

# Burkina Faso

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RISK & COMPLIANCE REPORT

DATE: January 2017

## Executive Summary - Burkina Faso

<b>Sanctions:</b>	None
<b>FAFT list of AML Deficient Countries</b>	No
<b>Higher Risk Areas:</b>	Compliance with FATF 40 + 9 Recommendations Not on EU White list equivalent jurisdictions
<b>Medium Risk Areas:</b>	Weakness in Government Legislation to combat Money Laundering Corruption Index (Transparency International & W.G.I.) World Governance Indicators (Average Score) Failed States Index (Political Issues)(Average Score)
<p><b>Major Investment Areas:</b></p> <p><b>Agriculture - products:</b> cotton, peanuts, shea nuts, sesame, sorghum, millet, corn, rice; livestock</p> <p><b>Industries:</b> cotton lint, beverages, agricultural processing, soap, cigarettes, textiles, gold</p> <p><b>Exports - commodities:</b> gold, cotton, livestock</p> <p><b>Exports - partners:</b> China 25.9%, Turkey 24.8%, Belgium 5.2% (2012)</p> <p><b>Imports - commodities:</b> capital goods, foodstuffs, petroleum</p> <p><b>Imports - partners:</b> Cote d'Ivoire 17.6%, France 15.2%, Ghana 4.8%, Togo 4.4% (2012)</p>	
<b>Investment Restrictions:</b>	

The Government of Burkina Faso (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.

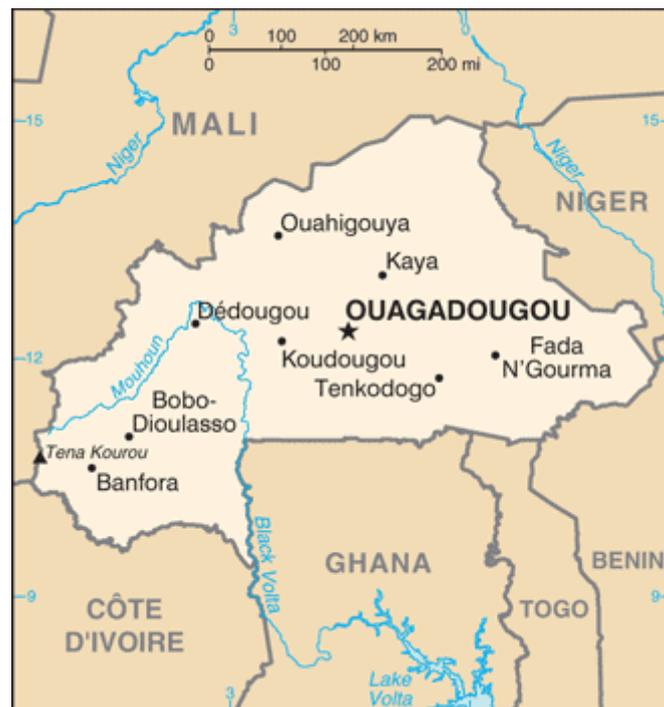
Under the investment code, all personal and legal entities lawfully established in Burkina Faso, both local and foreign, are entitled to the following rights: fixed property, forest and industrial rights; concessions; administrative authorizations; access to permits; and participation in state contracts.

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## Section 1 - Background

Burkina Faso (formerly Upper Volta) achieved independence from France in 1960. Repeated military coups during the 1970s and 1980s were followed by multiparty elections in the early 1990s. Current President Blaise COMPAORE came to power in a 1987 military coup and has won every election since then. Burkina Faso's high population density and limited natural resources result in poor economic prospects for the majority of its citizens.



## Section 2 - Anti – Money Laundering / Terrorist Financing

### FATF status

Burkina Faso is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

### Compliance with FATF Recommendations

The initial Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Burkina Faso was undertaken by the Financial Action Task Force (FATF) in 2009. According to that Evaluation, Burkina Faso was deemed Compliant for 0 and Largely Compliant for 5 of the FATF 40 + 9 Recommendations. It was Partially Compliant or Non-Compliant for all 6 of the Core Recommendations.

#### Fourth follow-up report of Burkina Faso

The fourth follow-up report of Burkina Faso showed that the country had taken actions to strengthen its AML/CFT system by the designation of a competent authority for administrative freezing via Decree 2012- 1136/PRES/PM/MEF of December 2012. In this regard, the Minister of Economy and Finance has been designated as the competent authority to implement the measures for the freezing of funds and other assets belonging to terrorists or terrorist organizations. An Advisory Committee on Administrative Freezing was also established. The FIU of Burkina Faso strengthened its organizational, technical and operational capacity, thus enabling it to be admitted to the Egmont Group of FIUs in July 2013. The FIU signed MoUs with the FIUs of Cabo Verde, Mauritius, Algeria and Chad. The FIU also received and responded to requests for information from foreign FIUs and disseminated intelligence reports to prosecutors for further action.

