BURKINA FASO
INVESTMENT CLIMATE STATEMENT
2015

Table of Contents

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 diminishing the influence of state-owned firms in certain sectors and enforcing intellectual property protections. Burkina Faso scored 58.6 out of 100 in the 2015 Heritage Foundation Economic Freedom Index, and ranked 85 out of 175 countries in Transparency International's 2014 Corruption Index.

The gold mining industry has boomed in the last seven 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. Opportunities for U.S. firms also exist in the energy sector, where the government has an ambitious plan for the installation of new power capacity in both traditional and renewable sources.

Recent political events have strained the social fabric and introduced more risk into the business climate. In October 2014, huge protests erupted after President Blaise Compaore's government scheduled vote in the National Assembly that would likely have allowed Compaore to run again for a third consecutive term. On October 30, thousands of protesters marched and stormed the National Assembly. Compaore resigned on October 31 after 27 years in power and left the country.

During the protests, homes and businesses believed to belong to those close to Compaore were attacked and looted in several cities, including in Ouagadougou two prominent hotels, motorcycle and car dealerships, and food warehouses. With few exceptions the violence was targeted at allies of the Compaore regime. Under the transition government that followed, labor disputes multiplied in several sectors of the economy and the mining sector became beset with problems stemming from complaints from workers and surrounding communities.

A Transition Charter to guide Burkina Faso's transitional government was adopted and signed on November 15, 2014, by representatives of civil society, political parties, religious and traditional leaders, and the military. Presidential and legislative elections are scheduled to take place on October 11, 2015.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The government wishes to attract more foreign direct investment (FDI) and continues to implement 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.)

Other Investment Policy Reviews

There have been no investment policy reviews by the WTO or UNCTAD in the past three years. The most recent UNCTAD review of Burkina Faso is from 2010.

In July 2014, the organizations Réseau Africain de Journalistes pour l'Intégrité et la Transparence and the Natural Resource Governance Institute published a report entitled « Impact of Tax and Customs Regimes on the Mining Sector and on the EITI Reports in Burkina Faso ».

Laws/Regulations of Foreign Direct Investment

The investment code, revised in 2010, 2012 and 2013, 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. The website is investburkina.com.

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.

In 2014, Burkina Faso strengthened protections for minority investors by enhancing access to shareholder actions and by increasing disclosure requirements on related-party transactions. This helped Burkina move up 14 places to 122 of 189 in the World Bank rankings on Protecting Minority Investors.

Other websites of interest are:

Chambre des Mines du Burkina Faso: chambredesmines.bf
AmCham Burkina: amchambf.org
A description of tax and administrative procedures can be found at:
http://burkinafaso.eregulations.org/.

Industrial Promotion

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.

In the mining sector, the former government proposed a revised Mining Code, which remains under review by the National Transitional Council. The new draft strikes a good balance by ensuring that Burkina Faso derives maximum benefit from its mineral resources while maintaining an attractive climate for investment. 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 revised mining code would impose a new tax on surplus production and increase from 0.25% to 1% the portion of revenues that must be deposited in a Community Investment Fund.

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.

Limits on Foreign Control

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.

Privatization Program

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.

Screening of FDI

The government of Burkina Faso does not screen foreign direct investment.

Competition Law

Competition matters are reviewed by the Commission Nationale pour la Concurrence et la Consommation. Some competition matters are under the remit of the West African Economic and Monetary Union.

Investment Trends

Not applicable.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	85 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	167 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	109 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	670	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

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 per capita gross national income (GNI) or USD 4,125 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. Conversion and Transfer Policies

Foreign Exchange

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. Foreign exchange is readily available at all banks and most hotels in Ouagadougou and Bobo-Dioulasso.

Remittance Policies

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.

As a member of a regional currency union (WAEMU), Burkina Faso does not engage in currency manipulation.

Burkina Faso is a member of the Intergovernmental Action Group against Money Laundering in West Africa (GIABA), a FATF-style regional body.

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 2009 rural land management law, 034/2009/AN, 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 2009 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 2010-2014 Millennium Challenge Compact supported the establishment of local authorities and the issuance of titles as part of the land tenure reform process. USAID continues to support the decentralization of land policy, through the establishment of the National Land Observatory charged to produce/collect/distribute information on national/local land tenure issues to aid in government decision making.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The Civil Code protects property and contractual rights. Government interference in the court system is not frequent, 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 153rd out of 188 countries in 2014 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.

