	275.4	306.7	302.5
NPV of debt-to-revenue ratio 4/	56.8	69.1	109.2	132.9	150.3	161.2	171.2	177.4	178.9	178.2	176.7	175.5	174.6	174.5	174.1	172.9	170.9	168.2	164.8	161.0	150.5	171.1	171.1
Debt service to export ratio	...	137.9	26.3	15.7	6.4	7.1	7.1	8.6	13.0	14.4	14.8	13.9	12.9	10.4	8.8	8.4	8.9	9.3	9.7	9.9	10.2	25.1	10.2
Debt service-to-revenue ratio 4/	...	54.4	12.8	8.0	3.5	4.0	4.1	4.9	7.6	8.3	8.6	8.1	7.6	6.2	5.4	5.2	5.5	5.8	6.1	6.2	6.4	11.6	6.3
Lower concessionality of new borrowing scenario 6/																							
NPV of debt-to-exports ratio 2/ 3/	150.0	181.8	344.0	404.0	403.8	404.7	405.2	404.8	398.2	388.9	379.2	371.2	363.7	356.1	346.7	336.9	326.7	317.7	309.0	300.7	292.9	371.5	332.2
NPV of debt-to-revenue ratio 4/	56.8	69.1	139.9	170.3	191.6	202.6	210.4	213.9	212.2	208.2	203.9	200.3	197.3	195.1	193.2	191.0	188.1	184.5	180.5	176.0	171.2	182.2	187.7
Debt service to export ratio	...	137.9	31.7	22.5	14.1	15.2	17.2	21.8	23.2	23.6	22.6	21.5	18.7	16.8	16.2	16.3	16.4	16.4	16.4	16.4	16.4	32.3	17.8
Debt service-to-revenue ratio 4/	...	54.4	15.5	11.5	7.6	8.6	8.9	9.9	12.7	13.4	13.7	13.2	12.6	11.2	10.3	10.0	10.2	10.3	10.3	10.3	10.3	15.6	10.9
100 percent grant financing 7/																							
NPV of debt-to-exports ratio 2/ 3/	150.0	181.8	263.1	263.2	229.6	203.9	183.9	167.1	148.0	136.8	125.9	116.9	109.5	103.9	100.0	97.0	94.2	91.9	89.9	88.3	86.7	190.3	97.8
NPV of debt-to-revenue ratio 4/	56.8	69.1	107.0	110.9	108.9	102.0	95.5	88.3	78.9	73.2	67.7	63.1	59.4	57.0	55.7	55.0	54.2	53.4	52.5	51.7	50.7	90.2	55.3
Debt service to export ratio	...	137.9	26.3	15.1	5.3	5.6	5.2	6.3	10.6	11.9	12.3	11.3	10.3	7.7	5.3	4.1	3.8	3.6	3.4	3.2	3.4	23.7	5.6
Debt service-to-revenue ratio 4/	...	54.4	14.7	8.5	3.1	3.4	3.2	4.0	6.7	7.5	7.7	7.1	6.5	5.0	3.5	2.7	2.6	2.4	2.3	2.2	2.3	11.3	3.7
Lower export growth 8/																							
NPV of debt-to-exports ratio 2/ 3/	150.0	181.8	264.7	306.0	301.9	299.7	299.1	298.8	293.6	286.7	279.9	275.0	271.2	268.8	265.9	263.1	260.0	257.8	255.8	254.2	253.0	281.2	262.5
NPV of debt-to-revenue ratio 4/	56.8	69.1	107.1	127.3	140.1	145.5	149.3	150.4	147.6	143.5	139.3	136.1	133.7	132.5	132.0	131.6	130.8	129.7	128.3	126.5	124.6	131.9	130.6
Debt service to export ratio	...	137.9	26.6	15.9	6.3	7.0	6.9	8.3	13.0	14.5	15.1	14.2	13.2	10.4	8.7	8.2	8.7	9.1	9.5	9.7	10.1	25.1	10.2
Debt service-to-revenue ratio 4/	...	54.4	12.8	8.0	3.3	3.8	3.7	4.5	7.1	7.8	8.1	7.5	7.0	5.5	4.7	4.4	4.7	4.9	5.1	5.2	5.3	11.3	5.4
Memorandum items:																							
(In millions of U.S. dollars)																							
Higher non-oil import prices scenario																							
NPV of debt after HIPC assistance	71.3	89.5	162.3	218.1	266.4	308.8	354.6	398.6	435.8	470.1	504.1	540.8	580.4	624.5	671.9	720.3	767.6	813.8	859.3	904.2	948.4	320.8	743.1
Debt service after HIPC assistance	...	70.5	19.1	13.2	6.2	7.7	8.5	11.1	18.4	22.0	24.6	25.0	25.2	22.1	20.7	21.6	24.6	27.9	31.1	34.2	37.6	20.1	27.0
GDP	595	667	774	844	903	968	1,038	1,125	1,219	1,319	1,425	1,537	1,656	1,780	1,912	2,051	2,198	2,356	2,525	2,705	2,899	1,028.3	2,161.9
Government revenue 4/	126	130	149	164	177	192	207	225	244	264	285	308	332	358	385	414	444	476	511	549	589	203.6	436.6
Lower concessionality of new borrowing scenario																							
NPV of debt after HIPC assistance	71.3	89.5	207.9	279.5	339.6	388.1	435.9	480.4	516.9	549.4	581.7	617.1	655.8	698.5	743.9	790.1	834.9	878.8	922.1	965.3	1008.4	386.9	811.5
Debt service after HIPC assistance	...	70.5	23.0	18.9	13.5	16.4	18.5	22.3	30.8	35.5	39.1	40.6	42.0	39.9	39.5	41.3	45.1	49.0	52.8	56.4	60.4	28.9	46.7
100 percent grant financing scenario																							
NPV of debt after HIPC assistance	71.3	89.5	158.9	182.0	193.1	195.5	197.9	198.4	192.1	193.2	193.1	194.4	197.4	203.9	214.6	227.5	240.6	254.1	268.4	283.5	298.5	179.4	238.3
Debt service after HIPC assistance	...	70.5	19.0	12.7	5.1	6.1	6.2	8.2	15.0	18.2	20.4	20.4	20.1	16.5	12.4	10.4	10.6	10.8	11.0	11.1	12.6	18.1	13.6
Lower export growth																							
NPV of debt after HIPC assistance	71.3	89.5	159.1	209.0	248.4	278.7	309.2	337.8	359.6	378.6	397.5	419.3	444.2	474.2	508.3	544.5	580.8	617.6	655.3	694.1	734.2	276.7	567.3
Debt service after HIPC assistance	...	70.5	19.0	13.0	5.9	7.2	7.8	10.1	17.2	20.6	23.0	23.2	23.2	19.8	18.0	18.3	20.8	23.3	25.8	28.3	31.1	19.4	23.2
Exports of goods and nonfactor services 9/	57.6	51.1	71.6	82.1	93.1	103.7	113.3	122.1	132.1	141.9	152.1	163.4	175.8	190.1	207.5	223.2	239.5	256.0	273.0	290.1	307.6	106.3	232.6
Exports of goods and nonfactor services (3-yr average) 10/	47.5	49.2	60.1	68.3	82.3	93.0	103.4	113.0	122.5	132.0	142.1	152.5	163.8	176.4	191.1	206.9	223.4	239.6	256.1	273.0	290.2	96.6	217.3
GDP	595.5	667.2	780.9	857.6	923.4	995.1	1072.8	1159.8	1254.0	1354.0	1459.8	1571.8	1690.2	1815.1	1946.9	2085.7	2232.9	2390.5	2559.3	2739.9	2933.3	1,052.5	2,196.6