However, Burkina Faso needs to address the remaining deficiencies in its AML/CFT system such as the revision of the AML and CFT laws to ensure conformity with acceptable international AML/CFT standards. Also, the country is required to set up adequate enhanced measures for high-risk customers and effective regulation and supervision of financial institutions and DNFBPs and cash couriers.

Based on the steady progress made by Burkina Faso throughout the follow-up process, the Plenary maintained the country on Expedited Regular Follow- up and directed Burkina Faso to submit its fifth follow-up report to the Plenary in November 2014.

### **Prevalence of Predicate Crimes**

Like all GIABA member States, Burkina Faso is a cash-based economy, with most transactions carried out through informal channels. With long, poorly manned borders in a region where terrorism and organized crime are on the rise, Burkina Faso is highly vulnerable to an array of predicate crimes to ML/TF. Drug trafficking, smuggling, contraband, and black market currency transfers are rife within it. As contained in its annual country report to GIABA, the most prevalent predicate crimes in Burkina Faso are drug trafficking, corruption, tax fraud, smuggling of precious stones and metals, bank fraud, forgery and capital market crimes.

The World Drug Report 2013 cites Burkina Faso as one of the countries where cocaine use has risen in recent years. This increased drug use may have been fuelled by the rise in the use of the country as a land trafficking route for Europe-bound cocaine. The Trafficking in Persons Report 2013 also identified Burkina Faso as a country of origin, transit and destination for human trafficking. Apart from the use of children for forced labour in homes, farms and mines, commercial sexual exploitation is rampant. Commercial sexual exploitation is the most notorious of these and operates through an underground market of young girls from within the country and from other ECOWAS member States en route to neighbouring countries or European destinations or intended to remain in Ouagadougou, the capital city.

Burkina Faso is landlocked, shares borders with six countries and lacks the required resources to police its borders adequately. This makes the country highly vulnerable to cross-border crimes that generate illicit money for ML. Also, some of the neighbouring countries host terrorist groups that operate across the region. Burkina Faso is therefore constantly faced with the combined threats of ML and TF, and is under pressure to strengthen its AML/CFT system.

### **AML/CFT Situation**

Burkina Faso submitted the fourth follow-up report on its mutual evaluation to the GIABA 20th Technical Commission/Plenary in November 2013. The report provided details of the measures the country has taken since November 2012 to address the gaps identified in its AML/CFT system. The Burkina Faso FIU was admitted into the Egmont Group of FIUs in 2013, which is a sign that the country has made some progress in its AML/CFT system.

In addition, the Burkina Faso FIU, in collaboration with GIABA, organized a national sensitization workshop for DNFBPs on the fight against ML/TF from 30 to 31 July 2013. The workshop was aimed at sensitizing and reinforcing the capacity of DNFBPs to effectively implement AML/CFT measures, including identification and reporting of suspicious transactions.

According to the country report to GIABA, 135 STRs were submitted by reporting entities to the FIU in 2013, 132 of which are related to ML. However, only 10 of such reports were sent on to law enforcement agencies for investigation, with no convictions reported. While the efforts of the country in addressing its AML/CFT gaps are commendable, its inability to achieve conviction exposes the serious weakness of the country's AML/CFT system.

### **Conclusion**

Burkina Faso is faced with a number of ML/TF threats. The rising profile of violent Islamist organizations in neighbouring Sahel countries and the porosity of its long borders have heightened the country's vulnerability. Its burgeoning economy, which is largely cash-based, is also a natural attraction to organized crime.

The country has made impressive progress in strengthening its AML/CFT regime. Its membership of the Egmont Group of FIUs is a testimony to this progress. Yet the remaining deficiencies need to be addressed in order to effectively counter the threats of ML/TF.

Of particular importance is the need to drastically improve border security. Border protection is very costly, and Burkina Faso may not have the financial resources to fully monitor its long borders with six countries against the illegal movement of goods, cash and persons. The country needs to be supported in order to ensure that its borders are fully secure, taking into consideration the prevailing situation in its neighbourhoods.

### US Department of State Money Laundering assessment (INCSR)

Burkina Faso was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

#### **Perceived Risks:**

Burkina Faso is not a regional financial center. Its economy is primarily cash-based, and most economic activity takes place in the informal sector. Only an estimated 13 percent of the population had bank accounts as of 2015. Burkina Faso lacks the resources necessary to monitor adequately the movement of goods and people across its porous borders. Narcotics trafficking, smuggling, contraband sales, and black market currency transfers occur within the country.

Corruption, a lack of resources, and overburdened and weak judicial and law enforcement systems are major challenges to the government's ability to counter these activities. Burkina Faso continues to struggle with corruption in its customs service and, to a lesser degree, in the National Police, increasing the country's vulnerability to smuggling and money laundering.

