



COUNTRY REVIEW REPORT OF BURKINA FASO



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BACKGROUND

1. HISTORICAL CONTEXT AND CURRENT CHALLENGES

1.1 Historical context

- 1.1 The colonial history of Upper Volta cannot be separated from that of other countries that suffered during the colonial period. However, there are certain specific issues that still weigh heavily on the country. These include the challenges weighing against good governance and SED and, more particularly, the dismantling, during the era itself, of the administrative and social structures of Upper Volta in 1932. The various parts of these structures were attached to Côte d'Ivoire, Mali and Niger. They had been dismantled to meet the manpower needs for the development of export and industrial crops for the benefit of the coloniser, until 1947, which is the year of its reunification. Its status as an autonomous republic was restored in 1958 on the eve of its accession to independence in 1960.
- 1.2 The post-colonial period (1960-1991) saw three republics and six exceptional regimes. The most troubled period (1982-1987) started in 1982 with the advent of the Council of the People's Salvation (CSP) and the assumption of power, in 1983, by Captain Thomas Sankara as president of the National Revolution Council (CNR, 1983-1987). This period was marked by profound social reforms. The most notable of these were the territorial and administrative organisation, the division of the country into 13 provinces, and the creation of urban sectors. The country changed its name to Burkina Faso on 4 August 1984. The name means the 'fatherland of men of integrity'. Nevertheless, the social reforms initiated by the CNR were met enthusiastically by all the Burkinabe. However, internal divisions within the CNR led to the overthrow and assassination of Thomas Sankara.
- 1.3 With the advent of the Front Populaire in October 1987, Captain Blaise Compaoré led the country towards the building of a constitutional state, the creation of a multiparty democracy, the establishment of republican institutions and the introduction of participative political governance. A new constitution was adopted in June 1991. It established the pillars of good democratic governance and this made 1991 an important year in the political history of the country.

2 Current dynamics and their problems

- 2.1 One of the major political problems and challenges is the consolidation of democracy and the rule of law. The efforts made in this regard are commendable. Nevertheless, there is still a long way to go to consolidate the democratic process, to bring about the effective separation and independence of constitutional powers, and to move toward real multiparty politics. A sense of remarkable stability based on a kind of political 'locking' is affecting the observation of the system of governance in Burkina, and this carries some risks. The second challenge is the canker of corruption. It creates mistrust between the governors and the governed, and separates the governance of the majority party from the citizens. The third challenge is involving women and youth in the developmental process as fully-fledged partners and stakeholders. The last major challenge is presented by the traditional nature of democratic and political governance, which allows only limited sustainable human development to citizens.
- 2.2 Problems and challenges of economic governance. The first challenge is to build consensus among the different components of society around the vision defined by the authorities for the construction of an emerging economy by 2025, to convert it into coherent strategies and programmes, and to define responsible and well-coordinated institutions for its implementation. The second challenge is to achieve high and sustained economic growth that promotes equitable distribution from both social and geographical points of view. This growth should be based on a multiparty policy that relies on sectors that involve most of the population, and that can stimulate job creation.

- 2.3 The third challenge is to overcome the problem of being a landlocked country. Burkina Faso needs to exploit its central position in West Africa. This, in turn, offers opportunities to the country and enables it to develop ways and processes for integrating the sub region. The fourth challenge concerns the nature of the sustainable human development (SHD) to be promoted. Here, the main challenge is the capacity to move from the Poverty Reduction Strategic Framework (PRSF) inspired by structural adjustment programmes to an authentic SHD strategy. The fifth challenge is to mobilise its human and material resources and, especially, its financial resources. Here, the challenges for Burkina Faso are to use its human resources as a force for SHD, and to enlarge and diversify its bases for mobilising financial resources.
- 2.4 Problems and challenges of corporate governance. The development of an emerging economy by 2025 demands that enterprises in general, and private enterprises in particular, fully play their roles as drivers of growth. In that regard, the first challenge facing Burkina today and tomorrow is to learn how to make the private sector the driver of social and regional economic growth, especially distributive growth. It needs to build promising partnerships that will enable it to contribute to the achievement of an emerging country.
- 2.5 Secondly, it is necessary that, in this partnership, the state succeeds in promoting corporate governance that attracts more foreign direct investment (FDI) by capitalising on the advantages of its political stability, its central position, its cheap labour and the creativity of its human resources. The third challenge is to mobilise its enormous diaspora to transfer capital so that it can become an important lever of distributive economic growth.
- 2.6 The fourth challenge of the Burkinabe enterprise is to overcome, by itself, its numerous weaknesses in order to contribute to distributive growth and SHD. Finally, the informal sector is a major stakeholder in the economy. Here, the great challenge is to promote policies capable of making this sector the real breeding ground for future small and medium enterprises (SMEs) in the country.
- 2.7 Developmental problems and challenges. The country believes in its ability to develop economically and socially, given the necessary autonomy, and that it can tackle the challenges of SED head-on. However, this belief should be turned into action in order to mobilise the whole of society for the march towards an emerging Burkina Faso. The second challenge is to ensure that the benefits of growth are distributed equitably if it is to succeed in reversing the 'major social deficits'.
- 2.8 The third challenge is to control the 'Sahelian nature' through a dynamic environmental policy aimed at transforming the Burkinabe Sahel into a fertile land for agriculture and cattle breeding. The policy should be directed at developing and controlling the resources of nature and the environment, particularly water. The fourth challenge is to upgrade the public department responsible for managing economic and social development so that it can protect the welfare of the people.
- 2.9 Historical and cultural problems and challenges. These challenges are associated with the country's people, their civilisations and cultures. The first challenge is to deal with a diverse population in order to plan for a sustainable future. The country needs to build a coherent nation that reflects a smooth and promising amalgamation of various civilisations and cultures that originate from a variety of nationalities. These were brutally merged into a single territorial entity, with foreign values, by the colonial administration.
- 2.10 The second challenge arises from imbalances in population demographics. Population growth is high, with an annual rate of 2.9%. The population is dominantly rural (79.7%). Women comprise 51.7% of the population while 67% of the population is 35 or younger. An emerging Burkina Faso by 2025 needs young people who are prepared to accept their responsibilities, the dynamic participation of women – who comprise more than half of the Burkinabe population – and a better prepared rural population, who make up the largest part of the workforce.

