U.S. DEPARTMENT OF STATE
DIPLOMACY IN ACTION

Executive Summary

Burkina Faso welcomes foreign investment and actively seeks to attract foreign partners to aid in its development. It has partially put in place the legal and regulatory framework necessary to ensure that foreign investors are treated fairly, including by setting up a venue for commercial disputes and streamlining permitting and company registration requirements. More progress is needed on protecting rights of minority investors, diminishing the influence of state-owned firms in certain sectors and enforcing intellectual property protections. Burkina Faso scored 58.9 out of 100 in the 2014 Heritage Foundation Economic Freedom Index, and ranked 83rd out of 177 countries in Transparency International's 2013 Corruption Index.

The gold **mining** industry has boomed in the last five years, and the bulk of foreign investment is in the mining sector, mostly from Canadian and U.K. firms. Moroccan, Indian and UAE companies control local subsidiaries in the telecommunications industry, while foreign investors are also active in the **agriculture** and **transport** sectors. The Government of Burkina Faso (GoBF) offers a range of tax breaks and incentives to lure foreign investors, including exemptions from value-added tax on certain equipment. Effective tax rates as a result are lower than the regional average, though the tax system is complex and can be burdensome to comply with.

Burkina Faso has remained relatively stable since President Blaise Compaore assumed power in 1987. In January 2014, three former close Compaore allies left the ruling party and formed a new opposition party, demonstrating some erosion in the popularity of the head of state, who had long been seen as having firm control of the political situation. Members of Compaore's Congress for Democracy and Progress have called for changes to the constitution to allow him to seek another mandate after his current term runs out in 2015. Opposition parties and civil society groups have warned that any steps toward changing the constitution, including a national referendum on the matter, could destabilize the country. Those circumstances add uncertainty to the investment environment during the period leading up to elections, expected in November 2015.

1. Openness to Foreign Investment

The GoBF wishes to attract more foreign direct investment (FDI) and has been implementing, over the years, reforms to make Burkina Faso more attractive to international investors. For instance, the World Bank cited Burkina Faso in its "Doing Business 2013" report as one of ten economies that made the largest strides in making their regulatory environment more favorable to business, and ranked it fourth for countries "narrowing the distance to frontier between 2005 and 2011." (Note: "Frontier" is a synthetic measure based on the most business-friendly regulatory practices across nine areas of business regulation that range from starting a business to resolving insolvency.)

The GoBF revised its investment code in 2010, 2012 and 2013, offering tax and customs exemptions as well as exemptions from value-added tax on operational equipment. The investment code provides additional incentives for investments in the areas of **agriculture**, silviculture, animal breeding, and fish farming and for companies investing at least fifty kilometers outside of the cities of Ouagadougou and Bobo-Dioulasso.

The investment code demonstrates the government's interest in attracting FDI to create industries that produce export goods and provide training and jobs for its domestic workforce. The code provides standardized guarantees to all legally established firms, whether foreign or domestic, operating in Burkina Faso. It contains four investment and operations preference schemes, which are equally applicable to all Greenfield investments, mergers, and acquisitions.

Burkina Faso's regulations governing the establishment of businesses include most forms of companies admissible under French business law, including: public corporations, limited liability companies, limited share partnerships, sole proprietorships, subsidiaries, and affiliates of foreign enterprises. With each scheme there is a corresponding set of related preferences, duty exceptions, corporate tax exemptions, and operation-related taxes.

Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property; forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

Burkina Faso's National Assembly passed a law in 2012 establishing a special tax and customs regime for investment agreements signed by the state with large investors. This scheme provides significant tax benefits. Burkina Faso further strengthened the legal and institutional framework for investment through the adoption in May 2013 of general investment guidelines. This included the creation of a deposit institution that provides financing for small and medium-sized enterprises, public-private partnerships, and real estate investments, among others.

To further encourage business and investment, the GoBF created the Presidential Council for Investment which met for the first time in 2009. It is an advisory body, chaired by the head of state, whose mission it is to make recommendations on the development and implementation of policies to stimulate investment and economic growth.

In March 2013, the GoBF created Burkina Faso Investment Promotion Agency (API-BF). This and the establishment of the Presidential Council fulfilled recommendations of a 2009 UNCTAD Investment Policy Review, available here (French only): http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=379.

To simplify the registration process for companies wishing to establish a presence in Burkina Faso, the government created eight enterprise registration centers called Centres de Formalités des Entreprises, known by their French acronym as CEFOREs. The CEFOREs are one-stop shops for company registration. On average a company can register its business in 13 days with three procedures. The CEFOREs are located in Ouagadougou, Bobo-Dioulasso, Ouahigouya, Tenkodogo, Koudougou, Fada N'Gourma, Kaya, Dedougou and Gaoua.