Bankruptcy

Burkina Faso has a bankruptcy law, and ranks 115 out of 189 countries for Resolving Insolvency in the World Bank's 2015 Doing Business report.

Investment Disputes

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

International Arbitration

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.

ICSID Convention and New York Convention

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), of which Burkina Faso is a member.

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.

Duration of Dispute Resolution

Not applicable.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

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.

Investment Incentives

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.

Research and Development

Not applicable.

Performance Requirements

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. These are not onerous and do not burden mobility of employees.

Data Storage

Not applicable.

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. Some public enterprises continue to enjoy a monopoly in their markets – including the electric and water utilities, the national lottery, and the fuel importer.

7. Protection of Property Rights

Real Property

Since the 2009 land tenure reform law, the government of Burkina Faso has been engaged in an effort to issue titles recognizing land ownership rights. The Millennium Challenge Compact focused on beginning this process in 47 communes, with plans for the government to expand the effort throughout national territory.

Only about 5,000 land titles have been granted countrywide since 1960, according to the National Land Observatory, and the majority of those were issued pursuant to the MCC project. Obtaining a title is the last step in the process of land acquisition, and is preceded by obtaining a use permit or an urban dwelling permit, developing the land, and paying applicable fees. The title-holder becomes the owner of the surface and the subsoil.

Mortgages exist in Burkina Faso both for land and structures. Rules governing mortgages are set at the regional level by the West African Economic and Monetary Union, specifically under the Organisation pour l'Harmonisation en Afrique des Droits des Affaires (OHADA). Liens are not widely used, if at all.

Intellectual Property Rights

Burkina Faso has a legal system that protects and facilitates acquisition and disposition of all property rights, including intellectual property. Legal protection exists for intellectual property, patents, copyrights, trademarks, trade secrets, and semiconductor chip design. In practice, however, government enforcement of intellectual property law is lax. Burkina Faso is a destination point for counterfeit medicines, which can readily be purchased on the street in Ouagadougou and Bobo-Dioulasso. The government was congratulated in 2012 by Interpol for its cooperation in an effort to seize illicit medicines and catch traffickers.

Burkina Faso is not cited in the USTR's Special 301 report.

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, has the lead.

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.

Statistics on the seizure of counterfeit goods are available upon request from the relevant agency. For example, if it pertains to artistic material, from the BBDA, if it pertains to pharmaceuticals, from the National Directorate of Industrial Property.

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/.

Resources for Rights Holders

Embassy point of contact:

Martin Vaughan
Economic and Commercial Officer
+226 2549-5690
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.

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 is complex. In Burkina Faso, informal sector businesses and other small businesses with an annual turnover of FCFA 15 million (USD 30,000) or less pay a unique tax called the contribution du secteur informel or CSI. The maximum CSI tax is FCFA 100,000 (USD 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 (USD 30,000) are subject to a separate tax regime. 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.

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 government of Burkina Faso is more focused on attracting FDI and concessionary lending for development than it is on developing the capital markets. Net portfolio inflows were estimated around 0.2% of GDP in 2013, while FDI was about 1.0%, according to Standard & Poor's. While the government does issue some sovereign bonds to raise capital in the WAEMU regional bond market, in general availability of different kinds of financial investments is extremely limited.

Money and Banking System, Hostile Takeovers

The financial health of the banking system is sound. The traditional banking sector is composed of nine commercial banks and three specialized credit institutions called etablissements financiers.

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).

Every year, all of the SOEs meet to report to the Prime Minister. While this meeting is covered in the press and top-line revenue and profit figures are announced, detailed SOE budgets are in most cases not publicly available. The list of all SOEs with their basic financials is published by the government.

The transitional government in 2015 announced it would open to private competition the market for refilling bottles of cooking gas, until then controlled by SONABHY, and further open up cooking gas distribution to additional players.

OECD Guidelines on Corporate Governance of SOEs

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.

Sovereign Wealth Funds

Burkina Faso does not have a sovereign wealth fund.

11. Corporate Social Responsibility

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.