Following the abrupt resignation of former President Blaise Compaore in October 2014 due to a popular uprising, the country was under a transitional government until elections were held in November 2015. This hampered administrative and judicial functions. It also has increased the country's susceptibility to illicit activities, including smuggling and money laundering.

While there is no significant domestic market for illicit or smuggled goods in Burkina Faso, there is evidence that goods have been smuggled across the country's borders and through the airport in Ouagadougou, specifically narcotics, cigarettes, and endangered animal species. Those involved in smuggling are generally not producers, organizers, or financiers; they are generally low-level couriers serving criminal and trafficking networks based in neighboring countries.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes  
Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: NO  
KYC covered entities: The Public Treasury, Central Bank of West African States (BCEAO), banks and microfinance organizations, exchange bureaus, independent legal professionals, auditors, real estate agents, funds transporters, owners of casinos and lotteries, travel agencies, nongovernmental organizations (NGOs), and agents selling high-value goods and precious metals

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 68: January 1 - November 26, 2015  
Number of CTRs received and time frame: 0 in 2015  
STR covered entities: The Public Treasury, BCEAO, banks and microfinance organizations, exchange bureaus, independent legal professionals, auditors, real estate agents, funds transporters, owners of casinos and lotteries, travel agencies, NGOs, and agents selling high-value goods and precious metals

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 3: January 1 - November 26, 2015  
Convictions: 0 in 2015

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: YES  
With other governments/jurisdictions: YES

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

**ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:**

The Government of Burkina Faso has a three-year strategy, from 2014 - 2016, for fighting financial crime, but due to recent political uncertainty much of this strategy has not been implemented. Realistically, action on AML/CFT deficiencies will likely be delayed until the new government resulting from the November 2015 elections sets its priorities.

One aspect of the strategy, a strengthening of financial disclosure requirements for government officials, was included in the charter for the transitional government that was adopted on November 16, 2014. Until recently, high-ranking government officials were only required to file financial disclosure forms with the Constitutional Council on entering and leaving office. Under the new requirements, the disclosure of the President will be published

in the Official Journal, and the Court of Auditors will be able to investigate the assets of high-level government officials.

In 2014, the government put in place a committee on administrative asset freezing. In late September 2015, the government froze the assets of 14 individuals and four political parties suspected of involvement in the failed coup d'état which took place earlier that same month.

In 2014 Burkina Faso joined the Partnership on Illicit Finance, an initiative that brings African partners and the United States together to jointly address the generation and movement of proceeds from corruption and other financial crimes. Its two main objectives are to examine illicit financial flows from Africa and to develop national action plans through which each member government can improve transparency and accountability in public and private sectors.

Burkina Faso's financial intelligence unit (FIU) is the National Financial Information Processing Unit (CENTIF). CENTIF reports there are 17 individuals currently being prosecuted for money laundering or other financial crimes, with three new cases in 2015. It can take years for criminal cases in Burkina Faso to reach a conclusion, and there were no money laundering or financial crime convictions in 2014 or 2015.

Burkina Faso remains at risk of money laundering and faces threats emanating from predicate criminal activities and insecurity in the Sahel region. Its capacity to respond to these threats remains insufficient, although the Government of Burkina Faso continues to cooperate with regional and global counterterrorism efforts.

Burkina Faso should move prosecutions of financial crimes through its court system, demonstrate the effectiveness of its terrorist asset freezing regime, and incorporate the West African Economic and Monetary Union directives on money laundering and terrorist financing into its national law. The government also should adopt procedures for the declaration or disclosure of cross-border currency movements and fully implement its national strategy to combat money laundering and terrorism financing, especially given the challenges inherent in the regional security environment. Furthermore, the Government of Burkina Faso should strengthen due diligence measures in the financial system, the supervision and monitoring of reporting entities, and international cooperation efforts.

#### **Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):**

According to the US State Department, Burkina Faso does not conform with regard to the following government legislation: -

**System for Identifying/Forfeiting Assets** - The jurisdiction has enacted laws authorizing the tracing, freezing, seizure, and forfeiture of assets identified as relating to or generated by money laundering activities.

**Arrangements for Asset Sharing** - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

**International Transportation of Currency** - By law or regulation, the jurisdiction, in cooperation with banks, controls or monitors the flow of currency and monetary

### **EU White list of Equivalent Jurisdictions**

Burkina Faso is not currently on the EU White list of Equivalent Jurisdictions

### **World Governance indicators**

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

### **Failed States Index**

[To view Failed States Index Ctrl + Click here](#)

### **Offshore Financial Centre**

Burkina Faso is not considered to be an Offshore Financial Centre

### US State Dept Narcotics Report 2012:

Cannabis, amphetamines, and diverted licit medications remain the three principal drugs abused in Burkina Faso. There are also a very limited number of cocaine and heroin addicts. Toxic inhalants are used by the poorest drug addicts, especially street kids. Natural herbs with reported psychoactive effects are utilized in some traditional ceremonies. Illicit drug production in Burkina Faso is limited to cannabis cultivation. Cannabis cultivation has been reported across Burkina Faso, but is more prevalent along the southern borders, the outskirts of Ouagadougou, near Bobo Dioulasso, and close to Boromo.