The government also established a Center for Construction Facilitation (CEFAC) to improve the **construction** permitting process. The CEFAC has made it possible for companies to obtain and process all the paperwork required for construction permits from one office, reducing the average number of procedures from 46 to 12, and the average amount of time from 226 days to 98 days. As a result, the World Bank ranked Burkina Faso 60th worldwide for dealing with construction permits in Doing Business 2014.

In the **mining** sector, the Council of Ministers adopted a new Mining Code in October 2013 but this code has yet to be adopted by the National Assembly. It contains a number of provisions that are opposed by the industry, including a new tax on surplus production. It would also boost mining companies' contribution to a fund for the development of local communities. The current mining code is more favorable to companies than elsewhere in the region, but the industry argues that is appropriate because of lower yields and higher energy costs in Burkina Faso versus neighboring countries. The law remains under review.

GoBF announcements for privatization bids are widely distributed, targeting both local and foreign investors. Bids are published in local papers, international magazines, mailed to different diplomatic missions, e-mailed to interested foreign investors, and published on the Internet on sites such as **http://www.dgmarket.com**. Foreign investors receive the same treatment and timetable as local investors in the bidding process. Bidding criteria are established and enforced by the government tenders regulation authority, l'Autorité de regulation de la commande publique (ARCOP, formerly known as l'Autorité de regulation des marches publics, or ARMP). Bid requirements are the same for all bidders. ARCOP, which was reorganized in May 2014, advocates for free access to government tenders, equality in the bidding process, and transparency of procedures.

There are no laws or regulations specifically authorizing private firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation, or control.

TABLE 1 – Economic Indices

The following chart summarizes several well-regarded indices and rankings. In addition, the Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or $4,085 or less. Further information on the MCC indicators and a guide to reading the scorecards is available here: http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf.

Measure	**Year**	**Index/Rating**	**Website**
TI Corruption Index	2013	83/177	http://cpi.transparency.org/cpi2013/results/
Heritage Economic Freedom	2014	58.9/178	http://www.heritage.org/index/ranking
World Bank Doing Business	2014	154/189	http//doingbusiness.org/rankings

MCC Government Effectiveness	2014	76%	http://www.mcc.gov/documents/scorecards/score-fy14-english-bf-burkina-faso.pdf
MCC Rule of Law	2014	85%	
MCC Control of Corruption	2014	84%	
MCC Fiscal Policy	2014	43%	
MCC Trade Policy	2014	46%	
MCC Regulatory Quality	2014	95%	
MCC Business Start-Up	2014	62%	
MCC Land Rights Access	2014	63%	
MCC Natural Resource Protection	2014	83.8%	

2. Conversion and Transfer Policies

Burkina Faso is a member of the West African Economic and Monetary Union (WAEMU, or UEMOA when referred to by its French acronym), whose currency is the CFA franc (XOF), or FCFA. The FCFA is freely convertible into euros at a fixed rate of 655.957 FCFA to 1 euro. Investors should consider the advantages offered by the WAEMU, which allows the FCFA to be used in all eight member countries including: Senegal, Togo, Côte d'Ivoire, Mali, Benin, Guinea Bissau, Niger, and Burkina Faso.

Burkina Faso's investment code guarantees foreign investors the right to the overseas transfer of any funds associated with an investment, including dividends, receipts from liquidation, assets, and salaries. Such transfers are authorized in the original currency of the investment. Once the interested party presents the request for transfer, accompanied by all relevant bank documents, Burkinabè banks transfer the funds directly to the recipient banking institution. The GoBF is not expected in the foreseeable future to change its current remittance policy concerning purchasing foreign currency in order to repatriate profits or other earnings. Foreign exchange is readily available at all banks and most hotels in Ouagadougou and Bobo-Dioulasso.

3. Expropriation and Compensation

The Burkinabè constitution guarantees basic property rights. These rights cannot be infringed upon except in the case of public necessity, as defined by the government. This has rarely occurred. Until 2007, all land belonged to the government, but could be leased to interested parties. The government reserves the right to expropriate land at any time for public use. In instances where property is expropriated, the government must compensate the property holder in advance, except in the event of an emergency.

In 2007, Burkina Faso drafted a national land reform policy that recognizes and protects the rights of all rural and urban stakeholders to land and natural resources; clarifies the institutional framework for conflict resolution at a local level; establishes a viable institutional framework for land management; as well as strengthens the general capacities of the government, local communities and civil society on land issues.

