



BURKINA FASO



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Investment Opportunities

G20 Compact with Africa

- ✓ Macroeconomic Management
- ✓ Economic Governance
- ✓ Domestic Resource Mobilization

- ✓ Security and Development
- ✓ Investment Climate
- ✓ Investment Opportunities

Country Context

STABLE MACROECONOMIC FRAMEWORK

- Continuous growth over the last decade (almost 6% on average per year);
- Inflation forecast within WAEMU target ($\leq 3\%$) over the period 2018-2020;
- Government's commitment to meet the regional target of budget deficit of 3% of GDP by 2019;
- Average debt ratio of 40% of GDP

CONTINUOUS IMPROVEMENT OF BUSINESS CLIMATE

- 2nd best country in West Africa on the Corruption Perception Index;
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- A strong legal and institutional framework for Doing Business indicators;
- An investment promotion agency, commercial courts, an Arbitration and Mediation Center, and a Credit Bureau
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- An attractive and modern tax system, reconciling the budgetary objectives of the Government with the imperative of promoting private investment.

REGIONAL INTEGRATION

- Good potential for regional trade given its central location with 6 neighbours;
- The second most welcoming country in ECOWAS, according to the 2014 report of the World Economic Forum;
- Located in the heart of West Africa.



- The 3 priorities of the PNDES are good governance, human development and economic growth
- The PNDES aims for an average annual GDP growth rate of 7.7 percent
- Burkina Faso has recorded a good macroeconomic performance over the past 15 years.
- The most important structural change in the economy has been the growth of the mining sector.
- Burkina Faso has made good progress in its business environment.
- GDP growth is expected to remain strong, supported by a good performance in:
 - agriculture,
 - services,
 - mining ,and
 - sustained public investment.

KEY FACTS

Official Language: French

Currency: XOF

Governance: Republic

Population: 19 632 147 -: F (52%); H (48%)

Area :274 200 km²

Literacy rate (2016) :86.1%

GDP (current) 7,185.5 billion FCFA

GDP Growth (2016): 5.9%

GDP per capita (2016): US\$ 635.9

Mineral resources: Godl, Manganese, Zinc, Phosphates, Limestone, Bauxite, Copper



MACROECONOMIC MANAGEMENT

- Implement new 2018-2020 ECF program supported by the IMF;
- Adoption of a new debt management strategy favoring concessional borrowing;
- Cost-benefit analysis of all large projects including Public-Private Partnerships;
- Create fiscal space for priority public investments through increased domestic revenue mobilization and contained current spending.

ECONOMIC GOVERNANCE

- Reform the legal and institutional framework for public procurement;
- Adopt the implementation texts for the law for the fight against corruption;
- Computerize the documentation required for public expenditures;
- Create a general inspection unit for the civil service;
- Adopt a new policy for decentralization and de-concentration;
- Adopt a new law for land management.



DOMESTIC RESOURCE MOBILIZATION

- Expand the use of a standard form for all taxpayers to reduce fraud and protect VAT collection;
- Put in place on-line procedures for the declaration and payment of taxes;
- Computerize the system of fiscal controls and use risk-based selection methods ;
- Expand GPS tracking for transit merchandise and connect with customs of Ivory Coast and Togo.

SECURITY AND DEVELOPMENT

- Fight terrorism by improving the socio-economic conditions of the population living in the Sahel region of the country which is the most exposed to attacks and radicalization;
- Operationalize a unit for the fight against terrorism;
- Reinforce the implementation of the Emergency Programme for the Sahel and the Programme for the Support of the Development of Local Economies.

TO IMPROVE THE INVESTMENT CLIMATE

- Revise the legal and regulatory framework with an emphasis on contract enforcement, access to land, protecting investor rights, and connecting to electricity;
- Reduce the time and cost to create a business, to obtain a construction permit and to get a land title;
- Adopt a new labor code which further liberalizes the labor market;
- Put in place a single window for investors and create an on-line guide on all administrative procedures;
- Accelerate the use of on-line processes to facilitate administrative procedures;
- Adopt the implementation texts for the new mining code.