Burkina Faso borders six countries, making it a natural transit point for drugs moving from coastal West Africa across the Sahel to Europe. Its porous, largely unmonitored borders and lack of trained border control personnel and inspection equipment make it hard for Burkina Faso enforcement to counter all types of trafficking. Burkinabe officials, however, believe that Burkina is not a West African drug hub and that there are no established networks or distribution centres in Burkina Faso. The interdiction of drugs remains a low priority for the Government of Burkina Faso when compared with other economic, social, and political issues.

Hard drugs are not imported into Burkina for local consumption, and Burkina Faso does not manufacture any hard drugs to export to other markets. The Ouagadougou airport is neither known to be a hub for drug couriers nor an important drug transshipment point. Although some Burkinabe citizens are employed in the drug industry and profit indirectly from the transiting drug trade, they are not producers, organizers, financiers, or major players. Instead, they are organized, frequently as drug mules or small-scale street pushers, by criminals from Nigeria, Togo, Ghana, Côte d'Ivoire, and Guinea Bissau.

Drug shipments and couriers in Burkina Faso are sometimes intercepted by the national police, gendarmerie, and customs officials. Interdiction of these couriers is the source of most of Burkina enforcement's drug seizures. Over the last two years, a number of drug traffickers intercepted in Burkina Faso have ingested drug-filled pellets or have had cocaine or cannabis hidden on their bodies. Ouagadougou airport security officials have limited technical equipment and training to detect and interdict the drugs, but they have received basic training in drug courier profiling and know how to look for particular passenger behavior such as nervousness and late, hasty check-ins. France provided drug scanning equipment in 2011, although the materials have not been fully integrated into the airports operations due to ongoing construction. AFRICOM provided drug testing kits in 2011. Airport security officials are particularly vigilant with passengers on those airlines that have historically been favored by traffickers in Africa.

The National Gendarmerie was successful in intercepting a number of significant cannabis and Indian hemp shipments in 2011. In March the Gendarmerie seized nearly 800 kilograms of hemp and cannabis, and another 1,055 kilograms in July, both near the economic capital of Bobo Dioulasso. The shipments were transported by numerous couriers on bicycles and are thought to have originated in Ghana and destined for Mali. In July, 145 kilograms of hemp were seized on the Burkina Faso-Mali border. From January to June the Customs office in

Nako (10 kilometers from the Ghana border) reported they had seized 6.8 metric tons of drugs, up from 4 tons in all of 2010. In September, police intercepted more than 100 kilograms of cannabis in Houndé, not from from Bobo-Dioulasso. All drugs seized are catalogued, photographed then destroyed.

Although customs officials at border posts and airports are financially rewarded for detecting and seizing undeclared goods, receiving 25 percent of the overall value of undeclared goods, this is not the case for drugs, which are considered "unproductive goods." While funding to provide customs officials with bonuses for drug seizures has been used in the past, budget shortfalls have stymied these efforts. Drug seizures declined in parallel with the loss of these bonuses. Predictably, customs officials prefer to focus on interdicting the smuggling of non-narcotic goods since it brings them financial rewards.

Burkina Faso's overall drug policy is directed by the National Committee to Combat Drugs. The Committee has asked for additional resources, and for its transformation into a National Drug Office; this proposed reorganization has yet to be addressed by the Government of Burkina Faso. All laws applicable to drugs are included in the "Code des Drogues." Burkina Faso has received funding and technical assistance from the United Nations Office on Drug and Crime (UNODC) and in- country drug experts are occasionally invited to attend European Union or ECOWAS conferences. France has provided drug/chemical detection kits as well as training, as has AFRICOM.

As a matter of government policy, Burkina Faso does not encourage or facilitate illicit production or distribution of narcotic or psychotropic drugs or other controlled substances, or the laundering of proceeds from illegal drug transactions.

Burkina Faso is a party to the 1988 UN Drug Convention, the UN Convention against Corruption and the UN Convention against Transnational Organized Crime.

### **US State Dept Trafficking in Persons Report 2014 (introduction):**

Tier 2

Burkina Faso is a source, transit, and destination country for women and children subjected to forced labor and sex trafficking. Burkinabe children are subjected to forced labor as farm hands, gold panners and washers, street vendors, domestic servants, and beggars recruited as pupils by unscrupulous Koranic school teachers. Girls are exploited in the commercial sex trade. Burkinabe children are transported to Cote d'Ivoire, Mali, and Niger for forced labor or sex trafficking. To a lesser extent, traffickers recruit women for ostensibly legitimate employment in Lebanon, Saudi Arabia, and various countries in Europe, and subsequently subject them to forced prostitution. Burkina Faso is a transit country for traffickers transporting children from Mali to Cote d'Ivoire, and is a destination for children trafficked from other countries in the region, including Ghana, Guinea, Mali, and Nigeria. Women from other West African countries, including Nigeria, Togo, Benin, and Niger, are fraudulently recruited for employment in Burkina Faso and subsequently subjected to forced prostitution, forced labor in restaurants, or domestic servitude in private homes. During the reporting period, two Tibetan women were subjected to forced prostitution in Burkina Faso by Nepalese traffickers.