A rural land management law, 034/2009/AN, was adopted on June 16, 2009 by the National Assembly and promulgated by President Compaore. The new law provides for equitable access to rural lands in order to promote **agricultural** productivity, manage natural resources, encourage investment, and reduce poverty. It enables legal recognition of rights legitimated by traditional rules and practices. In rural areas, traditional land tenure rules have long governed land transactions and allocations. The new law reinforces the decentralization and devolution of authority over land matters, and also provides for formalization of individual and collective use rights and the possibility of transforming these rights into private titles.

In 2012, the government has revised the 2009 law, marking the end of exclusive property of the state on all lands. It includes instances and acts to recognize local land use practices. The new law provides conciliation committees to resolve conflicts between parties prior to any legal action. There are several property rights recognition and protection acts, such as land charters, individual or collective land ownership certificate and a loan agreement which governs the nature, duration and counterparties for transfer rights between land owner and a third party. The Millennium Challenge Account is working on the establishment of local authorities and the issuance of land acts.

4. Dispute Settlement

Over the last several years, Burkina Faso has not been involved in investment disputes with U.S. or any other foreign investors or contractors.

The Civil Code protects property and contractual rights. Government interference in the court system occurs less frequently in Burkina Faso than in most countries in Africa, and judgments from foreign courts are accepted and enforced by local courts. It should be noted, however, that the World Bank ranked Burkina Faso as 109th out of 177 in 2013 in the world for its ability to enforce contracts because of high fees, the number of required procedures, and the amount of time needed to resolve disputes.

Burkina Faso's 1995 Code of Commerce contains all applied commercial law used by the Burkinabè business community. In 2006, Burkina Faso introduced specialized commercial chambers in the general courts and in 2007 opened the Arbitration and Commercial Dispute Resolution Center (Centre d'Arbitrage et de Règlement des Litiges Commerciaux) under the auspices of the Chamber of Commerce and Industry.

Burkina Faso is a party to the Washington Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards and outlines arbitration procedures in its investment code. Burkinabè courts accept international arbitration as a means for settling investment disputes between private parties. Longstanding disputes that remain unresolved after administrative jurisdictional hearings are required to be submitted to arbitration. Burkinabè courts recognize and enforce foreign arbitral awards.

In the event that an amicable settlement of a dispute between the government and an investor cannot be reached, the investment code requires that arbitration procedures be submitted to international arbitration under the rules outlined by the 1965 Convention of the International Center for Settlement of Investment Disputes (ICSID). In cases where the enterprise of a national does not meet nationality conditions stipulated by article 25 of the Convention, the code specifies that the dispute be resolved in accordance with the dispositions of the supplementary mechanisms approved by ICSID in September 1978.

5. Performance Requirements and Incentives

Burkina Faso has never notified the World Trade Organization (WTO) of inconsistent Trade Related Investment Measures (TRIMs). The GoBF does not require investors to purchase materials from local sources or to export a certain percentage of output. Foreign investors' access to foreign exchange is not limited to their level of exports. The GoBF does not impose "offset" requirements, which dictate that major procurements be approved only if the foreign supplier invests in Burkinabè manufacturing, research and development, or service facilities in areas related to the items being procured.

All investment specific incentives are outlined in the revised investment code, act number 007-2010/AN and two other acts including number 025-2012/AN and number 023-2013/AN. The incentives are applied uniformly to both domestic and foreign investors. Additionally, all companies that use at least 50 percent locally supplied raw materials are exempted from trading taxes and receive a 50 percent reduction in customs taxes in addition to the elimination of other duties. These companies are also eligible to waive excise duties on production equipment and spare parts.

Burkina Faso has reduced the time to register a property from 109 to 59 days, cost from 16% to 12.8% of the value of property and the number of procedures from nine to four, with an improvement of Doing Business ranking from 164 to 123 in 2014.

The government generally encourages companies to hire Burkinabè employees, but this is not a requirement. Citizens of ECOWAS countries can legally work in Burkina Faso. Other nationalities can also legally work in Burkina Faso but require employment visas/permits.

6. Right to Private Ownership and Establishment

The rights of foreign and domestic private entities to establish and own enterprises and engage in all forms of remunerative activities are guaranteed by the constitution and the investment code. Businesses can be freely established and sold. Most public enterprises have enjoyed a monopoly in their markets. With the implementation of structural reforms, the government has liberalized some monopolies. Foreign investors are encouraged to participate in the privatization of state-run enterprises.

7. Protection of Property Rights

Burkina Faso was ranked 72nd out of 131 countries in the 2013 International Property Rights Index, scoring 5.1 points out of 10. The government recognizes interests in property, both movable and fixed, and has adopted international, regional, and local laws that work to protect property.

As a member of ECOWAS, Burkina Faso adheres to the Treaty on the Harmonization of Business Law in Africa (OHADA). This 1993 treaty created an intergovernmental organization to encourage foreign investment and economic development in the 16 member states that have ratified it. The treaty creates institutions that harmonize laws for contracts, businesses, securities, and bankruptcies; it also established a Common Court of Justice and Arbitrage based in Abidjan, Côte d'Ivoire. Since its inception it has adopted several uniform acts including an act relating to commercial law that entered into force in 1998.