- 2.11 Despite these challenges, Burkina Faso has undeniable assets. At the diplomatic level, Burkina Faso has become a hub for the resolution of sub regional crises because of the respectability of its leaders, the emblematic nature of the country, its political stability and its progress on the democratic front.
- 2.12 Moreover, Burkina Faso has demonstrated its capacity for cultural ingenuity. In this regard, the country is known for its cultural performances. These have become African and international events. They include: (i) the Ouagadougou Pan-African Film Festival (FESPACO), which has turned the country into the first world capital of African cinema; (ii) the Salon de l'Invention et de l'Innovation Africaine de Ouagadougou (SIAO), which has become the international fair for African invention; (iii) the national culture, which has also become an African culture; and (iv) the Laongo site for stone sculpture, which has also become a world site for stone sculpture.
- 2.13 There is confidence in the capacities of its people. Burkina Faso has managed to develop faith in its own capacities and a love for the country, even among its citizens living abroad. They constitute an important force for the development of the emerging country of tomorrow, and the country should capitalise on this resource. The country's central position in West Africa, as well as the fact that it is a transit country and a commercial and cultural hub in the sub region, is an additional asset for Burkina Faso.
- 2.14 The ingenious management of natural land and underground resources, such as the control of water and energy, shows the importance of Burkinabe human capital. Through its work and expertise it has made its legal resources and labour force the driver of development. Finally, the visionary sense of its leadership deserves to be highlighted as the spearhead of the transformation required for the development of the emerging Burkina Faso of tomorrow.

CRM FINDINGS IN THEMATIC AREAS

3. DEMOCRACY AND POLITICAL GOVERNANCE

- 3.1 Internal conflicts. The CRM noted the recurrent nature of conflicts in rural areas between farmers on one hand, and between farmers and cattle breeders on the other. It also noted the existence of political conflicts, labour-related conflicts, and conflicts between civilians and soldiers. In that regard, the mission noticed the absence of a national strategy for preventing, managing and resolving conflict. The CRM also noted a strong potential for conflict because of the political majority. This overwhelming majority leaves little room for an opposition. This situation may result in dysfunctional governance when political alliances are more motivated by possible promotion to higher posts than by a concern for the general good.
- 3.2 Constitutional democracy. The supremacy of the constitution is affirmed in the constitution itself. However, the CRM noted significant problems with regard to respect for the authority of the law.
- 3.3 Decentralisation. Meetings in the field showed that the people strongly support the ongoing decentralisation process. The stakeholders have, however, emphasised particular weaknesses in: the transfer of resources and skills; political nomadism (which destabilised communal councils); illiteracy; the lack of instruction criteria levels for access to the position of mayor; lack of a framework for dialogue and consultation between centralised authorities and decentralised structures; and confusion between the skills of appointed prefects and those of the mayors elected to head the same entities.
- 3.4 With regard to participation, stakeholders commended the existence of CENI, the respect for the electoral calendar and the option of a single ballot. However, several difficulties about institutional and legal frameworks were noted. With regard to the legal framework, the participants unanimously called for the review of the Charter of Political Parties and the electoral code in order to improve the conditions for creating political parties, notably by providing for greater representativeness and inclusiveness at the onset. During these meetings, the CRM noted that electoral fraud has been perpetrated by members of both opposition and majority parties. It

also noted shortcomings in civil status, the electoral list, the identification of voters and distribution of voters' cards, election materials, the funding of political parties, a shortage of opposition representatives at many polling stations, and others. In addition, the issue of the intrusion of religious and traditional leaders in the electoral process was raised and condemned.

- 3.5 With regard to respect for the principle of subjection of the defence and security forces to civilian authorities, the CRM noted the specific situation in Burkina Faso where soldiers have shaped the democratic system. The current situation is, therefore, characterised by a 'marriage' between civilians and the military. The process of 'civilising' the system is ongoing and must be intensified.
- 3.6 With regard to human rights, the CRM noted the abundance of texts on the issue. It also noted the absence of political prisoners in Burkina Faso, and the emphasis on freedom of speech and opinion. However, many difficulties were mentioned. These were the access to, and the slow functioning of, the justice system; the human, material and financial capacity of the system; the duality between modern and customary law; the language in which rulings are made; illiteracy; and the level of poverty, which does not enable the people to acquire the services of lawyers.
- 3.7 With regard to the separation of powers, the CRM noted that the Burkinabe constitution affirms the principle. However, its practice is ignored. In addition, the presidential nature of the regime in Burkina reduces the full exercise of legislative functions and control by Parliament considerably. The independence of the judiciary also seems affected by the low number of magistrates elected by their peers to the Supreme Council of the Judiciary, and by the power given to the minister of justice, the custodian of the seals, to evaluate magistrates.
- 3.8 With regard to the public service, the mission commended the reforms aimed at implementing results-based management; the implementation of new conditions for recruiting general managers of companies, based on competitive bidding; and the introduction of computers to the administration. However, the CRM noted many difficulties about human and material resources, corruption, absenteeism, and the politicisation of the administration.
- 3.9 With regard to corruption, the CRM noted that all the stakeholders were unanimous about the reality and magnitude of the phenomenon. It commended the fact that the authorities are aware of the seriousness of the phenomenon and that it is committed to fight it. The CRM, however, noted the following weaknesses: the lack of an order to implement the law on corruption; lack of convincing results in the fight against corruption; low levels of civic education in educational establishments; weaknesses of the control bodies; and non-publication of the reports of the High Authority for Coordination of the Fight against Corruption (HACLC). It encourages the creation of an effective controlling authority.
- 3.10 With regard to the rights of women, young people and children, the CRM noted with satisfaction the existence of numerous texts on these different subjects, forums for the youth, the construction of women's homes in the provinces, and the establishment of various funds to support activities for women and youths. It observed difficulties about: the obvious differences between proclaimed rights and their effective implementation; illiteracy among women and the population in general; the weight of tradition and socio-cultural problems that are blocking the access of women to resources, particularly land; difficulties around access to credit; and the absence of a law on quotas favourable to women. The major challenges concerning the youth are about training and employment.
- 3.11 With regard to vulnerable groups, there have been very few achievements. The CRM nevertheless commends the fact that the authorities are aware of the situation and have introduced a policy to support them.