Sources: Burundi authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed (PPG) debt and are defined after HIPC assistance assumed delivered unconditionally at end-2003.

2/ As defined in IMF, *Balance of Payments Manual*, 5th edition, 1993. 2001 excludes service exports to MONUC.

3/ Based on a three-year average of exports on the previous year (e.g., export average over 1999-2001 for NPV of debt-to-exports ratio in 2001).

4/ Revenue is defined as central government revenue, excluding grants.

5/ Assumes that non-oil import prices would increase 5 percent more each year in 2005-2009 and would increase at the same rate assumed in the baseline scenario thereafter.

6/ Assumes that the interest rate on all debt is 2 percentage point higher than in the baseline from 2005 onwards.

7/ Assumes that project financing and budget support (excluding the PRGF) are in the form of grants, from 2006 to 2011; After 2011 financing will be in the form of 50 percent grants and 50 percent concessional loans.

8/ Assumes 1 percent lower export growth from 2005 to 2023.

9/ As defined in IMF, *Balance of Payments Manual*, 5th edition, 1993. Refers to current year exports.

10/ Three-year backward looking average of exports of goods and nonfactor services.

Table 9. Burundi: External Resource Transfer, 2004–23
(In millions of U.S. dollars, unless otherwise indicated)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages	
																					2004-13	2014-23
Debt service on existing debt																						
Scheduled debt service before traditional debt relief 1/	83	44	46	43	45	49	52	54	55	56	51	47	44	44	44	42	42	42	42	42	53	44
Multilateral creditors	69	33	35	35	37	43	48	50	51	52	48	44	41	41	41	40	41	41	41	42	45	42
Paris Club creditors	5	5	5	5	5	4	4	4	3	3	3	3	3	3	3	2	1	1	1	1	4	2
Other bilateral creditors	6	3	3	3	3	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	2	0
Commercial creditors	3	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Scheduled debt service after arrears clearance 2/	76	45	50	58	59	63	65	56	57	58	53	49	46	46	46	44	44	44	44	45	59	46
Multilateral creditors	69	33	35	35	37	43	48	50	51	52	48	44	41	41	41	40	41	41	41	42	45	42
Paris Club creditors	1	4	7	7	7	6	6	5	5	5	5	5	5	5	5	4	3	3	3	3	5	4
Other bilateral creditors	4	5	5	15	14	13	11	1	0	0	0	0	0	0	0	0	0	0	0	0	7	0
Commercial creditors	2	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Scheduled debt service after traditional debt relief 3/	78	40	43	40	42	47	52	54	55	56	52	48	45	45	45	45	47	47	47	48	51	47
Multilateral creditors	69	33	35	35	37	43	48	50	51	52	48	44	41	41	41	40	41	41	41	42	45	42
Paris Club creditors	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	4	4	4	5	3	3
Other bilateral creditors	3	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	1
Commercial creditors	3	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Scheduled debt service after enhanced HIPC assistance 4/	70	18	11	4	5	5	7	7	6	6	6	4	4	4	4	4	4	4	4	4	14	4
Multilateral creditors	69	13	3	3	3	3	5	6	6	6	5	4	3	3	3	3	3	3	3	3	12	4
Paris Club creditors	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other bilateral creditors	0	3	5	0	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Commercial creditors	0	2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt service on new borrowing	0.2	1.1	1.7	2.2	2.5	2.9	3.2	9.9	14.4	16.7	16.9	18.7	15.5	13.6	13.8	16.1	18.4	20.6	22.8	24.9	5	18
Total debt service (cash basis) 5/	71	19	13	6	7	8	10	17	20	23	23	23	19	17	18	20	22	24	27	29	19	22
Total external resource inflows	250	329	265	240	222	218	219	223	228	231	238	247	250	255	261	266	274	283	292	304	243	267
Grant disbursements	215	203	189	174	169	168	171	178	185	186	190	195	200	204	210	216	223	231	240	250	184	216
Loan disbursements	35	125	76	67	53	51	48	45	43	45	48	51	51	50	50	50	50	51	52	54	59	51
Net inflows of resources 6/	179.1	309.9	251.9	234.4	214.7	210.5	209.0	205.7	207.8	208.5	214.8	223.7	231.1	237.2	242.9	246.4	251.6	258.2	265.6	274.6	223	245
Percent of GDP	26.8	39.7	29.4	25.4	21.6	19.6	18.0	16.4	15.4	14.3	13.7	13.2	12.7	12.2	11.6	11.0	10.5	10.1	9.7	9.4	22.7	11.4
Aid-related imports of goods and services	126	106	85	60	50	40	39	41	43	45	47	50	52	55	58	61	64	67	70	74	63.5	59.6
Net balance of payments support (net inflows of resources less aid related imports)	54	204	167	174	165	170	170	165	165	163	167	174	179	182	185	186	188	191	196	201	159.7	185.0
Percent of GDP	8.0	26.1	19.5	18.9	16.6	15.9	14.7	13.1	12.2	11.2	10.6	10.3	9.9	9.4	8.9	8.3	7.9	7.5	7.1	6.9	15.6	8.7

Sources: Burundi authorities; and staff estimates and projections.

1/ Includes only scheduled debt service on current maturities and does not include projected penalty interest on arrears.

2/ Arrears clearance reflects a Naples flow operation with special treatment in the form of capitalization of moratorium interest for Paris Club creditors and comparable treatment by non-Paris Club bilateral creditors, and rescheduling of arrears by multilateral creditors.

3/ Assumes a hypothetical stock-of-debt operation on Naples terms and comparable treatment from other bilateral creditors, and multilateral arrears clearance.

4/ Paris Club and commercial creditors are assumed to deliver their share of relief as of the completion point (beginning February 2006). Non-Paris Club creditors are assumed to provide a Cologne flow rescheduling on eligible debt, and the remaining eligible debt, and the remaining of the required HIPC assistance is to be delivered at the completion point through a stock-of-debt operation. Multilateral creditors are also assumed to provide HIPC debt relief as of the completion point, except for the IMF, the World Bank, the EU and OPEC Fund for which the delivery would start as of the decision point (June 2005).

5/ Includes debt service after arrears clearance and after HIPC assistance and, from 2004 on, debt service on new borrowing.

6/ After the projected assistance under the enhanced HIPC Initiative.