Legal protection exists for intellectual property, patents, copyrights, trademarks, trade secrets, and semiconductor chip design. The government of Burkina Faso has issued a number of decrees to protect other forms of property. These decrees include:

· Decree No 2000-577 on the Collection and Remuneration for Duplication of Works on Graphic or Similar Medium
· Decree No 2000-143 on Creating the Bureau Burkinabè des Droits d'Auteur (BBDA)
· Decree No 2001-259 on Setting Up and Organizing the National Committee for the Fight against Piracy of Literacy and Artistic Works
· Decision No 01-052 on Price Fixing for Works Protected in Burkina Faso
· Decision on the Collection of Remuneration for Private Copy
· Decision No 01-053 on the Collection of Rights Payment
· Decision No 01-50 on Affixing Stamps to Disks, Audio and Video Cassettes that Contain Literary and Artistic Works.

Burkina Faso has a legal system that protects and facilitates acquisition and disposition of all property rights, including intellectual property. In practice, however, government enforcement of intellectual property law is lax, with the problem most acute in the market for pharmaceuticals. Despite government efforts, counterfeit medicines can readily be found and purchased on the street in Ouagadougou and Bobo-Dioulasso.

Burkina Faso is a member of the World Intellectual Property Organization (WIPO) and the African Intellectual Property Organization (AIPO). The national investment code guarantees foreign investors the same rights and protection as Burkinabè enterprises for trademarks, patent rights, labels, copyrights, and licenses. In 1999, the government ratified both the WIPO Copyrights Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). In 2002, Burkina Faso was one of 30 countries that put the WCT and WPPT treaties into force. The government has also issued several decrees and rules to implement the two treaties.

The implementation of WTO Trade-Related Intellectual Property Rights (TRIPS) agreements is under the remit of two ministries:

· Concerning copyright and related rights, the Office of Copyrights (le Bureau Burkinabè des Droits d'Auteurs, or BBDA), under the Ministry of Art, Culture and Tourism, has the lead.
· Concerning industrial property, it is the National Directorate of Industrial Property under the Ministry of Industry, Commerce, and Handicrafts.

These two authorities have the technical competence to identify needs. Arrangements are underway to assess the needs for the implementation of the TRIPS Agreement in Burkina Faso.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Embassy point of contact: Martin Vaughan VaughanMA@state.gov

Local attorneys list link: http://ouagadougou.usembassy.gov/listattorneys.html

8. Transparency of the Regulatory System

The government of Burkina Faso aims for transparency in law and policy to foster competition. According to Law No 15-94, prices of products, goods, and services must be established according to fair and sound competition. The government believes that cartels, the abuse of a position of superiority, restrictive practices, refusal to sell to consumers, discriminatory practices, unauthorized sales, and selling at a loss are practices that distort free competition. At the same time, the price of some staple goods and services are still regulated by the government, including: fuel, essential generic drugs, tobacco, cotton, school supplies, water, electricity, and telecommunications are still regulated by the government.

The government has no history of using tax, labor, environmental, health and safety standards, or other laws and policies to impede entrance of foreign investors into the marketplace. However, the tax schedule, which is currently under review, is complex. In Burkina Faso, informal sector businesses and other small businesses with an annual turnover of FCFA 15 million ($30,000) or less pay a unique tax called the *contribution du secteur informel* or CSI. The maximum CSI tax is CFA 100,000 ($200) per year. Businesses qualifying for CSI tax status are prohibited from bidding on state tenders.

Individual enterprises and companies in Burkina Faso with an annual turnover exceeding FCFA 15 million ($30,000) are subject to a complex set of taxes. These include an annual tax on industrial, commercial, and agricultural profits (IBICA), set at 27.5 percent, and a forfeit tax (IMPFIC) paid in advance each year. There is also a 25 percent tax on interest income (IRC) and a 25 percent tax on investment income (IRVM). Businesses must also pay an apprenticeship tax (TPA) on the salaries of all national and foreign employees (4 and 6 percent, respectively), and a licensing tax, which has two components: a fixed amount based on gross revenues and an 8 percent tax based on the rental value of company buildings and the value of the production equipment. Upon incorporating, companies must pay a registration tax equal to 3 percent of the company's capital. Since 1993, businesses have been required to apply a 15 percent value-added tax to products.

Non-IBICA profits are taxed at 27.5 percent. Private sector employees and civil servants pay a tax (IUTS) on salaries and tips, usually by payroll deduction.