4. ECONOMIC GOVERNANCE AND MANAGEMENT

- 4.1 Stakes and challenges of good economic governance include: the achievement of high, sustained and equitable economic growth in development, from both the social and geographical or regional point of view; the issue of the country's isolation, a handicap to be transformed into a development asset, given the country's central position; the nature of the SHD to be promoted, and in that regard, the extension and consolidation of the basis of the economy; the capacity for mobilisation of financial, human, and natural and/or environmental resource; and the control of the productivity and efficiency of public expenditure. Burkina Faso should meet a number of major challenges to establish the pillars of efficient economic governance and management (EGM). They represent developmental challenges for the present as much as for the future of the country.
- 4.2 The challenges comprise, in particular, a definition of the Burkina Faso of tomorrow through a vision of its future. This vision is defined as "a nation united and supportive, open and integrated, prosperous and rich, blooming and respected, radiant and with excellent quality of life". However, the success of this vision depends on the building of consensus around it and on its conversion into coherent strategies, policies and programmes. It also depends on the coordination of the structures and institutions charged with piloting the implementation of these different instruments.
- 4.3 The main issues and challenges are: achieving high economic growth as well as sustained and equitable development, both from a social perspective as well as a geographic or regional one; the question of the country's landlocked status, which is a disadvantage that needs to be transformed into a development asset given the country's central geographical position; promoting the nature of SHD and thereby expanding and consolidating the economic base; the ability to mobilise financial, human, natural and/or environmental resources; and finally, mastering the efficient and productive utilisation of public funds
- 4.4 Ratification and implementation of standards and codes. Burkina Faso has adhered to several regional and international standards and codes identified in the APRM questionnaire. However, the commitments made are rarely revealed to the citizens. The CRM managed to collect detailed information on the measures for ratification and application of the different standards identified by the CRM. It observed that these standards and codes are consistent with WAEMU standards or with generally acknowledged international standards.

The promotion of macroeconomic policies that support sustainable development

- 4.5 Macroeconomic policies and the construction of an emerging country in Burkina Faso. Since the year 2000, Burkina Faso has based the development and implementation of its macroeconomic policies on the Medium-Term Expenditure Framework (MTEF). However, the sectorial strategies and problems developed in the framework of these MTEFs are not only limited to some sectors considered as priority sectors: agriculture, rural development, health and education. It is necessary that these instruments reflect the vision of the emerging Burkina of tomorrow. To that end, the government has developed a logical governance organisational framework that should serve as a real tool for operationalisation and coordinated implementation of these policies, and it should reflect the coherence of the substance between strategies and programmes that are expected to contribute to the realisation of the ambitions of the vision.
- 4.6 The definition and efficient implementation of the macroeconomic policies to support the SHD should be based on a clear vision of the Burkina Faso of tomorrow that is to be built. These policies also depend on the nature of the structural transformations, which will reflect the content of the vision, to be made at the economic and social levels. The authorities have defined this vision of the Burkina Faso of tomorrow in the study 'Burkina Faso 2025', and the CRM congratulates them for this initiative. However, the study has not been officially adopted by the government, and most of the social and economic components of the country are not aware of it. In addition, the problems of institutional capacities for piloting both the vision and its coherent translation into strategies, policies and programmes should also be considered.
- 4.7 Results of the macroeconomic policies and sustainable human development. The macroeconomic policies implemented within the framework of the PRSF introduced some form of stability into the macroeconomic

framework. They produced an appreciable growth rate of 6% on the annual average over the past 10 years, and restricted inflation to less than 2% compared to a limit of 3% defined by WAEMU. However, profound structural weaknesses persist: low performance of the primary sector; a weak industrial fabric; predominance of the informal sector; deforestation; and the fragility of the cotton sector. However, recently, Burkina Faso has made notable progress in the cotton sector.

- 4.8 Despite the importance of the challenges it is facing, the country has succeeded in reducing the general level of poverty from 46% to less than 43% during the same period, which may seem slow to some people. This relatively slow economic growth, with some persistence of poverty – which Burkina Faso itself calls the ‘great social deficit’ – can be explained. In fact, 80% of the population of Burkina Faso functions in the primary sector (agriculture, stockbreeding, fishing, forestry and hunting). This sector produces less than a quarter of the national wealth (or GDP). The fact that about 80% of the population shares less than 25% of the national wealth – and this has been the case for more than 10 years – explains the persistence of poverty. What is more, the contribution of the primary sector to GDP growth has been 6% over the past 10 years. This is, on average, less than 2% (less than a third), which is far lower than the current population growth of 2.9%. This can only result in persistent poverty, despite the commendable efforts being made by the authorities of Burkina Faso. If we add to this the effects of the inequality in the distribution of wealth at the social and regional level, the policy on unfavourable prices paid to producers, the low productivity of activities in the primary sector, and so forth, we have the cocktail of elements that contribute to this situation.
- 4.9 It is also important to note the restoration of the viability of the external debt. However, the deterioration of the total budget balance remains an issue of concern. Finally with a current balance virtually always in deficit, the trend of the balance of payments is marked by the vulnerability of the country to internal and, especially, external shocks.
- 4.10 The main social indicators improved slightly. There is a very high illiteracy rate (74% in 2004), the gross rate of education was estimated at 67% in 2007, life expectancy is about 48 years, and more than 42% of the population lives below the poverty belt. On the other hand, the country made some progress in reducing infant and maternal mortality and in controlling HIV/AIDS.
- 4.11 The macroeconomic policies should aim at increasing the growth in GDP with a view to reducing poverty and the social and regional inequalities significantly by promoting the sectors with a great number of producers (agriculture and cattle breeding). The gross fixed capital formation (GFCF) has registered an average growth rate of about 9% during the decade following public investment. This achieved an average rate of more than 37% since 2004 based on fiscal revenues. This is higher than the WAEMU criterion of 20%. However, the public investment policy should respond to the need to promote the emergence of multi-polar centres of growth in order to reduce regional inequalities, strengthen regional integration, and create a framework that promotes private investment around these poles. To that end, one of the major challenges is to increase (i) the output of the tax system and (ii) the productivity and efficiency of public expenditure.
- 4.12 The vulnerability of the economy to both internal and external hazards is a major issue of concern. The government has made considerable efforts to reduce this vulnerability. It should pursue macroeconomic policies that stimulate production, diversify the product base and achieve rapid economic growth.