The Government of Burkina Faso does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. The government increased law enforcement efforts by securing 18 convictions of traffickers in 2013, a significant increase from zero convictions in 2012. It also continued to identify and provide services to a large number of child trafficking victims and conducted several national awareness-raising efforts throughout the country. However, the government did not take steps to address unscrupulous Koranic school teachers subjecting children to forced begging and failed to take proactive measures to identify adult victims of trafficking among vulnerable populations.

## US State Dept Terrorism Report 2015

### Overview:

After a year of political transition following the 2014 popular uprising that pushed Burkina Faso's longtime president Blaise Compaore from power, Burkina Faso held presidential and legislative elections on November 29, 2015. The new president, Roch Marc Christian Kabore, sworn in on December 29, stated that security and counterterrorism were top priorities for his government.

Burkina Faso faced four terrorist attacks in 2015, including kidnapping for ransom. This was a marked departure from previous years when Burkina Faso experienced no terrorist incidents. These cases remained under investigation at the end of the year.

Burkina Faso's willingness to engage in regional counterterrorism and stability operations was facilitated by assistance provided to its security forces through the Department of State's Africa Peacekeeping Program (AFRICAP) II, Africa Contingency Operations Training and Assistance (ACOTA) contracts, the Trans-Sahara Counterterrorism Partnership (TSCTP), and National Defense Authorization Act (NDAA) Section 2282 funding initiatives. Bilateral and regional counterterrorism cooperation increased. The United States supported USAFRICOM's FY 2015 proposals to augment and build upon Burkina Faso's Gendarmerie Border Security and Counterterrorism Company capabilities. U.S. support worked to directly develop Burkina Faso's counterterrorism capabilities to contain, disrupt, degrade, and defeat terrorist organizations.

The long-term sustainability and effectiveness of all counterterrorism units was severely hampered by logistical and professional shortfalls in the Burkinabe military. In 2015, U.S. funding supported the establishment of a 150-person counterterrorism logistics company. The company helped to address maintenance shortfalls within the country's counterterrorism forces. Elements of the Presidential Security Regiment, which launched an attempted coup d'etat in September and was immediately dissolved after, reportedly abused civilians. The most significant of these reported abuses included killing civilians and violently harassing journalists and members of civil society.

Burkina Faso relies on the Terrorist Interdiction Program's Personal Identification Secure Comparison and Evaluation System (PISCES) to conduct traveler screening and watchlisting. The country is also engaged with the International Organization of Migration to provide limited traveler screening at select border control points.



## International Sanctions

None applicable

<b>Index</b>	<b>Rating (100-Good / 0-Bad)</b>
Transparency International Corruption Index	42
World Governance Indicator – Control of Corruption	47

### **US State Department**

Transparency International indicates that corruption is still a major issue for most Burkina Faso. 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 Réseau 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.

## **Corruption and Government Transparency - Report by Global Security**

### **Political Climate**

Burkina Faso's economic performance has progressed in recent years, and currency and price stability has been largely achieved. The country's annual GDP has grown by an average of 5-6% over the past three years. The US Department of State 2011 reports that the government revised the investment code in 2010 in order to attract more FDI, diversify the economy and to boost GDP. Burkina Faso has been ruled for over two decades by President Blaise Compaoré, who seized power in a coup in 1987. Despite a constitutional amendment in 2005 which limited the presidency to two terms in the future, Compaoré won a fourth term as President with 80% of the vote in November 2010. Despite the landslide victory, the opposition candidates claimed that the election was rigged, and requested that the result

should be declared void, according to a November 2010 news article by BBC News. President Compaoré's party dominates Burkinabé politics, and President Compaoré's Congress for Democracy and Progress (CDP) party increased its representation as a result of the May 2007 National Assembly elections, while opposition parties were left even weaker than earlier. Following civil unrest which erupted in February 2011, the President was forced to fire his government and appoint a new Prime Minister. The newly appointed Prime Minister is the former Burkinabé ambassador to Paris and the former editor of the state daily Sidwaye. He has never before held a ministerial post and the opposition is very sceptical towards his ability to solve the crisis that the country is witnessing.