Informal regulatory processes managed by non-governmental organizations or private sector associations are rarely found. Generally, an administrative committee comprised of experts, civil society, and various government officials reviews drafts of laws before the National Assembly adopts them or makes changes to existing laws.

Burkina Faso's legal, regulatory, and accounting systems are transparent and consistent with international norms. Burkina Faso adheres to the West African Economic and Monetary Union's accounting system, (Système Comptable Ouest Africain or SYSCOA). Introduced in 1998, SYSCOA allows enterprises to use a common accounting system. SYSCOA complies with international norms in force and is a source of economic and financial data.

Burkina Faso is a member of UNCTAD's international network of transparent investment procedures: http://www.eregulations.org/. Foreign and national investors may be able to find detailed information on administrative procedures applicable to investment and income generating operations including the number of steps, name and contact details of the entities and persons in charge of procedures, required documents and conditions, costs, processing time, and legal bases justifying the procedures at: http://burkinafaso.eregulations.org/.

9. Efficient Capital Markets and Portfolio Investment

The financial health of the **banking** system is sound. Commercial banks complied with the regional regulation to raise the minimum capital level at end-2010, and the majority of banks observed the regional prudential ratios. Developments in the financial sector were consistent with the economic recovery. The money supply in 2011 rose by 19.1 percent, reflecting the sharp increase in net foreign assets of the banking system, while credit to the economy rose substantially, mostly driven by a strong demand from the services sector.

The traditional banking sector is composed of nine commercial banks and three specialized credit institutions called *etablissements financiers*. They include:

1. Banque Internationale pour le Commerce, l'Industrie et l'Agriculture du Burkina Faso (BICIA-B)
2. United Bank of Africa (UBA)
3. Société Générale de Banques du Burkina (SGBB)
4. Banque Commerciale du Burkina (Arabo- Libyen)
5. Ecobank
6. Bank of Africa (BOA)
7. Banque Sahelo-Sahélienne pour l'Investissement et le Commerce (BSIC)
8. Coris Bank International (CBI)
9. Banque Atlantique
10. Orabank

10. Competition from State Owned Enterprises

Private enterprises are allowed to compete with public enterprises on the same terms and conditions. The bidding process is considered to be open and fair. In practice, SOEs enjoy monopoly control of the segments in which they are active.

State Owned Enterprises (SOEs) or "strategic companies" are active in four primary areas: service providers, commercial enterprises, enterprises of a specific nature, and social security. The primary SOEs are in the areas of: **oil imports and distribution** (SONABHY), water (ONEA), lottery (LONAB), mail (SONAPOST), **rail equipment** (SOPAFER-B), **electricity** (SONABEL), and social security benefits (CNSS).

Each SOE has a board of directors that is appointed and also has a parent ministry. For example, CNSS is under the Ministry of Civil Service, Labor and Social Security. The most powerful SOE is SONABHY, and its board is appointed by the President. Board members of the other SOEs are primarily appointed by the appropriate minister. Every year, all of the SOEs meet to report to the Prime Minister. While this meeting is covered in the press and general numbers are publicly available, detailed SOE budgets are not.

Burkina Faso does not have a sovereign wealth fund.

11. Corporate Social Responsibility (CSR)

There is a general awareness of corporate social responsibility among both producers and consumers. The GoBF requires **mining** companies to invest in social infrastructure, such as health centers and schools, and other projects to benefit the local populations in the areas of their mining operations. A common practice for many companies is to provide food supplies, typically rice or millet, to their workers often at the end of the year. Larger private businesses, such as **civil engineering** firms, sponsor sport events like Tour du Faso and donate sporting equipment to disadvantaged communities. SOEs such as SONABHY and LONAB frequently undertake social projects.

The government has not officially adopted the OECD Guidelines for Multinational Enterprises. However, it is evident that CSR is viewed favorably by the population and that many corporations engage in socially responsible projects. These projects are covered in the local press.

12. Political Violence

Burkina Faso continues to undergo a peaceful democratization and decentralization process under the leadership of President Blaise Compaore, who has been in office since 1987 and part of the ruling group since 1984. President Compaore was reelected in November 2010 with more than 80% of the vote for what should theoretically be his last term under the current constitution.

The governing party, the Congress for Democracy and Progress (CDP), claims socio-democratic ideals but calls for free enterprise on the economic front. Opposition to the CDP remained relatively fragmented and weak until the December 2012 legislative elections in which opposition party Unity for Progress and Change (UPC) won 19 seats and became the second largest party at the National Assembly.