Table 10. Burundi: Long-Term Macroeconomic Assumptions, 2003-23

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	(In units indicated)										
Real GDP growth (percent change)	-1.2	5.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Nominal GDP (millions of U.S. dollars)	595	667	781	858	923	995	1,073	1,160	1,254	1,354	1,460
Percent change	-5.2	12.1	17.0	9.8	7.7	7.8	7.8	8.1	8.1	8.0	7.8
Exports of goods and nonfactor services (millions of U.S. dollars)	58	51	72	84	96	108	119	129	141	153	166
Percent change	48.2	-11.3	41.8	15.7	14.4	12.4	10.2	8.8	9.3	8.4	8.2
Imports of goods and nonfactor services (millions of U.S. dollars)	179	296	311	287	283	285	292	303	317	333	348
Percent change	21.7	65.2	5.1	-7.8	-1.3	0.8	2.2	3.8	4.7	5.1	4.2
Fiscal revenues, excluding grants (millions of U.S. dollars)	125.7	129.6	148.6	164.1	177.3	191.6	207.2	224.6	243.6	263.8	285.3
Percent change	-1.3	3.1	14.6	10.5	8.0	8.1	8.1	8.4	8.4	8.3	8.1
GDP per capita (U.S. dollars)	82.7	90.9	104.2	112.3	118.7	125.6	133.0	141.2	150.0	159.2	168.8
Percent change	-12.0	9.9	14.7	7.8	5.7	5.8	5.9	6.2	6.2	6.2	6.0
Population (millions)	7.2	7.3	7.5	7.6	7.8	7.9	8.1	8.2	8.4	8.5	8.6
Percent change	7.7	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.8	1.7	1.7
Units of local currency per U.S. dollar (period average)	1,082.6	1,100.5	1,053.3	1,067.1	1,100.1	1,132.2	1,161.7	1,186.9	1,210.6	1,234.8	1,259.5
GDP deflator (percent change)	11.6	8.0	6.7	6.0	5.8	5.6	5.4	5.2	5.0	4.9	4.7
CPI index (percent change)	10.7	7.5	6.6	5.3	5.1	5.0	4.8	4.3	4.0	4.0	4.0
	(In percent of GDP)										
Composition of nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Consumption	110.0	124.3	117.8	110.9	107.2	104.9	103.4	102.3	101.4	100.7	99.8
Government	22.7	28.5	30.2	24.3	21.0	20.9	20.8	20.5	20.0	19.5	18.9
Nongovernment	87.3	95.8	87.6	86.6	86.2	84.0	82.5	81.8	81.4	81.2	80.9
Gross investment	10.4	12.4	12.8	12.7	13.0	12.9	12.8	12.6	12.4	12.3	12.2
Government	8.3	9.4	9.4	8.7	8.7	8.3	7.9	7.4	6.9	6.4	6.0
Nongovernment	2.1	3.0	3.3	4.0	4.3	4.6	4.9	5.2	5.5	5.8	6.2
Net exports of goods and nonfactor services	-20.4	-36.7	-30.6	-23.7	-20.3	-17.8	-16.1	-14.9	-13.9	-13.0	-11.9
Exports of goods and nonfactor services	9.7	7.7	9.3	9.8	10.4	10.8	11.1	11.1	11.1	11.0	10.9
Imports of goods and nonfactor services	-30.1	-44.4	-39.8	-33.5	-30.7	-28.7	-27.2	-26.1	-25.0	-24.0	-22.8
Aid-related imports of goods and nonfactor services	-16.1	-20.4	-15.3	-12.9	-9.7	-8.7	-7.8	-7.0	-6.7	-6.4	-6.1
External current account balance, incl. grants, before debt relief	-6.1	-20.4	-19.0	-15.1	-14.5	-13.1	-12.4	-11.6	-10.7	-10.0	-9.2
Gross investment	10.4	12.4	12.8	12.7	13.0	12.9	12.8	12.6	12.4	12.3	12.2
Gross national savings	4.2	-7.9	-6.2	-2.4	-1.4	-0.2	0.4	1.1	1.8	2.2	2.9
Net official external financing	14.2	1.9	21.5	11.1	7.7	4.8	2.0	-0.3	-1.8	-2.8	-2.9
Gross official external financing	19.9	15.8	25.9	15.3	11.3	8.4	6.1	4.5	3.5	2.7	2.5
Grants	16.5	18.5	16.0	12.1	9.0	7.5	6.2	5.7	5.4	5.2	5.0
Loans	3.4	-2.8	9.9	3.2	2.4	0.9	-0.1	-1.2	-1.9	-2.5	-2.5
Disbursements	9.1	11.1	14.3	7.5	6.1	4.5	4.0	3.7	3.4	3.1	2.9
Amortization	-5.7	-13.8	-4.4	-4.2	-3.7	-3.6	-4.2	-4.9	-5.3	-5.6	-5.4
Overall fiscal balance	12.4	17.9	13.7	12.9	13.5	14.0	14.6	15.4	16.1	16.8	16.7
Total revenue and grants	47.7	60.1	57.1	49.4	46.5	46.4	46.3	46.3	46.2	46.1	45.3
Revenues, excluding grants	21.1	19.4	19.0	19.1	19.2	19.3	19.3	19.4	19.4	19.5	19.5
Total expenditures	-35.3	-42.2	-43.4	-36.4	-33.0	-32.4	-31.7	-30.9	-30.1	-29.3	-28.6

Sources: Burundi authorities; and staff estimates and projections.