OECD Guidelines for Multinational Enterprises

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.www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf).

12. Political Violence

During and immediately after the October 2014 uprising, groups of people targeted and destroyed government buildings, private property, and residences they believed belonged to political leaders of the former ruling majority and individuals close to former President Compaore's family or inner circle in Ouagadougou and other major cities. Several warehouses containing food stocks for commercial and humanitarian purposes were also looted in Ouagadougou. A governmental committee estimated that a total of 14 public buildings and more than 260 private properties were attacked.

Clashes between protestors and security forces between October 30 and November 2 resulted in 19 deaths and 625 injured, according to the government.

A charter to guide Burkina Faso's transitional government was adopted on November 15, 2014, by civil society, political parties, religious and traditional leaders, and the military. The charter represents a working compromise between the military and civilian actors, and is designed to lead the country to elections in 2015 as well as advance a process of national reconciliation. Key bodies established by the charter include:

1) A civilian president of the transition unaffiliated with a political party, to be selected by a college that will include representatives of political parties (five members), civil society (five members), security and defense forces (five members), traditional and religious leaders (eight members). The college chose retired diplomat Michel Kafando as President.

2) A legislative National Transitional Council, to include 30 representatives of the former opposition, 25 representatives of civil society, 25 representatives of security and defense forces, and 10 representatives of other political parties (mainly the former ruling majority). Members elected journalist Sheriff Sy as president of the Council.

3) A government of the transition, to be led by a prime minister named by the president, comprising 25 ministries and a majority of civilian ministers. Lt. Col Yacouba Isaac Zida, who took over power after the resignation of President Compaore, was subsequently appointed Prime Minister and Minister of Defense by President Michel Kafando.

4) A Commission for National Reconciliation and Reform to address truth, justice, and national reconciliation as well as political, institutional, and electoral reforms. The Commission was established through a presidential decree in December 2014 and members were sworn in on March 13, 2015. Archbishop Paul Ouedraogo was chosen as president of the Commission.

The October 2014 events were not the first instances of political violence the country had seen. 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 remains a problem. Burkina Faso ranked 85 out of 175 on Transparency International’s 2014 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 its investigations and issues 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.

Transition authorities appointed law professor Luc Marius Ibriga as the new State Comptroller on November 23, 2014. Professor Ibriga was an influential member of a coalition of civil society organizations advocating for better governance. Following his appointment, he published the financial disclosure forms he had submitted to the Constitutional Council, a first in the country.

On March 3, 2015, Burkina Faso's interim parliament, the National Transition Council, adopted a new anti-corruption law. The new legislation greatly expands the list of officials required to declare their assets. Government officials, including the president, lawmakers, ministers, ambassadors, members of the military leadership, judges and anyone charged with managing state funds, must declare their assets as well as any gifts or donations received while in office. Infractions will be punishable by maximum jail term of 20 years and fines of up to 25 million FCFA (USD 41,000). The new law also deals with international cooperation regarding asset recovery and mutual legal assistance in corruption cases. Among other changes, the law shifts the burden of proof on potential defendants to prove that their assets and properties were acquired legally. It punishes "whoever cannot reasonably explain an increase in his lifestyle beyond the threshold set by regulation in relation to his/her lawful income." Offenders risk imprisonment for two to five years and a fine of 5 to 25 million FCFA (USD 8,200 to USD 41,000). In addition, the court can order the confiscation of the unjustified part of the assets.

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).

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. REN-LAC has a 24-hour hotline that allows it to gather information on alleged corrupt practices anonymously reported by citizens. The group also annually releases a report on the state of corruption in Burkina Faso. African Parliamentarians' Network against Corruption also has a local chapter in Burkina Faso and cooperates with REN-LAC.

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 REN-LAC assisted the police with the training and praised the initiative.

A January 2015 REN-LAC study on perceptions of corruption in the mining industry found that 64% of respondents (direct actors in the sector) had heard of or were aware of instances of corruption. Survey respondents said the greatest beneficiaries of this corruption were politicians, high-ranking government officials and mining company executives. The main points of entry identified were the granting of permits and mining claims, and the management of these claims (exploration, negotiation and signing of conventions, etc.)

The government has an 11-member anti-fraud squad (BNAF) that seeks to curb fraud in the marketing of gold.