Three allies and close advisors of President Compaore who previously held prominent government positions left the ruling party in January 2014 and later created the Movement of the People for Progress (MPP), an opposition party designed to protest the CDP's intentions to amend the constitution through a referendum so that President Compaore can run again in 2015. Opposition parties and a number of civil society organizations have warned that holding such a referendum could destabilize the country. So far political debate has been civil and peaceful, but the prospect that Compaore may seek to amend the constitution to extend his mandate, and the possible responses from his opponents, have injected uncertainty into the political environment during the period leading up to November 2015 elections. In the largest protest since the country's independence, more than 100,000 people took to the streets of Ouagadougou, Bobo-Dioulasso and other cities in January 2014 to protest potential efforts to abolish presidential term limits.

In February 2011, a student died in police custody in the town of Koudougou. His death prompted violent protests throughout the country until a court found three policemen guilty of manslaughter and accessory to manslaughter in August.

Military mutinies took place in several cities between March and June 2011 over the payment of certain benefits. The military fired shots in the air, looted, and destroyed public and private properties. The GoBF restored order in June. More than 600 soldiers were dismissed since July 2011, and more than 300 were prosecuted and remain detained for participating in the mutinies. Emergency loans and financial compensation mechanisms were also established for victims of looting and destruction.

Burkina Faso's commercial viability is closely linked to the stability of its neighbors. The ports of Abidjan (Côte d'Ivoire) and Lome (Togo) serve as key shipping points for Burkina Faso's imports/exports, with Lome growing in importance since the crisis in Côte d'Ivoire erupted in 2002. The ports of Cotonou (Benin) and Tema (Ghana) have also become increasingly important as alternative transshipment points for Burkinabè goods.

13. Corruption

Transparency International indicates that corruption is still a major issue for most Burkinabè. Burkina Faso ranked 83 out of 177 on Transparency International's Corruption Perception Index. The main challenges the country currently faces are poor access to information, a weak judiciary, limited enforcement powers of anti-corruption institutions, misappropriation of public funds, and the lack of an effective separation of powers.

According to public perception, civil servants who most commonly engage in corruption include: custom officials, members of the police force and gendarmerie, justice officials, healthcare workers, educators, tax collectors, and civil servants working in government procurement.
One of the main governmental bodies for fighting official corruption is the Superior Authority of State Control (ASCE), an entity under the authority of the prime minister. ASCE has the

authority to investigate ethics violations and mismanagement of public funds in the public sector, including state civil service employees, local and public authorities, state-owned companies, and all national organizations involved with public service missions. ASCE publishes an annual report of activities, which provides details on their investigations and issue recommendations on how to resolve them. The 2012 report, published in November 2013, is based on nearly 600 cases investigated. In December 2012, ASCE organized a workshop to validate the mechanism for monitoring and evaluation of the national anti-corruption policy and to obtain statistics on the state of corruption in Burkina Faso and devise steps to eradicate it.

In January 2008, the government established an 11-member anti-fraud squad (BNAF) focused on gold **mining** and issued laws that allow BNAF to regulate gold marketing and curb fraud cases.

The Autorité de régulation de la commande publique (ARCOP), established in July 2008, is the regulatory oversight body that ensures fairness in the procurement process by monitoring the execution of all government contracts. ARCOP may impose sanctions, initiate lawsuits, and publish the names of fraudulent or delinquent businesses. It also educates communities benefiting from public investment monies to take a more active part in monitoring contractors. ARCOP works with the media to strengthen journalists' capacity to investigate suspected fraud cases. Since 2012, the media has noticeably increased its coverage of high-profile corruption cases.

In December 2011, the National Assembly established two commissions of inquiry into corruption: the first on the award of public contracts, the second on public subsidies in the health sector. These commissions were proposed by the Network of Parliamentarians engaged in the fight against Corruption (BURKINDI).

As part of a plan to establish anti-corruption committees within the police, the Directorate of the National Police held training seminars in April 2014 for police officers exercising control, management or operational command functions. Anti-corruption NGO RENLAC assisted the police with the training and praised the initiative.

Private citizens have also established a non-governmental organization (NGO) called *Reseau National de Lutte contre la Corruption* (REN-LAC). This NGO looks broadly at the management of private and public sector entities. It publishes annual reports on the state of corruption in the country and has established a wide range of anti-corruption initiatives and tools. African Parliamentarians' Network against Corruption has a local chapter in Burkina Faso and cooperates with REN-LAC. In 2012, REN-LAC created a 24-hour hotline that allows it to gather information on alleged corrupt practices anonymously reported by citizens. REN-LAC also annually releases a report on the state of corruption in Burkina Faso. Customs, the municipal police, the judicial system, secondary education, and health institutions have topped the list as the most corrupt institutions for the last two years running.

Burkina Faso has taken steps to fully adopt regional and international anti-corruption frameworks and the country ratified the UN Convention against Corruption in October 2006.