Table 10. Burundi: Long-Term Macroeconomic Assumptions, 2003-23

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Averages	
											2002-11	2012-21
	(In units indicated)											
Real GDP growth (percent change)	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Nominal GDP (millions of U.S. dollars)	1,572	1,690	1,815	1,947	2,086	2,233	2,391	2,559	2,740	2,933	1,052	2,197
Percent change	7.7	7.5	7.4	7.3	7.1	7.1	7.1	7.1	7.1	7.1	9.4	7.2
Exports of goods and nonfactor services (millions of U.S. dollars)	180	195	213	235	255	276	298	321	344	368	112	269
Percent change	8.5	8.7	9.2	10.2	8.6	8.3	7.9	7.6	7.3	7.0	11.8	8.3
Imports of goods and nonfactor services (millions of U.S. dollars)	368	389	412	436	462	488	517	547	578	612	306	481
Percent change	5.8	5.8	5.8	5.9	5.8	5.8	5.8	5.8	5.8	5.8	8.2	5.8
Fiscal revenues, excluding grants (millions of U.S. dollars)	308.1	332.3	358.0	385.1	413.6	443.9	476.2	510.9	548.6	589.1	204	437
Percent change	8.0	7.9	7.7	7.6	7.4	7.3	7.3	7.3	7.4	7.4	8.6	7.5
GDP per capita (U.S. dollars)	178.7	189.0	199.5	210.4	221.7	233.3	245.9	259.1	273.0	287.7	130.4	229.8
Percent change	5.9	5.7	5.6	5.5	5.3	5.3	5.4	5.4	5.4	5.4	7.4	5.5
Population (millions)	8.8	8.9	9.1	9.3	9.4	9.6	9.7	9.9	10.0	10.2	8.0	9.5
Percent change	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.6	1.9	1.7
Units of local currency per U.S. dollar (period average)	1,284.7	1,310.4	1,336.6	1,363.3	1,390.6	1,418.4	1,446.8	1,475.7	1,505.2	1,535.3	1150.7	1406.7
GDP deflator (percent change)	4.6	4.5	4.3	4.2	4.1	4.0	4.0	4.0	4.0	4.0	5.7	4.2
CPI index (percent change)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.1	4.0
	(In percent)											
Composition of nominal GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Consumption	99.1	98.5	98.0	97.4	96.8	96.2	95.7	95.1	94.6	94.0	107.3	96.6
Government	18.3	17.7	17.7	17.7	17.6	17.5	17.4	17.2	17.1	16.9	22.5	17.5
Nongovernment	80.8	80.8	80.3	79.7	79.2	78.8	78.3	77.9	77.5	77.1	84.8	79.1
Gross investment	12.1	12.0	12.2	12.3	12.5	12.7	13.0	13.2	13.5	13.9	12.6	12.7
Government	5.5	5.2	4.9	4.7	4.5	4.4	4.2	4.0	3.9	3.7	7.9	4.5
Nongovernment	6.6	6.9	7.2	7.6	8.0	8.4	8.8	9.2	9.7	10.2	4.7	8.2
Net exports of goods and nonfactor services	-11.2	-10.6	-10.2	-9.7	-9.3	-9.0	-8.7	-8.4	-8.1	-7.9	-19.9	-9.3
Exports of goods and nonfactor services	10.7	10.6	10.9	11.3	11.5	11.7	11.8	11.9	11.9	11.9	10.3	11.4
Imports of goods and nonfactor services	-22.0	-21.2	-21.1	-21.0	-20.8	-20.7	-20.5	-20.3	-20.1	-19.8	-30.2	-20.7
Aid-related imports of goods and nonfactor services	-5.9	-5.6	-5.5	-5.3	-5.2	-5.2	-5.1	-5.1	-5.0	-5.0	-10.1	-5.3
External current account balance, incl. grants, before debt relief	-8.8	-8.3	-7.8	-7.3	-6.9	-6.5	-6.2	-5.9	-5.7	-5.5	-13.6	-6.9
Gross investment	12.1	12.0	12.2	12.3	12.5	12.7	13.0	13.2	13.5	13.9	12.6	12.7
Gross national savings	3.3	3.7	4.3	5.1	5.7	6.2	6.8	7.3	7.9	8.4	-1.0	5.9
Net official external financing	-1.7	-0.5	0.9	1.7	1.8	1.9	1.8	1.7	1.7	1.2	4.1	1.1
Gross official external financing	2.9	3.4	3.9	4.1	4.1	4.0	3.8	3.7	3.5	3.0	9.6	3.6
Grants	4.8	4.6	4.5	4.3	4.2	4.0	3.9	3.8	3.7	3.6	9.1	4.1
Loans	-1.9	-1.3	-0.6	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	0.7	0.5	-0.4
Disbursements	2.7	2.6	2.4	2.3	2.1	2.0	1.9	1.8	1.7	2.5	6.1	2.2
Amortization	-4.6	-3.8	-3.0	-2.4	-2.2	-2.1	-2.0	-1.9	-1.8	-1.8	-5.5	-2.6
Overall fiscal balance	16.8	17.0	15.7	14.6	13.6	12.8	12.0	11.3	10.7	10.1	15.2	13.5
Total revenue and grants	44.7	44.2	42.4	40.8	39.3	38.0	36.8	35.6	34.6	33.7	49.0	39.0
Revenues, excluding grants	19.6	19.7	19.7	19.8	19.8	19.9	19.9	20.0	20.0	20.1	19.3	19.8
Total expenditures	-27.9	-27.3	-26.7	-26.2	-25.7	-25.2	-24.8	-24.4	-24.0	-23.5	-33.8	-25.6

Sources: Burundi authorities; and staff estimates and projections.