Implementation of sound, transparent and predictable economic policies

- 4.13 Transparency and efficiency of general public administration, financial administrations and Parliament. The government has implemented many reforms since 1998. These include the General Public Administration Reform (RGAP), the National Good Governance Plan (of 1998/2003), and the Action Plan for Strengthening Budget Management (PRGB) and the Strategic Plan for the Development of Parliament (of 2004-2014). These reforms indicate its desire to improve transparency and efficiency. However, major challenges persist: administrative sluggishness and the poor quality of general administration services, a lack of public-spiritedness

by public servants, opacity and corruption in financial administration (customs, central revenue and public procurement services), and others. Parliament is not adequately equipped for it to be efficient.

- 4.14 Implementation of predictable economic policies. A number of programming tools have been introduced to ensure that economic policies are efficiently implemented. These include the PRSF, the Medium-Term Expenditure Framework (MTEF), budget programmes and triennial strategic plans. Implementing them poses major problems. These are poor coordination between them, poor coherence between the objectives defined by the PRSF and the aspirations of the people, and a lack of consistency with the finance act.
- 4.15 The sector policies defined are limited to the priority sectors: education, health, agriculture, rural development, transport, justice, security and public finance. The sector MTEF and its related budget programmes only cover education, health and public finance at the moment. Paradoxically, the industrial sector, which is acknowledged to be the indispensable link between the structural transformations required by the different objectives of an emergent economy, is not regarded as a priority sector.
- 4.16 On the other hand, it is important to appreciate the positive results, and efficient implementation, of the policies and sector reforms in the agricultural and cattle breeding sectors. The participative approach used when developing these policies was welcomed by the stakeholders. The economic policies should be placed within the dynamics of the building of an integrated economy, which focuses on sustainable development, and which is capable of being integrated into the framework for regional integration according to the 'Burkina 2025' vision. To that end, it is important to make the PRSF and sector policies clear and dynamic instruments to promote SHD and to extend the sector policies to all areas. They should also be used to define growth poles that can stimulate the structural transformations needed to diversify the product base; to promote clear articulation between agriculture, industry and cottage industries; and to contribute to the equitable development of the different regions.
- 4.17 Coordinating the efforts of the different departments. The economic policies need efficient and coordinated management. This depends on the capacity to: define and distribute responsibilities in the piloting of government action; ensure coherence and operational coordination of the development strategies and programmes; promote the efficiency and accountability of the decentralised entities; and to build confident intergovernmental relations and partnerships between government and other stakeholders. The reform efforts, at both centralised and decentralised levels, have not achieved convincing results for capacity building and organising institutions or for coordinating the different instruments.

Promoting sound public finance management

- 4.18 The economic reforms launched after 1991 in Burkina Faso have always favoured stabilising public finances and transparency in budgetary management as a component of macroeconomic balances. The results of these reforms – in terms of budgetary discipline, strategic allocations and efficiency in implementing and controlling the budget – are unequal. At the level of institutional and organisational development, the legal framework, which determines the organisation of the Department of Public Finance, reflects WAEMU guidelines.
- 4.19 The preparation of the budget is based on macroeconomic forecasts, budgetary expenditures and incomes assisted by the Automatic Forecasting Tool (AFT) of the International Monetary Fund (IMF). However, these tools are not sent to Parliament with draft budgets to serve as a basis for analysis. With regard to the execution of the budget, the government has implemented reforms aimed at ensuring the institutional development of the tax and expenditure administrations, the control of public expenditure, and the broadening of the tax base. Efforts for computerising all the budgetary and accounting operations have achieved perceptible results in the transparency, reliability and rapidity of operations, even though the process still seems incomplete. Similarly, the consultative structures established to ensure the regular monitoring of the Treasury have helped to improve the quality of services, to promote the control of management and to regulate expenditure.

- 4.20 The issue of Treasury bonds after 2002 has improved the regulation of expenditures and stimulated domestic savings. Similarly, the level of resources allocated to public investments has exceeded that of current expenditure. This demonstrates the efforts made to improve the management of public finance. Moreover, reforms in the tax system have made taxpayers aware of their responsibilities and stimulated the development of the private sector.
- 4.21 Monitoring control of expenditures. The efforts made have not produced all the expected results. The persistence of poor performance at each level of control and the impunity with regards to poor management are, however, seen to be indicators of a lack of political will. Indeed, the overlapping of internal control structures, whose missions are not clearly defined; the insufficient resources at their disposal in the light of the demands placed on them by their missions; and the persistent opacity of public procurement procedures do not favour transparency in the allocation of resources or its related control. In addition, the inefficiency of parliamentary and Audit Office action affects the credibility of budget management and promotes the acceptance of corruption. Can the measures envisaged in the Public Finance Improvement Strategy (SRFP) help to meet these challenges and restore the image of the Burkinabe as integrated citizens?
- 4.22 The deconcentration and decentralisation of the budget offer the best solution for making grass-roots communities aware of their responsibilities to participate in making choices and implementing economic policies. To that end, the state has introduced key reforms to promote the gradual transfer of competences and resources. These are: (i) the deconcentration of payment authorisation; (ii) the development of the fiscal regime and a budget nomenclature for the territorial communities; and (iii) the creation of a local development fund aimed at strengthening the funding capacities of the decentralised entities. The success of the decentralisation policy is still hampered by profound structural weaknesses.