As a member of the West African Economic and Monetary Union (WAEMU), Burkina Faso has agreed to enforce a regional law against money laundering and has issued a national law against money laundering and financial crimes.

While the government has identified corruption as an obstacle to doing business, the World Bank ranked Burkina Faso as the fourth best Sub-Saharan African country in the area of corruption control, trailing only South Africa, Madagascar and Ghana.
Resources to report corruption:

REN-LAC hotline: (+226) 8000 1122

Or contact:

Claude Wetta
Executive Secretary
REN-LAC
Telephone: +226 50 36 32 15

Henri Bruno Bessin
Contrôleur Général d'Etat
Autorité Supérieure de Contrôle d'Etat
Telephone: +226 50 30 10 91 or +226 50 33 60 39

14. Bilateral Investment Agreements

In 1961, Burkina Faso signed a cooperation treaty with France allowing funds to be transferred freely between the two countries. A trade, investment protection, and technical cooperation agreement was signed between Burkina Faso and Switzerland in 1969. This agreement provides for free transfer of corporate earnings, interests, dividends, etc., between the two countries. Burkina Faso has also signed and ratified investment promotion and mutual protection agreements with Germany, the Netherlands, Malaysia, Belgium, Guinea, Ghana, Benin, and is in the process of negotiating agreements with Canada and Italy.

The Burkinabè investment code provides the right to transfer capital and revenues secured by alien personal and legal entities, which invest in Burkina Faso in foreign currencies. Foreign investors have the right, subject to foreign exchange regulations, to transfer dividends, any returns on the capital invested, the liquidating or conclusion proceeds of assets, in the same currency used in the initial investment.

Burkina Faso has signed various multilateral investment agreements including provisions in the Lome Convention and the West African Economic and Monetary Union (WAEMU) Treaty. In 2002, the United States signed a Trade and Investment Framework Agreement with WAEMU. The framework agreement establishes a forum for discussion of trade and investment matters between the United States, the WAEMU Commission, and the eight member states of WAEMU.

15. OPIC and Other Investment Insurance Programs

Burkina Faso has not benefitted from any OPIC programs thus far. Burkina Faso is a member of Multilateral Investment Guarantee Agency (MIGA).

16. Labor

Burkinabè workers have a reputation as hardworking and dedicated employees. There is a scarcity of skilled workers, mainly in management, engineering, and the electrical trades. While unskilled labor is abundantly available in Burkina Faso, skilled labor resources are limited. **Construction**, **civil engineering**, **mining**, and **manufacturing** industries employ the majority of the formal labor force.

The Burkinabè labor code is enforced by a labor court. Unions are well organized and defend employee interests in industrial disputes. Workers know their rights and do not hesitate to seek redress of grievances.

The 1982 Commercial Sector Collective Agreement divides employees (laborers, craftsmen, and senior staff) into eight categories with minimum basic pay rates from 25,000 FCFA (about $50) per month. Conditions for the employment of workers by enterprises are provided in Decree no. 98 of 1967. An employer should ask job candidates for their job-seeker registration card issued by the Office of Employment Promotion, which is part of the Ministry of Civil Service, Labor, and Social Security.

It is the GoBF's policy to increase employment opportunities for Burkinabè workers. Therefore, in professions where there are too many registered and unemployed Burkinabè, a job-seeker card will not be issued to non-nationals. When non-nationals are hired, the Director of Labor authorizes their employment contract. According to the 1967 decree, statements must be made to the Regional Inspector of Work and Social Rules before the start up of any new enterprise.

Burkina Faso has undertaken reforms of labor policy to make the labor market more flexible while ensuring workers' rights, including workers' safety and health. In May 2008, the National Assembly adopted a new labor code to better protect workers. The revised code includes improved hiring conditions and social liberties, increased flexibility for labor agreements, limitations on damages and interest, redefinition of strike conditions, and retirement eligibility for all workers (including day laborers). Social security services include independent workers. In the event of a reduction in personnel, the labor code requires the employer to first dismiss employees with the least training and seniority. The employer must advise employees of termination at least 30 days in advance. Workers terminated in a general workforce reduction have re-employment priority over other applicants for a two-year period. Employees terminated for reasons other than theft or flagrant neglect of duty have the right to termination benefits.

To date, Burkina Faso has approved and ratified 43 conventions of the International Labor Organization, including conventions on Freedom of Association and the Right to Organize, Abolition of Forced Labor, and the Worst Forms of Child Labor.