According to sources such as Freedom House 2010 and the Bertelsmann Foundation 2010, corruption remains widespread, despite a number of public and private anti-corruption initiatives. The courts have been unable to effectively prosecute a range of senior officials charged with corruption. According to Freedom House 2011, there has been no progress in dealing with corruption in the country. There have been no cases of prosecution of high-level officials and the courts have not been able to overrule the presidency on serious issues. There has been no transfer of constitutional power from the strong executive to the legislative assembly and there is no greater likelihood of electoral transition, nor has there been an increase in transparency within the ruling party. Poor access to information, a culture of impunity, weak enforcement of anti-corruption legislation and institutions, misappropriation of public funds and problems with separation of powers, are some of the most severe challenges facing the country. A June 2009 public survey cited in the Heritage Foundation 2010 shows that two-thirds of the surveyed population believes that corruption is becoming more rampant, and nearly half of the respondents have been directly affected by corruption. This is also supported in the Bertelsmann Foundation 2010, according to which, there has been a general public outcry over the serious corruption that flourishes in all sectors, and an increasing number of people have started to demand that the government increase the fight against corruption. In response to the high level of corruption, the government has launched a national anti-corruption policy and developed several anti-corruption institutions. However, Burkina Faso still lacks comprehensive anti-corruption legislation that can govern all relevant institutions. Moreover, the existing control structures lack independence as the key anti-corruption agencies are controlled by the executive. Furthermore, these agencies lack enforcement powers, leading to a situation in which anti-corruption laws are being ignored. The majority of citizens surveyed (61%) by REN-LAC 2006 knew of the existence of anti-corruption structures. Amongst them, 55% judged them to be effective whereas 45% found them ineffective. The Heritage Foundation's Index of Economic Freedom 2010 characterises the government's anti-corruption units as fragmented and lacking autonomy and sufficient funding.

Another obstacle in the fight against corruption is that officials and politicians operate in an environment of impunity. According to several sources, this discourages people from reporting corrupt practices to the authorities. According to an April 2010 news article by Committee to Protect Journalists, the 1998 assassination of investigative journalist and editor of the weekly newspaper L'Indépendant, Norbert Zongo, is still an unsolved case and represents a turning point in the public opinion about corruption and impunity in the country. The assassination of Zongo was linked to his investigation of a murder case involving President Compaoré's brother. Zongo was shot together with his brother and two others, leading to a public outcry and ultimately forcing the government to take more serious steps towards democracy. According to the US Department of State 2010, a string of corruption scandals

swept the country in recent years, but no high-ranking officials were prosecuted for corruption. Some observers pointed out that a lack of experience and training are some of the main reasons behind judges' inability to handle corruption cases. The US Department of State 2009 further states that the Superior Authority of State Control (ASCE) uncovered a misappropriation of nearly USD 190,000 in 2008; nonetheless, no known action has been followed up yet. According to the US Department of State 2011, corruption is most common among the police and gendarmerie, customs officials, political groups, the judiciary, healthcare workers, tax collectors, and the media.

## **Business and Corruption**

Burkina Faso belongs to the category of the world's poorest and least developed countries, and is largely dependent on foreign donors for its economic development. The country's economy has a large informal sector. According to the World Bank & IFC Doing Business 2012, Burkina Faso has implemented some reforms in 2011 making it easier to do business in the country. Areas of improvement include starting a business, dealing with construction permits which has been made less costly, and access to credit has improved through the OHADA Uniform Act on Secured Transactions. The government, which has traditionally been the largest economic actor, has for many years now been actively promoting foreign investment and privatisation of state-owned companies. Many state-owned companies have been privatised, but progress has reportedly been uneven and has slowed because of administrative delays. The UN Investment Policy Review 2009 reports that foreign direct investment flows in the mining sector in Burkina Faso have recently increased sharply, illustrating the potential for investment in the mining sector in the country. Nonetheless, foreign investment outside the two sectors of mining and telecommunications reportedly remains very limited.

According to REN-LAC 2006 (in French), 72% of the population perceives the private sector to be implicated in corruption. Burkina Faso's investment climate remains constrained by the overall level of corruption, which poses many challenges. According to the World Economic Forum Global Competitiveness Report 2011-2012, corruption is the second most problematic factor for companies operating in Burkina Faso, following access to financing. Business leaders surveyed in the report indicate that the diversion of public funds to companies, individuals or groups due to corruption is quite common. In a similar vein, the Heritage Foundation 2010 characterises corruption in Burkina Faso as pervasive. The World Bank & IFC Enterprise Surveys 2009 report that nearly 71% of companies identify corruption as a major constraint, and close to 9% of companies expect to make informal payments in order to 'get things done'. According to Freedom House 2010, preferential treatment of companies connected to the ruling party is common in Burkina Faso, largely weakening the equality of opportunity among companies in securing contracts.

The prospects for fighting corruption and bribery in public procurement processes and contracting are further complicated by collusion between political parties and the country's large state-owned and private companies. However, REN-LAC 2006 showed a marked improvement regarding corruption in public procurement. Corruption in the form of facilitation payments, bribery and preferential treatment in procurement deals is common in the private sector and companies are recommended to use a specialised public procurement due diligence tool in order to mitigate the corruption risks associated with public procurement. Furthermore, it is also important for companies to develop, implement

and strengthen integrity systems and conduct extensive due diligence when planning to do or are already doing business in Burkina Faso.