ALTERNATIVE SOURCES OF FINANCING

- Revise the legal and regulatory framework to promote Public-Private Partnerships;
- Establish specialized bank for SMEs;
- Strengthen and diversify financing instruments targeting agriculture (partial credit guarantees, medium/long-term lines of credit, insurance);
- Strengthening the capacity of the banking sector to serve commercial agriculture;
- Promote digital finance, including certification through e-signatures;
- Channel savings of the diaspora into productive investments.



INVESTMENT OPPORTUNITIES (MINING SECTOR)

- Under-exploited reserves and a mining code among the most attractive in Africa;
- Development of the mining sector is recent (2008) but its growth has been spectacular;
- In addition to the 11 mines in operation and others under construction, there are unexploited reserves of manganese, zinc, copper, limestone, phosphates, and bauxite;
- Private sector investment is welcome in a totally liberalized sector.



INVESTMENT OPPORTUNITIES (TRANSPORT SECTOR)

- Construction of the rail link between Tambao (manganese reserves) and Ouagadougou via Kaya and Dori;
- Construction and management of a new international airport at Ouagadougou-Donsin;
- Creation of a dry port at Ouagadougou;
- Management concession for the services at all international airports in the country.



INVESTMENT OPPORTUNITIES (ENERGY SECTOR)

- Major solar power resources with radiation of 5.5 kWh per square meter and per day in the context of total liberalization of the power generation sub-sector;
- Construction and exploitation of large-scale power plants (notably solar and thermal);
- Creation of assembly units for photovoltaic modules;
- Construction of oil pipeline between Ferkessédougou (Ivory Coast) and Ouagadougou;

THE SOLAR POWER PLANT AT ZAGTOULI

- Construction of a solar power plant of 33 MWc at Zagtouli was the first experience with diversifying the sources of electricity generation in Burkina Faso;
- The extension project will increase production by 22.5 MWc while improving the national energy mix.



INVESTMENT OPPORTUNITIES (AGRO-INDUSTRIAL SECTOR)

- A leader in the production of cotton, sesame, and meat; good potential in fruit and vegetables;
- A presence of specialized institutions.
- Transformation of cotton (spinning, textiles, clothing), agricultural marketing, and the existence of special economic zones offer attractive investment opportunities.
- Creation of industrial units for the manufacture and assembly of agricultural equipment (tractors, power tillers), and the transformation of agricultural products and bi-products;
- Installation and operation of modern factories for the meat, milk, and other livestock products.
- Two agropoles already being implemented in Sourou and Samendéni, in addition to the one at Bagré (Bagrépole) to increase and diversify agricultural production and improve food security for the local population ;
- Development of two special economic zones at Ouagadougou and Bobo-Dioulasso.



INVESTMENT OPPORTUNITIES (INFORMATION AND COMMUNICATION TECHNOLOGY)

- 85% of the population own a mobile phone but only a few have access to high-speed internet; the network needs improvement and computer skills need to be developed (2017);
- Expansion of fiber optic network and cell phone towers;
- Creation of a virtual university and establishment of 13 digital centers in the regions;
- Establishment of technopoles and incubators;
- 7 university technopoles;
- 3 technopoles for pharmaceuticals, agri-business, and energy;
- One ICT technopole at Ouagadougou;
- Development of e-health and e-agriculture;
- Development of mobile banking.

EXPECTED PARTNERS SUPPORT

MACROECONOMIC

- Increased and improved predictability of budget support in a less favorable security environment;
- Assistance for implementing a strategy for selection and rationalization of investments with a greater role for the private sector
- Support for the implementation of structural reforms.

INVESTMENT CLIMATE

- Assistance for the elaboration of a strategy to transform Burkina Faso into a center of agricultural and mining production and processing;
- Preparation of a project to improve the investment climate with the support of Partners;
- Design a project to address skills mismatch through trainings and increase skilled workforce.

FINANCING

- Mobilization of private investment through Public-Private Partnerships and Foreign Direct Investment in priority sectors;
- Support to increase domestic resource mobilization and financial inclusion;
- Access to mechanisms for risk management, such as partial risk guarantees;
- Access to new financing facilities from IFIs;
- Provide funds for feasibility studies to facilitate decision-making by investors.

Main Partners :IFIs (IMF, WBG, AfDB), EU, and bilaterals.

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