The fight against corruption and money laundering

- 4.23 The phenomenon of corruption is acknowledged by state officials. It is perceived to be a systemic problem by citizens and by civil society associations. It constitutes a danger to the harmonious development of the country and impedes the progress of public life in general. This phenomenon is both horizontal (because no area is spared) and vertical (because all levels are concerned). The customs and tax services are believed to be the most affected sectors.
- 4.24 The causes of this scourge in Burkina are: poverty, a yearning for illegal and quick enrichment, illiteracy, and ignorance and its exploitation. Other contributing factors include sluggishness in the performance of public services, excessive bureaucracy, low salaries in public administration, the lack of independence of controlling bodies, and the politicisation of public administration. The latter creates favouritism and nepotism in the appointment of officials. These, according to stakeholders, all encourage the embezzlement of public funds. Furthermore, the perpetrators of this scourge run little risk of being punished. This discourages the entrepreneurial spirit. It also threatens public morality and social peace.
- 4.25 The measures adopted to fight this scourge are certainly supported by the international and regional conventions and protocols to which the country has adhered. They include the various state institutions that have been created to fight against corruption. However, they are inefficient because their roles overlap and there is poor coordination between controlling bodies. Furthermore, there is incompetence, a lack of transparency in their operations, and they lack the authority and power to submit cases to court. There is also an absence of political support for these institutions. These factors all contribute to the low credibility of public resource management and undermine its ability to wage a real battle against corruption.
- 4.26 The creation of the Supreme State Control Authority (ASCE) – which integrates the functions of the General State Inspectorate (IGE), the HACLC and some of the responsibilities of the National Coordination against Fraud (CNLF) – would provide an initial solution to these problems. It has increased powers to submit cases to

court and to publish annual reports. Moreover, the use of information and communication technology (ICT), which is being promoted in the administration, could enhance institutional capacities to fight against corruption and to achieve the objectives of EGM.

- 4.27 The phenomenon of money laundering does not seem to be a concern in Burkina Faso. However, a law was recently promulgated and a structure, the National Financial Information Processing Unit (CENTIF), established to reflect the guidelines of WAEMU.

Acceleration of regional integration by harmonising monetary/commercial policies and investment

- 4.28 Promoting regional integration is a priority for Burkina Faso. This is seen in the signing and ratification of several regional integration agreements. The country has ratified all the legal and regulatory provisions adopted by WAEMU and the Economic Community of West African States (ECOWAS). It has also signed and ratified the treaties on the creation of the Community of Sahel-Saharan States (CENSAD) and Liptako-Gourma. These agreements were reinforced by the creation of an institutional framework in charge of monitoring them: the Ministry of Foreign Affairs and Regional Cooperation.

- 4.29 The process of harmonising the macroeconomic policies with the standards of WAEMU is based on the Convergence, Stability, Growth and Solidarity Pact, which is monitored by the multilateral surveillance of the convergence criteria. The convergence criteria for the tax system have not been respected in Burkina Faso since 1999 because of the structural weaknesses of Burkina's tax base. On the other hand, the country has respected the criteria associated with the public debt policy, thanks to the efforts made according to the framework of the HIPC Initiative, since 1999.

- 4.30 Burkina Faso adopted the legal, accounting and statistics framework for public finance in 2003 and the Common External Tariff (CET) in 2000 to harmonise national economic policies with WAEMU standards. However, Burkina Faso continued to add national taxes to it. These would increase the cost of imports to Burkina Faso and impede the establishment of the free trade zone. Furthermore, although the WAEMU provisions on the preferential trade regime and anti-competitive practices could not be enforced in Burkina Faso, the country has recorded a positive trend in intra-regional trade. Intra-WAEMU exports grew at an average of 18.7% in volume between 1996 and 2005, while imports increased by 14.3% for the same period. These figures do not take into account informal trade. However, the efficiency and viability of regional integration efforts, in general, and the Customs Union, in particular, suffer from a lack of respect for the rules, the persistence of non-tariff barriers and many other physical obstacles. These constitute major challenges for the effective harmonisation of trade policies.

- 4.31 In conclusion, for regional integration to become a real opportunity for strategic development, it is essential to consolidate the pillars already built for the establishment of a common market. It is also vital to promote community policies that favour the development of shared potentialities which are aimed at the structural transformation of the product base. Burkina Faso could be the torchbearer of these strategies by skillfully developing mechanisms for regional integration. These could include integrating projects at common borders ('cross-border development basins'), promoting a regional policy on industrialising cotton and shea-butter to stimulate their competitiveness, modernising cross-border infrastructures to exploit the central position of the country and, internally, improve the profitability of the taxation system.

5. CORPORATE GOVERNANCE

5.1 The codes and standards

- 5.1 The WAEMU convergence criteria contain the main ingredients needed to integrate the economy of Burkina Faso with a world economy. Moreover, Burkina Faso has ratified a number of codes and standards on corporate governance. The CRM mentions, in particular, all the core conventions of the International Labour Organization (ILO); legislation on public procurement; control of food products; banking controls; and the programme for the establishment of an accreditation, standardisation and quality promotion system (the WAEMU Quality Programme). It should be noted that the WAEMU Quality Programme has not always produced the expected results. Efforts to introduce banking controls include respect for the prudential rules of the Central Bank of West African States (BCEAO) and the Basel I standards founded by the European Union (EU) and implemented by the United Nations Industrial Development Organization (UNIDO).
- 5.2 Disseminating and implementing these codes and standards still poses problems in Burkina Faso. There is also a need to accelerate the adoption of the international audit standard and to prepare for the transition towards the Basel II banking laws at the sub regional level.
- 5.3 An analysis of the types of enterprises in the economic sector shows that it is dominated by small businesses. These represent at least 98% of the registered enterprises. Family enterprises also abound, and they represent more than 85% of businesses registered. This situation constitutes a major handicap to SMEs in Burkina Faso with regard to accessing bank credit and especially to mobilising resources through instruments like the stock market.
- 5.4 The CRM observed the efforts made by the government and its partners, like the Chamber of Commerce, Industry and Crafts of Burkina Faso (CCIA-BF), to promote the rapid development of the sector by creating several administrative and financial structures. However, most of these are not operational yet outside Ouagadougou and Bobo-Dioulasso. The analysis of public enterprises or state-owned companies revealed that managers are very dependent on the decisions of the public authorities. It also revealed a good system for monitoring their functioning through the general assemblies of state-owned enterprises. With regard to the informal sector, the CRM observed its considerable economic weight. It contributes more than 30% of the GDP and provides more than 70% of nonagricultural jobs. The CRM noted the intention of the government to integrate this sector into the development structures of the country. The CRM emphasised the importance of women to the trade and cottage industry and that they are handicapped because of their illiteracy and have difficulty accessing credit. The CRM confirmed the importance of cotton to the economy of the country and the challenges facing this sector. It feels that the country should wage the cotton war together with the other producing countries of the region.
- 5.5 The business climate in Burkina Faso has improved considerably during the past few years, thanks to the fiscal and institutional reforms initiated by the state. These include adherence to the Uniform Acts of the investment code. However, the CRM feels that there is still room for improvement. The functioning of the Burkinabe banking system is surely dynamic, but its resources are inaccessible to SMEs as a result of (in particular) their internal constraints. The CRM expressed the wish that the ideas developed by the government, and supported directly or indirectly by the banks and insurance companies, would mobilise long-term resources for SMEs, most particularly those who wish to create agro-industrial production units throughout the country. With regard to insurance companies, the CRM noted their willingness to contribute to the mobilisation of long-term resources, subject to specific incentives that fall within the ambit of the public authorities.
- 5.6 The CRM was impressed by the creation of micro-finance institutions. It was also impressed by the intention of the government to support their activities in order to facilitate their rate of penetration, to support them in improving their conditions of involvement, and to protect the subscribers and small savers against possible breaches of trust. The dynamism of the Networks of Popular Banks of Burkina Faso (RCPB) also found favour with the CRM. The network is represented in all regions of the country and has introduced innovations intended to facilitate the access of women to credit and to posts of responsibility in the day-to-day management of the network.