Table 11. Burundi: Possible Delivery of IMF Assistance under the Enhanced HIPC Initiative, 2005-14 1/
(In millions of U.S. dollars, unless otherwise indicated)

	2005 2/	2006	2007	2008	2009	2010	2011	2012	2013	2014
(Based on the US\$/SDR exchange rate as of November 1, 2004)										
Delivery schedule of IMF assistance (in percent of the total assistance)	0.5	0.5	0.5	0.5	8.5	16.0	17.8	22.5	24.0	9.2
Debt Service due on IMF obligations 3/	0.4	0.6	0.6	0.6	4.6	8.5	8.4	8.4	8.4	4.4
Principal	-	-	-	-	4.0	7.9	7.9	7.9	7.9	4.0
Interest and charges	0.4	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.4	0.4
of which, PRGF interest	0.2 4/	0.2 4/	0.2 4/	0.2 4/	0.2	0.2	0.1	0.1	0.0	0.0
IMF assistance—deposits into Burundi's account										
Interim assistance 4/	0.121	0.121								
Completion point assistance 5/		24.0								
IMF assistance—drawdown schedule 6/	0.1	0.1	0.2	0.5	4.4	6.5	6.2	6.3	6.4	2.5
IMF assistance without interest	0.1	0.1	0.1	0.1	2.1	3.9	4.3	5.5	5.8	2.2
Estimated interest earnings	--	0.0	0.1	0.4	2.4	2.6	1.9	0.8	0.5	0.2
Debt service due on current IMF obligations after IMF assistance 6/	0.3	0.5	0.4	0.1	0.1	2.0	2.2	2.1	2.0	1.9
Share of debt service due on IMF obligations covered by IMF assistance (in percent) 7/	29.9	20.2	28.6	85.2	97.6	76.8	73.6	74.4	76.0	56.7
Proportion (in percent) of each repayment falling due during the period to be paid by IMF Initiative assistance from the principal deposited in Burundi's account	61.3 4/	61.3 4/	61.3 4/	61.3 4/	52.1	49.0	54.6	69.0	73.6	56.4
Memorandum items:										
(Based on debt service data and exchange rates as of end-2003)										
Total debt service due (in millions of U.S. dollars)	43.6	45.4	42.8	44.3	48.7	51.9	53.2	54.1	55.4	51.3
Debt service due on IMF obligations (in millions of U.S. dollars)	0.4	0.6	0.6	0.6	4.6	8.5	8.4	8.4	8.4	4.4
Debt service due on current IMF obligations after IMF assistance (in percent of current year exports of goods and nonfactor services)	9.6	2.1	2.1	2.3	2.5	2.6	2.8	2.8	2.9	2.9
Share of total debt service covered by IMF assistance (in percent)	0.3	0.3	0.4	1.2	9.1	12.5	11.7	11.6	11.5	4.8

Source: Fund staff estimates and projections.

1/ Total IMF assistance under the enhanced HIPC Initiative is US\$24.24 million in NPV terms calculated on the basis of data available at the decision point, excluding interest earned on Burundi's account and on committed but undisbursed amounts as described in footnotes 5 and 6.

2/ Debt service for 2005 includes obligations from May onwards.

3/ Forthcoming obligations are as of end-September 2004.

4/ The first delivery of interim assistance will be deposited into the Burundi's account at the expected decision point in May 2005 to cover PRGF interest obligations falling due to the Fund over the next twelve months. Since there are no principal repayment obligations falling due to the Fund until August 2009, HIPC assistance will be applied to cover PRGF interest obligations falling due between 2005 and end-2008.

5/ Most of the IMF's grant HIPC assistance assumed to be disbursed into Burundi's account at the completion point at end-2006, which is reflected in the calculation of interest.

6/ Includes estimated interest earnings on: (a) amounts held in Burundi's account; and (b) up to the completion point, amounts committed but not yet disbursed. It is assumed that these amounts earn a rate of return of 5.25 percent in U.S. dollar terms, but actual interest earnings may be higher or lower. Interest accrued during a calendar year will be used toward the first repayment obligation(s) falling due in the following calendar year except in the final year, when it will be used toward payment of the final obligation(s) falling due in that year. Interest accrued during the interim period will be used toward the repayment of obligations falling due during the three years after the completion point.

7/ Excludes charges in the SDR Department of the IMF.