## **Regulatory Environment**

In an attempt to attract investment in the private sector, Burkina Faso adopted pro-business reforms in 2006. The Investment Code guarantees equal treatment of foreign and domestic investors. Nevertheless, the bureaucracy in Burkina Faso remains cumbersome. This is reflected in data from the World Bank & IFC Enterprise Surveys 2009 which shows that senior managers spend 22.5% of their time on average dealing with government regulatory requirements compared to the regional average of 8.6%. Establishing a business in Burkina Faso can be difficult due to continuing corruption within the public administration. Business leaders surveyed in the World Economic Forum Global Competitiveness Report 2011-2012 give the burden of government regulation a score of 3.5 on a 7-point scale (1 being 'burdensome' and 7 being 'not burdensome').

According to the World Bank & IFC Doing Business 2012, starting a business has nonetheless been made easier in recent years, and now requires 3 procedures and takes 13 days at a cost of 47.7% of GNI per capita, all well below regional averages. In the same vein, Freedom House 2011 reports that efforts have been made to streamline the process of establishing a business. For instance, business registration centres provide one-stop service for registration. Furthermore, registration centres continue to improve their performance and measurements of the cost, formalities, and time to establish a new business have been declining. The government, in an attempt to reduce the burden of excessive bureaucracy and related opportunities for bribery and the use of facilitation payments, has set up Enterprise Registration Centres under the Maison de l'Entreprise du Burkina Faso, designed as one-stop shops for business registration. These newly developed centres have simplified registration formalities and eliminated obstacles relating to opening a business. According to the International Finance Corporation 2009, Burkina Faso's efforts to improve its business environment have been successful. The US Department of State 2011 assesses Burkina Faso's regulatory environment as transparent and consistent with international standards. The same source also notes that the government has made strides to incorporate the informal sector. Informal sector companies and other small companies with an annual turnover of XOF 15 million or less pay a unique tax called the 'contribution du secteur informel', or CSI. The maximum CSI tax is XOF 100,000. Companies qualifying for CSI tax status are prohibited from bidding on state tenders.

The legal framework in Burkina Faso provides for the protection of property rights and facilitates their acquisition and disposition. However, these rights are enforced arbitrarily. In analysing the weaknesses of the country's legal framework, the Bertelsmann Foundation 2010 points to the weaknesses in the judicial system, involving outdated legislation, lack of courts, inadequate human and financial resources and the fact that traditional courts are often used in rural settings to resolve disputes. According to the UN Investment Policy Review 2009, Burkina Faso needs to reform its legal framework for investment in order to promote the development of a more dynamic and flourishing private sector. With regards to commercial disputes that cannot be solved effectively, the Burkinabé Investment Code requires commercial disputes to be submitted to international arbitration. Burkina Faso is a member of the Organization for the Harmonization of Business Law (OHADA, in French) in Africa. Furthermore, Burkina Faso is party to the New York Convention of 1958 and Burkinabé courts

accept international arbitration as a means for settling investment disputes between private parties. However, according to the US Department of State 2011, companies should note that the enforcement of contracts due to fees is burdensome, and that the number of required procedures and the amount of time needed to resolve disputes are very high. Burkina Faso is also a member of the International Centre for the Settlement of Investment Disputes (ICSID). According to the US Commercial Service 2009, longstanding disputes that remain unresolved after administrative jurisdictional hearings are required to be submitted to arbitration. In 2007, Burkina Faso opened the Arbitration and Commercial Dispute Resolution Centre (Centre d'Arbitrage et de Reglement des Litiges Commerciaux) under the auspices of the Chamber of Commerce and Industry. Access the Lexadin World Law Guide for a collection of laws in Burkina Faso.

## Section 3 - Economy

Burkina Faso is a poor, landlocked country that depends on adequate rainfall. About 90% of the population is engaged in subsistence agriculture and cotton is the main cash crop. The country has few natural resources and a weak industrial base. Cotton and gold are key exports. Since 1998, Burkina Faso has begun to privatize state-owned enterprises and in 2004 revised its investment code to attract foreign investment. As a result, the country has seen an upswing in gold exploration, production, and export. The Burkinabe economy experienced high levels of growth over the last few years but growth is highly dependent on swings in gold and cotton prices. In 2013 Burkina Faso experienced a number of public protests over the cost of living, corruption, and other socioeconomic issues. To defuse tensions the government has offered higher housing bonuses, reduced income taxes, and price controls. Turmoil in neighboring Mali, unreliable energy supplies, and poor transportation links pose longer-term challenges.