- 5.7 The CRM was informed about the Burkinabe capital market. It is organised according to the WAEMU and BCEAO guidelines and comprises mainly the monetary and financial markets. The monetary market, which started its operations in 1975, has two compartments. These are the inter-banking market and the market of negotiable debt obligations. The financial market covers the activities of the Regional Stock Exchange (Bourse Régionale des Valeurs Mobilières – BRVM) whose headquarters are in Abidjan. The CRM has observed that very few purely Burkinabe companies are listed on the stock market. It feels that the small size of Burkinabe enterprises and the predominance of family enterprises in the formal and informal sectors constitute a handicap to mobilising financial resources through modern instruments like the financial market.
- 5.8 The CRM observed that the mining sector is a promising growth sector, but recommends that the government takes all the appropriate measures to protect the environment. The mission commends the strategic orientations expressed in the policy letter on developing the private sector and the privatisation process, but recommends that the government introduce more transparency to the process of transferring state heritage.
- 5.9 With regard to taxation, the CRM commends the efforts made by the government to promote a developmental taxation system. However, it recommends that government should be more sensitive to proposals submitted to it by the private sector, particularly during its annual meetings with the government. One proposal it should consider is an additional reduction in the rate of taxation of industrial and commercial profits. This may broaden the tax base and result in the migration of many informal sectors to the formal sector.
- 5.10 The CRM identified a number of difficulties facing the private sector. These are the lack of transport infrastructure in many regions of the country; the shortage and prohibitive cost of energy, which is impeding the development of enterprises, especially SMEs; and the lack of long-term resources for funding the investments of small and medium industries (SMLs).
- 5.11 The recommendations made by the CRM include: (i) pursuing the fight for an integrated cotton industry, together with the other cotton-producing countries of West Africa; (ii) improving the training of young people, and other stakeholders in the economy, on available funds and aids by establishing better partnerships between the state and the private sector in training; (iii) extending the railway line to the Sahel and eventually to Niamey; (iv) developing alternative and renewable energies, especially solar and nuclear energy, in partnership with the countries in the region; (v) generalising and decentralising the activities of the Maison de l'Entreprise and one-stop shops in all the regions of Burkina Faso; and (vi) developing the production of dates, Arabic rubber and forage crops in the Sahel region, if the feasibility studies are favourable.

Unemployment and the right to employment, social responsibility and the sustainability of the environment

- 5.12 Burkinabe enterprises are suffering directly from the weaknesses in the country's justice system. Indeed, the embryonic state of arbitration, the inefficiency of the modern justice system and the questioning of traditional arbitrations constitute obstacles to enterprise development. Together with inadequate resources to collect taxes, the difficulty of ensuring respect for their rights should be linked to the reluctance of Burkinabe enterprises to honour their tax obligations.
- 5.13 On another level, if underemployment seems to pose more problems than unemployment, and rural-urban drift is creating high tensions in the labour market, then respect for human rights in general, and those of workers in particular, is a problem in Burkina Faso. This situation is the result of the high rates of illiteracy among the people and the precarious economic situation in which the majority of enterprises operate.
- 5.14 The low social involvement of enterprises is attributable to the somewhat problematic relationships with politics. Finally, despite the efforts made by the government, there is little awareness of the environmental challenges

that economic activity and the actions of enterprises present. The CRM analysed the performance of Burkina Faso to improve codes of ethics in businesses as they pursue their corporate objectives.