Table 12. Burundi: Possible Delivery of World Bank Group's Assistance Under the Enhanced HIPC Initiative, 2004-42 1/
(In millions of U.S. dollars, unless otherwise indicated)

	NPV relief required	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2028	2042	Cumulative		
																2015-28	2029-42	2005-42
Debt service before HIPC Assistance		19.4	20.4	21.8	22.2	24.1	25.7	27.2	28.5	29.0	30.1	30.0	30.3	25.1	1.9	418.6	128.3	805.8
On IDA Credits		19.4	20.4	21.8	22.2	24.1	25.7	27.2	28.5	29.0	30.1	30.0	30.3	25.1	1.9	418.6	128.3	805.8
<i>Of which:</i> principal		13.9	15.1	16.5	17.1	19.1	20.9	22.5	23.9	24.6	25.9	26.0	26.5	24.0	1.9	384.6	123.8	720.1
<i>Of which:</i> interest		5.5	5.4	5.3	5.1	5.0	4.9	4.7	4.5	4.3	4.2	4.0	3.8	1.1	0.0	34.0	4.4	85.8
Debt service after HIPC Assistance		19.4	9.6	2.1	2.1	2.3	2.5	2.6	2.7	2.8	2.9	2.9	2.9	2.4	0.0	40.4	10.3	83.3
On IDA Credits		19.4	9.6	2.1	2.1	2.3	2.5	2.6	2.7	2.8	2.9	2.9	2.9	2.4165	0.0	40.4	10.3	83.3
<i>Of which:</i> principal		13.9	6.9	1.6	1.6	1.8	2.0	2.2	2.3	2.4	2.5	2.5	2.6	2.3	0.0	37.1	10.0	72.9
<i>Of which:</i> interest		5.5	2.7	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.1	0.0	3.3	0.3	10.4
Savings on debt service to IDA	414	0.0	10.8	19.7	20.1	21.8	23.3	24.6	25.7	26.2	27.2	27.1	27.4	22.6	1.7	378.3	115.9	720.5
<i>Of which:</i> principal		0.0	8.2	14.9	15.4	17.3	18.9	20.3	21.6	22.3	23.4	23.5	23.9	21.7	1.7	347.5	111.9	645.2
<i>Of which:</i> interest		0.0	2.6	4.8	4.6	4.5	4.4	4.2	4.1	3.9	3.8	3.6	3.4	1.0	0.0	30.8	4.0	75.3
Savings as percent of debt service due to World Bank Group		0	53	90	90	90	90	90	90	90	90	90	90	90	90	90	90	89

Source: World Bank staff estimates.

1/ Enhanced HIPC assistance of US\$414 million in end-2003 NPV terms proposed to be delivered over about 37 years through a 90 percent relief on the debt service falling due to IDA on credits outstanding at end-2003, correspondent to a nominal relief of US\$720 million.

Table 13. HIPC Initiative: Status of Country Cases Considered Under the Initiative, end-December 2004

Country	Decision Point	Completion Point	Target		Assistance Levels 1/					Percentage Reduction in NPV of Debt 2/	Estimated Total Nominal Debt Service Relief (In millions of U.S. dollars)
			NPV of Debt-to-Gov. revenue		(In millions of U.S. dollars, present value)						
			Exports (in percent)	revenue	Total	Bilateral	Multi-lateral	IMF	World Bank		
Completion point reached under enhanced framework											
Benin	Jul. 00	Mar. 03	150		265	77	189	24	84	31	460
Bolivia					1,302	425	876	84	194		2,060
<i>original framework</i>	<i>Sep. 97</i>	<i>Sep. 98</i>	225		448	157	291	29	54	14	760
<i>enhanced framework</i>	<i>Feb. 00</i>	<i>Jun. 01</i>	150		854	268	585	55	140	30	1,300
Burkina Faso					553	83	469	57	231		930
<i>original framework</i>	<i>Sep. 97</i>	<i>Jul. 00</i>	205		229	32	196	22	91	27	400
<i>enhanced framework</i>	<i>Jul. 00</i>	<i>Apr. 02</i>	150		195	35	161	22	79	30	300