To promote local employment, the government has established three financing instruments targeted at firms interested in obtaining start-up monies. These instruments include :

· Fonds National d'Appui à la Promotion de l'Emploi – FONAPE (Employment Promotion Support Fund)
· Fonds d'Appui au Secteur Informel – FASI (Informal Sector Support Fund)
· Fonds d'Appui aux Activités Génératrices de Revenus des Femmes - FAARF (Women's Income Generating Activities Support Fund)
· Fonds d'Appui aux Initiatives des Jeunes - FAIJ (Youth Initiative Support Fund)
· Fonds Burkinabè de Développement Economique et Social – FBDES (Burkinabè Fund for Social and Economic Development)

17. Foreign-Trade Zones/Free Ports

There are no foreign trade zones or free ports in Burkina Faso. The Burkinabè investment code prohibits discrimination against foreigners. American firms not registered in Burkina Faso can compete for contracts on projects financed by international sources such as the World Bank, U.N. organizations, or the African Development Bank.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

TABLE 2: Key Macroeconomic data, U.S. FDI in Burkina Faso

	Institut Nationale de la Statistique et de la Démographie (www.insd.bf)		USG or international statistical source		USG or international Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	Year	Amount	Year	Amount	
Burkina Faso Gross Domestic Product (GDP) (*Millions U.S. Dollars)*	2012	$11,400	2012	$10,700	http://www.worldbank.org/en/country
Foreign Direct Investment	Institut Nationale de la Statistique et de la Démographie (www.insd.bf)		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (*Millions U.S. Dollars, stock positions)*		Not Available		Not Available	
Host country's FDI in the United		Not Available		Not Available	

States (*Millions U.S. Dollars, stock positions)*					
Total inbound stock of FDI as % host GDP	3.6	2011		Not Available	

TABLE 3: Sources and Destination of FDI, Burkina Faso, 2012

From Top Five Sources/To Top Five Destinations ***(US Dollars, Millions)***					
Inward Direct Investment			**Outward Direct Investment**		
Total	1,194	100%	Not Available		
Barbados	287	24%			
Canada	287	24%			
France	124	10%			
Togo	108	9%			
India	87	7%			
"0" reflects amounts rounded to +/- USD 500,000.					

Source: http://cdis.imf.org

The bulk of inward FDI into Burkina Faso is in the **mining** sector, and the presence of Barbados as its number one foreign investor is likely a result of mining companies that are registered in Barbados.

TABLE 4: Largest Cross-Border Merger and Acquisition Deals 2008-2012
Burkina Faso is now one of the fastest-growing gold producers in Africa. It is currently ranked fourth in production and third in exploration. Merger and Acquisitions activities have consequently increased as well.

Acquired company	**Industry**	**Ult. acquiring company**	**Ult. home economy**	**Value in Millions of USD**	**Year**
Titao I	Gold ores	Volta Resources Inc	Canada	-	2008
Banque Agricole Et Commerciale	Banks	Ecobank Transnational Inc	Togo	20	2008
Randgold Resources Ltd	Gold ores	Volta Resources Inc	Canada	7	2009
Sanu Resources Burkina SARL	Gold ores	Indigo Exploration Inc	Canada	1	2010
Biaza Permit	Gold ores	Golden Rim	Australia	-	2010

		Resources Ltd			
Poura Gold Mine	Gold Ore	Newmont	United States	-	2012
25% High River Gold	Gold Ore	Nord Gold	The Netherlands	1,170	2012
Oregold	Gold Ore	Amara Mining	United Kingdom	26.5	2012
Avion Gold	Gold Ore	Endeavor Mining	Canada	389	2012
Tampao	Manganese	Pan African Minerals	Australia	650	2012

TABLE 5: Greenfield FDI Projects, Announced in 2003 – 2010

Company	**Est. Investment ($millions)**	**Est. Jobs Created**	**Year**	**Home Country**	**Sector**	**Key Business Function**
Jibley Gold Exploration	233.7	1524	2003	Canada	Metals	Extraction
Orezone Resources	12	18	2004	Canada	Metals	Extraction
Etruscan Resources	242.3	1667	2005	Canada	Metals	Extraction
Riverstone Resources	242.3	1667	2005	Canada	Metals	Extraction
Comete Group	3.8	9	2005	Tunisia	Business Service	Sales, Marketing, and Support
Natixis	9.2	16	2007	France	Financial Services	Business Services
Ridge Mining	242.3	1667	2008	United Kingdom	Metals	Extraction
Ecobank	9.2	16	2008	Togo	Financial Services	Business Services
Avocet Mining	233.7	1524	2009	United Kingdom	Metals	Extraction
IAMGold	233.7	1524	2010	Canada	Metals	Extraction
SEMAFO	204.1	447	2010	Canada	Metals	Manufacturing
Attijaiwafa Bank	9.2	16	2010	Morocco	Financial Services	Business Services

Source: United Nations Commission on Trade and Development, Foreign Direct Investment in LDCs: Lessons Learned from Decade 2000 – 2010 and the Way Forward.

19. Contact at post to learn more:

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