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.

The World Bank rating for control of corruption for Burkina Faso has declined since 2003 from the 56th percentile to the 33rd percentile. This means that while Burkina Faso was once rated much more favorably than its regional peers for limiting corruption, it is now close to the average for sub-Saharan African countries.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

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.

Resources to Report Corruption

REN-LAC hotline: (+226) 8000 1122
Or contact:

- Claude Wetta
- Executive Secretary
- REN-LAC
- Telephone: +226 25 36 32 15

- Luc Marius Ibriga
- Contrôleur Général d’Etat
- Autorité Supérieure de Contrôle d’Etat
- Telephone: +226 25 30 10 91 or +226 25 33 60 39

14. Bilateral Investment Agreements

Burkina Faso is a member of ECOWAS. In August 2014, the United-States signed a Trade and Investment Framework Agreement with ECOWAS during the US-Africa Leaders' Summit in Washington.

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. Outside of these regional accords, Burkina Faso has no investment agreement with the United States.

Burkina Faso has investment cooperation agreements with France and Switzerland, providing 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 WAEMU Treaty.

Bilateral Taxation Treaties

Burkina Faso does not have a bilateral taxation treaty with the United States.

15. OPIC and Other Investment Insurance Programs

Burkina Faso has not benefitted from any OPIC programs thus far. Burkina Faso is a member of the 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 law allows workers, except for essential workers such as magistrates, police, military, and other security personnel, to form and join independent unions of their choosing without previous authorization, and to bargain collectively. Although public servants are entitled to freely engage in bargaining, in practice, no collective agreements has been negotiated or concluded in the public sector. The law provides for the right to strike, but also limits this right with pre-strike requirements or restrictions (including notice submission and government's requisition power to secure minimum service in essential services). 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. The labor code is enforced mainly by the Ministry of Civil Service, Labor, and Social Security and a labor court. Unions are well organized, are independent from the government, and defend employee interests in industrial disputes. Workers know their rights and do not hesitate to seek redress of grievances.

The resignation of President Compaore in October 2014 and the political transition that followed gave rise to a spate of industrial disputes, as workers became emboldened to fight for better pay and working conditions. Labor unrest was particularly acute in the gold mining industry, leading to strikes, work stoppages, and in some cases destruction of property. Strikes also occurred at Brakina, a private company that is the only bottler of beer and soft drinks in the country, road transport companies, and several government ministries. There were also two days of general strike by labor unions and the Coalition Contre la Vie Chère (Coalition Against the High Cost of Living) to call for a reduction in the price of gasoline along with demands related to working conditions.

Despite the government's substantial efforts to reduce child labor in the past few years, 42 percent of children in Burkina Faso continue to engage in child labor, particularly in agriculture and in the worst forms of child labor in mining. Cotton and gold are included on the U.S. government's Executive Order 13126 List of Goods Produced by Forced and Indentured Child Labor.

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 USD 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 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 promote local employment, the government has established several 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/Trade Facilitation

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 Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2014	13,000	2013	11,500	www.worldbank.org/en/country

Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country ($M USD, stock positions)	N/A	N/A	N/A	N/A	http://bea.gov/international/factsheet/factsheet.cfm?Area=447
Host country's FDI in the United States ($M USD, stock positions)	N/A	N/A	N/A	N/A	http://bea.gov/international/factsheet/factsheet.cfm?Area=447
Total inbound stock of FDI as % host GDP	N/A	N/A	2013	1.0	Standard & Poor's

*www.insd.bf

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	1,328	100%	Total Outward	113	100%
Barbados	289	22%	Cote d'Ivoire	108	96%
Canada	158	12%	Benin	2	2%
France	65	5%	Niger	1	1%
Cote d'Ivoire	63	5%	Togo	1	1%
Togo	59	4%			
"0" reflects amounts rounded to +/- USD 500,000.					

Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

Portfolio investment information is not available for Burkina Faso.

19. Contact for More Information

• Economic and Commercial Officer, U.S. Embassy
• Secteur 15, Ouaga 2000
• Avenue Sembene Ousmane, Rue 15.873
• Ouagadougou, Burkina Faso
• +226 25 49 56 90
• Econouagadougou@state.gov