<i>topping-up</i>	<i>...</i>	<i>Apr. 02</i>	150		129	16	112	14	61	24	230
Ethiopia					1,982	637	1,315	60	832		3,275
<i>original framework</i>	<i>Nov. 01</i>	<i>Apr. 04</i>	150		1,275	482	763	34	463	47	1,941
<i>topping-up</i>	<i>Apr. 04</i>	<i>Apr. 04</i>	150		707	155	552	26	369	31	1,334
Ghana	Feb. 02	Jul. 04	144	250	2,186	1,084	1,102	112	781	56	3,500
Guyana					591	223	367	75	68		1,354
<i>original framework</i>	<i>Dec. 97</i>	<i>May 99</i>	107	280	256	91	165	35	27	24	634
<i>enhanced framework</i>	<i>Nov. 00</i>	<i>Dec-03</i>	150	250	335	132	202	40	41	40	719
Madagascar	Dec. 00	Oct-04	150		836	474	362	19	252	40	1,873
Mali					539	169	370	59	185		895
<i>original framework</i>	<i>Sep. 98</i>	<i>Sep. 00</i>	200		121	37	84	14	43	9	220
<i>enhanced framework</i>	<i>Sep. 00</i>	<i>Mar. 03</i>	150		417	132	285	45	143	29	675
Mauritania	Feb. 00	Jun. 02	137	250	622	261	361	47	100	50	1,100
Mozambique					2,023	1,270	753	143	443		4,300
<i>original framework</i>	<i>Apr. 98</i>	<i>Jun. 99</i>	200		1,717	1,076	641	125	381	63	3,700
<i>enhanced framework</i>	<i>Apr. 00</i>	<i>Sep. 01</i>	150		306	194	112	18	62	27	600
Nicaragua	Dec. 00	Jan. 04	150		3,308	2,175	1,134	82	191	73	4,500
Niger					663	235	428	42	240		1,200
<i>decision point assistance</i>	<i>Dec. 00</i>	<i>Apr. 04</i>	150		521	211	309	28	170	53	900
<i>topping-up</i>	<i>...</i>	<i>Apr. 04</i>	150		143	23	119	14	70	25	300
Senegal	Jun. 00	Apr. 04	133	250	488	212	276	45	124	19	850
Tanzania	Apr. 00	Nov. 01	150		2,026	1,006	1,020	120	695	54	3,000
Uganda					1,003	183	820	160	517		1,950
<i>original framework</i>	<i>Apr. 97</i>	<i>Apr. 98</i>	202		347	73	274	69	160	20	650
<i>enhanced framework</i>	<i>Feb. 00</i>	<i>May 00</i>	150		656	110	546	91	357	37	1,300
Decision point reached under enhanced framework											
Cameroon	Oct. 00	Floating	150		1,260	874	324	37	179	27	2,800
Chad	May. 01	Floating	150		170	35	134	18	68	30	260
Congo, Democratic Rep. of	Jul. 03	Floating	150		6,311	3,837	2,474	472	831	80	10,389
Ethiopia	Nov. 01	Floating	150		1,275	482	763	34	463	47	1,930
Gambia, The	Dec. 00	Floating	150		67	17	49	2	22	27	90
Guinea	Dec. 00	Floating	150		545	215	328	31	152	32	800
Guinea-Bissau	Dec. 00	Floating	150		416	212	204	12	93	85	790
Honduras	Jul. 00	Floating	110	250	556	215	340	30	98	18	900
Malawi	Dec. 00	Floating	150		643	163	480	30	331	44	1,000
Rwanda	Dec. 00	Floating	150		452	56	397	44	228	71	800
São Tomé and Príncipe	Dec. 00	Floating	150		97	29	68	-	24	83	200
Sierra Leone	Mar. 02	Floating	150		600	205	354	123	122	80	950
Zambia	Dec. 00	Floating	150		2,499	1,168	1,331	602	493	63	3,850
Preliminary HIPC document issued											
Côte d'Ivoire	Mar. 98 3/	...	141	280	345	163	182	23	91	6 4/	800
Total assistance provided/committed					33,622	16,186	17,270	2,589	8,132		56,833
Preliminary HIPC document issued											
Côte d'Ivoire 6/	...	...	91	250	2,569	1,027	918	166	438	37	3,900