- 5.15 With regard to access to public markets, the CRM registered several complaints by economic operators, especially in the interior of the country, who affirm that access to public markets is influenced by the weight of politics and lack of transparency. The mission feels that these criticisms are founded. However, they also emphasise the weaknesses and lack of managerial skills in many enterprises, particularly those operating in the building, public works and civil engineering (BTP) sector. They have often shown serious weaknesses in the way they operate in public markets. The CRM noted the intention of the ADB to fund a training programme for BTP enterprises, and recommended that the government and its national and primary partners intensify the training of businesspeople operating outside Ouagadougou in order to improve their competitiveness.
- 5.16 Several traders and businesspeople also asserted that top government officials and members of their families have become business executives. They then take advantage of the markets, notably the public markets, and the facilities for obtaining administrative authorisations or training.
- 5.17 With regard to the fight against corruption and money laundering, the CRM noted the existence of the National Ethics Committee (CNE). This committee helped to draft the various codes of ethics for the different bodies in the administration. Similarly, the HACLC is striving to disseminate professional codes of conduct. Moreover, with regard to enterprises and public organisations, the IGE, placed under the prime minister, intervenes using a procedures manual which follows international norms and standards. The Professional Association of Banks and Financial Institutions has also subscribed fully to the provisions for the fight against money laundering. The CRM, however, observed the lack of synergy between the banks and the public authorities to convert the intention into reality.
- 5.18 With regard to access to information about the different funds, grants and aids put at the disposal of enterprises by the state, several stakeholders stated that it is characterised by unfair competition because enterprises established in the capital are informed about business opportunities well before others. Besides, some SMEs – notably those in the agro-food sector – have to compete with groups which have easier access to aid from the government and international organisations.
- 5.19 The recent increases in the prices of certain consumer products highlighted the inefficiencies in the markets for these products. They result mainly from arrangements and speculations associated with an absence, or poor interpretation, of information about future trends in the legislative framework.
- 5.20 With regard to fraud and smuggling, the CRM acknowledges that, in a country that shares borders with six ECOWAS member countries and which uses the same currency as five of its neighbours, smuggling becomes a difficult phenomenon to control. In Burkina Faso it concerns various products such as medicines and food products (including sugar). However, cloths from distant countries are also smuggled. The sale of medicines by street vendors is a danger. The authorities acknowledge the problem but have not managed to eradicate it.
- 5.21 There are three monthly economic magazines, whose publication is at times disrupted, and most newspapers have columns on economics. However, their influence on public opinion is limited by illiteracy, the lack of an economic culture and the poor level of investigative journalism.
- 5.22 The recommendations made by the CRM in terms of this objective are: (i) that the government should intensify contacts with the banking sector, in the fight against money laundering, to establish a system for providing rapid information on important movements of funds not associated with current commercial operations; (ii) that the subcontracting of markets for the provision of goods and services to enterprises, established in the regions by the large companies in Ouagadougou, should be promoted by awarding extra points when bids are evaluated; (iii) that the training and upgrading of enterprises of all sizes and categories, including those operating in the BTP sector, should be intensified by soliciting external technical and financial support; (iv) that public authorities

should promote greater transparency in the bidding process by allowing more time for bidders to study the markets that are open to competition, while ensuring that tenders to be executed in the regions are widely published using, where necessary, the sub-branches of the CCIA-BF.

Treatment of partners

- 5.23 In the face of the short-term urgency and the quasi-generalised precariousness, Burkinabe enterprises rarely treat their partners (shareholders, bankers, suppliers, clients, state and local communities) in a just and equitable manner. This situation is certainly due to the weakness of the control bodies and to the difficulties in the structures responsible for regulating the relationships between enterprises and the rest of society

Corporate responsibility

- 5.24 Generally, economic and financial information seems to be a problem in Burkina Faso. This makes it difficult to assess and control the responsibility of enterprises and their management.
- 5.25 The CRM notes the need to improve the conditions for the intervention of auditors, statutory auditors and chartered accountants so as to guarantee the independence and objectivity of their judgments and the efficient execution of their missions.

6. SOCIOECONOMIC DEVELOPMENT

- 6.1 There are many challenges of SED currently facing Burkina Faso. The situation is characterised by a profound difficulty to rid the country of poverty. The economy is still dominated by the exploitation of agricultural resources (cotton and food crops). Their pressure on the soil gradually depletes natural resources. The most important challenges are: to implement successfully a development policy that combines sustained and sustainable growth; to eradicate poverty; to reduce the major social and regional imbalances; to reduce the human pressure on natural resources; to control the 'Sahelian nature' through an environmental and irrigation policy; to modernise the economic and family structures rapidly and resolutely; to transform the public administration into an SED instrument; to exploit the central position of the country in the West African region; and to promote collective participation in the process so that each stakeholder is mobilised and motivated despite being aware of the challenges.
- 6.2 With regard to international commitments on SED, Burkina Faso has ratified all the agreements and adhered to all the codes and standards recommended by the APRM. However, it needs to make greater efforts to ensure that they are published, integrated with national legislation, and popularised.
- 6.3 Promotion of self-reliance in the area of development and capacity building for self-sufficient development. There are numerous strategic frameworks for reference. These include the Burkina Faso 2025 study, the National Land Use Planning Scheme (SNAT), the PRSF and the regional PRSFs. To these we must add several sector-specific programmes, especially the Ten-Year Basic Education Development Programme (PDDEB), the National Programme of Access to Drinking Water and Sanitation (PN-AEPA), the National Health Development Programme (PNDS), and the National Programme for the Promotion of Women (PNPF). The rural development sector and infrastructure benefit from good programming, monitoring and evaluation practice.
- 6.4 All of these strategic frameworks and programmes were conceived and developed on the initiative and under the direction of the national authorities, with the support of their technical services. This highlights their desire and capacity to take charge of controlling the technical aspects of developmental policies and programmes. The country is gradually developing efficient human and institutional capacities to formulate, pilot and manage its developmental processes, even if it still resorts to external technical cooperation through international financial institutions at the moment.