### **Agriculture - products:**

cotton, peanuts, shea nuts, sesame, sorghum, millet, corn, rice; livestock

### **Industries:**

cotton lint, beverages, agricultural processing, soap, cigarettes, textiles, gold

### **Exports - commodities:**

gold, cotton, livestock

### **Exports - partners:**

China 25.9%, Turkey 24.8%, Belgium 5.2% (2012)

### **Imports - commodities:**

capital goods, foodstuffs, petroleum

### **Imports - partners:**

Cote d'Ivoire 17.6%, France 15.2%, Ghana 4.8%, Togo 4.4% (2012)

## Banking

The formal financial sector is under-developed in Burkina and dominated by banks as shown in the table below. To date, Burkinabe banks mobilize nearly 68 % of the assets of the formal financial sector and about 85% of deposits.

## Stock Exchange

Founded in 1998, the Bourse Régionale des Valeurs Mobilières SA ("West African Regional Stock Exchange") or BRVM, is a regional stock exchange headquartered in Abidjan, Cote D'Ivoire, serving the following west African countries: Benin, Burkina Faso, Guinea Bissau, Côte d'Ivoire, Mali, Niger, Senegal and Togo.

### 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 83<sup>rd</sup> 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	<a href="http://cpi.transparency.org/cpi2013/results/">http://cpi.transparency.org/cpi2013/results/</a>
Heritage Economic Freedom	2014	58.9/178	<a href="http://www.heritage.org/index/ranking">http://www.heritage.org/index/ranking</a>
World Bank Doing Business	2014	154/189	<a href="http://doingbusiness.org/rankings">http://doingbusiness.org/rankings</a>
MCC Government Effectiveness	2014	76%	<a href="http://www.mcc.gov/documents/scorecards/score-fy14-english-bf-burkina-faso.pdf">http://www.mcc.gov/documents/scorecards/score-fy14-english-bf-burkina-faso.pdf</a>

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 109<sup>th</sup> 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 72<sup>nd</sup> 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](mailto: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 établissements 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 Réseau 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.

#### **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
<b>Economic Data</b>	Year	Amount	Year	Amount	
Burkina Faso Gross Domestic Product (GDP) (Millions U.S. Dollars)	2012	\$11,400	2012	\$10,700	<a href="http://www.worldbank.org/en/country">http://www.worldbank.org/en/country</a>
<b>Foreign Direct Investment</b>	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 States (Millions U.S. Dollars, stock positions)		Not Available		Not Available	
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://cds.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 Resources Ltd	Australia	-	2010	
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

<b>Company</b>	<b>Est. Investment (\$millions)</b>	<b>Est. Jobs Created</b>	<b>Year</b>	<b>Home Country</b>	<b>Sector</b>	<b>Key Business Function</b>
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
Attijawafa 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.

## Section 5 - Government

### Chiefs of State and Cabinet Members:

For the current list of Chiefs of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

### Legal system:

civil law based on the French model and customary law

### International organization participation:

ACP, AfDB, AU, CD, ECOWAS, EITI (candidate country), Entente, FAO, FZ, G-77, IAEA, IBRD, ICAO, ICC (NGOs), ICRM, IDA, IDB, IFAD, IFC, IFRCs, ILO, IMF, Interpol, IOC, IOM, IPU, ISO (correspondent), ITSO, ITU, ITUC (NGOs), MIGA, MONUSCO, NAM, OIC, OIF, OPCW, PCA, UN, UNAMID, UNCTAD, UNESCO, UNIDO, UNISFA, UNITAR, UNWTO, UPU, WADB (regional), WAEMU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

## Section 6 - Tax

### Exchange control

Exchange control regulations exist.

For further information - <http://www.bis.org/country/bf.htm>

### Treaty and non-treaty withholding tax rates

For further information - <http://www.bis.org/country/bf.htm>

## Methodology and Sources

### Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

### Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
<a href="#">FATF List of Countries identified with strategic AML deficiencies</a>	Not Listed	AML Deficient but Committed	High Risk
<a href="#">Compliance with FATF 40 + 9 recommendations</a>	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
<a href="#">US Dept of State Money Laundering assessment (INCSR)</a>	Monitored	Concern	Primary Concern
<a href="#">INCSR - Weakness in Government Legislation</a>	<2	2-4	5-20
<a href="#">US Sec of State supporter of / Safe Haven for International Terrorism</a>	No	Safe Haven for Terrorism	State Supporter of Terrorism
<a href="#">EU White list equivalent jurisdictions</a>	Yes		No
<a href="#">International Sanctions UN Sanctions / US Sanctions / EU Sanctions</a>	None	Arab League / Other	UN , EU or US
<a href="#">Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network</a>	>69%	35 – 69%	<35%
<a href="#">World government Indicators (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Failed States Index (Average)</a>	>69%	35 – 69%	<35%
<a href="#">Offshore Finance Centre</a>	No		Yes

### **Section 3 - Economy**

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

### **Section 4 - Foreign Investment**

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

### **Section 5 - Government**

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

### **Section 6 - Tax**

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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Gary Youinou

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