Sources: IMF and World Bank Board decisions, completion point documents, decision point documents, preliminary HIPC documents, and staff calculations.

1/ Assistance levels are at countries' respective decision or completion points, as applicable.

2/ In percent of the net present value of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.

3/ Côte d'Ivoire reached its decision point under the original framework in March 1998. The total amount of assistance committed thereunder was US\$345 million in NPV terms.

4/ Nonreschedulable debt to non-Paris Club official bilateral creditors and the London Club, which was already subject to a highly concessional restructuring, is excluded from the NPV of debt at the completion point in the calculation of this ratio.

5/ Equivalent to SDR 1,669 million at an SDR/USD exchange rate of 0.6448, as of December 28, 2004

6/ It is suggested that enhanced HIPC relief for Côte d'Ivoire overtake the commitments made under the original HIPC framework.

Burundi: Debt Management Capacity

1. The Direction de la Dette Extérieure (DDE) at the Ministry of Finance is responsible for debt management; while the central bank, Banque de la République du Burundi (BRB) collects and gathers debt and external sector statistics.
2. The main impediment to debt management remains the lack of trained human resources at the DDE. This considerably limits the authorities' debt management capacity particularly in the context of the enhanced HIPC Initiative debt sustainability analysis (DSA) process. In order to allow the authorities to fully participate in the DSA process, staff have raised this concern with the authorities. The authorities recognize the urgent need to reinforce the DDE and are planning a major restructuring of the DDE in the near future. Support for strengthening debt management capacity is planned as part of the World Bank's Economic Management Support Project (EMSP). Debt management is tracked and monitored by SYGADE software, but due to limited trained human resources, SYGADE is not used in its full capacity to reflect accurate and up to date level of debt disbursed, amount of debt serviced, and payment plan schedules. Also, while Debt-Pro software has been installed it is not yet being used. Furthermore, for effective external debt management, Burundi should have well-coordinated institutional arrangements that are fully integrated within the overall macroeconomic policymaking framework. The DDE should be better able to coordinate with the cabinet of the Finance Minister and all services in charge of IMF/WB program monitoring.
3. Years of civil war have affected Burundi's dialogue with its creditors and its debt-servicing capacity which has resulted in poor records on the existing level of indebtedness. Looking ahead, the country's engagement in the enhanced HIPC Initiative will improve its relation with creditors and its awareness of its level of indebtedness.