- 6.5 Taking ownership of the SED process and reducing the level of dependency of the country on external aid and policies to ensure real initiative in the area of SED also constitute major challenges in the developmental processes.
- 6.6 In this regard, one can say that the influence of the technical and financial partners (TFPs) in development programmes and policies is very strong. Official development assistance (ODA) funds 70% of the development programmes. Burkina Faso has benefited from external financing of all kinds for a long time. More than 50 development partners are operating in the country. They comprise bilateral partners, multilateral organisations, nongovernmental organisations (NGOs) and other stakeholders. They are active in the areas of technical assistance relating to investment projects, funding of investment projects, budget or balance of payments support, food aid, emergency assistance and relief. All of these considerations are likely to affect the country's level of autonomy to develop SED effectively.
- 6.7 Accelerating SED to achieve sustainable development and to eradicate poverty. The analysis of economic and social development in Burkina Faso showed that the efforts initiated by the public authorities for promoting development are considerable. The economic and social sectors are the subjects of well-conceived policies and sector strategies and they are regularly monitored. The fight against poverty is analysed in its many dimensions and stakeholders are earnestly engaged in it. During the past 12 years, the country has registered sustained economic growth (an average of over 5.5%). This marks a break with a long period of slow growth which was hardly higher than the population growth.
- 6.8 The development policies and strategies, however, raise three major concerns. The first is that they are integrated into poverty reduction strategies and not into a global strategy which should address the creation, distribution and redistribution of wealth. Secondly, they lack income distribution mechanisms. Finally, they lack the capacity to reduce the monetary poverty which affects nearly half of the population.
- 6.9 In the area of fiscal policy, the tax deductions (12% of GDP) are too low compared to the needs and standards. However, resource allocation is positive and leaves an increasingly important place for the economic and social sectors and for capital expenditure. The economic growth registered, therefore, does not favour the poor. One of the reasons for that is the high population growth of 2.9% during the past decade. It would have been higher without the emigration of considerable numbers of Burkinabe (today estimated at 8 million) to other countries.
- 6.10 Overwhelmed by the very high population growth, economic growth also suffers from poor distribution between the social categories, poor distribution between the regions, and from a lack of sustainability. There is also a serious and increasing imbalance between the ecological (petrologic, climatic and hydraulic) resources and human needs.
- 6.11 Finally, Burkina Faso is characterised specifically by its rural setting and under-urbanisation, virtually no generation of agglomerated money, and no economies of scale.
- 6.12 Strengthening the policies, distribution mechanisms and results in the key areas, including education, the control of HIV/AIDS and other communicable diseases.
- 6.13 In the area of education, the situation is improving rapidly at the level of basic education, but less so at the other levels. With regard to basic education, considerable quantitative progress has been made. During the past 10 years, the number of children educated has more than doubled to reach 1.6 million today. The gross rate of education has reached nearly 67% as against 45% five years ago. The progress is benefiting both girls and boys even if the gaps, which are reducing, remain significant.
- 6.14 The problems affecting basic education are qualitative in nature. They include overcrowded classrooms, poor supervision of the pupils, weak internal output and considerable shortages of equipment. Classrooms are short of tables and chairs, and schools are often without water supplies and sanitation facilities. The authorities are

fully aware of the situation. They intend to make Phase II, which is under way and will last from 2008 to 2010, the phase of acceleration and establishment of educational infrastructures and qualitative improvements.

- 6.15 Despite significant progress made, secondary education remains inaccessible as a significant proportion (almost one-third) of those who pass through the primary cycle do not progress. The junior and senior high schools are often situated very far from the villages. In 2006/2007, the rate of education in the secondary cycle was only 17.7%. The performance was worse still in vocational and technical education, which the authorities intend to develop now. Higher education is also making progress. The initial base is extremely weak and, even today, the gross education rate in the cycle is hardly 2.5%.
- 6.16 In the area of health, Burkina Faso has improved its infrastructure at the level of primary health care. It has also improved the quality and use of health services. However, there is no comparable improvement in personnel. The budget allocated to the health sector has increased to 8.4% of the current budget, compared to 6.5% in 2002. It remains quite low compared to the needs and minimal standards of 10% fixed by the WHO and 15% prescribed by ECOWAS.
- 6.17 The overall results in the health sector are mixed. Remarkable progress has been made in vaccinating children and in HIV/AIDS control. The prevalence of HIV, according to the Joint United Nations Programme on HIV/AIDS (UNAIDS), fell from 6.5% in 2001 to 1.8% in 2005. However, there has been a lack of significant progress in maternal health, family planning, and in the fight against communicable diseases. Indeed, communicable diseases remain accountable for more than 75% of deaths registered.
- 6.18 With regard to access to other basic services like drinking water, sanitation, energy, finance, markets, ICT, housing and land.
- Considerable progress has been made in terms of access to drinking water, both in the rural and urban areas. Nevertheless, there are some persistent weaknesses. There are still considerable disparities between regions and within regions, and the levels of consumption are lower than the goal of 20 liters per day per person. In addition to improving access to drinking water, the authorities have introduced a remarkable water control strategy. It is intended to improve storage capacities with the help of water storage facilities for agricultural, cattle breeding and energy needs. This water control policy made it possible to have two farming seasons per year, to increase the incomes of farmers substantially, to develop ecological tourism and to improve energy supplies.
 - The situation is worrying in the sub-sector of sanitation, given the low coverage rate. The sub-sector cannot mobilise the necessary resources for its development.
 - With regard to energy, the density of electrification ranks with the lowest. The country has a low level of energy consumption compared to the other sub-Saharan African countries.
 - Various mechanisms have been introduced to improve access to credit. Access remains difficult, particularly for some population groups (the youth and women), and in the rural areas.
 - With regard to access to markets, a large proportion of rural farmers cannot sell their products because some production sites are isolated.
 - The reform of the ICT sector, initiated in 1998, helped to change the configuration of the sector and improved accessibility to its services.
 - In terms of access, land is still managed in traditional ways. A national policy on land protection has, however, been developed together with a law on land protection. These reforms should facilitate the development of the land as a heritage and for use as collateral for credit.

- With regard to access to housing, the government has introduced a series of measures intended to improve the habitat and modernise the infrastructures of Ouagadougou and Bobo-Dioulasso. These are towns where the greater part of the population lives in precarious districts without adequate urban infrastructures.

- 6.19 Progress made in promoting gender equality in all the crucial areas, including girls' education. The state has improved the institutional framework by creating a Ministry for the Promotion of Women, constructing women's homes, and developing a national policy and a plan of action for the promotion of women (2006/2007). The state has also begun projects aimed at reducing female poverty by creating a Fonds d'Appui aux Activités Rémunératrices des Femmes (FAARF) in 1990, equipping women's organisations to reduce the burden of domestic chores, constructing boreholes, conducting training and eliminating illiteracy, among others. There have also been activities to improve girls' education in the primary cycle and to improve the health of the mother and the child.
- 6.20 All these initiatives have resulted in some significant achievements. Nevertheless, women are still the victims of inequality in several areas. In education, there are persistent inequalities between boys and girls in education, including secondary and higher education. In health, traditional practices like early marriage and levirate persist and they affect the health of women. Even though some progress has been made to achieve equality, women are still highly under-represented in political parties, in Parliament and in the business world, and are discriminated against in employment and income.
- 6.21 With regard to the participation of all stakeholders, Burkina Faso has a long tradition of dialogue and consultation in the management of the affairs of the community. Grass-roots communities are involved and consulted through various structures and mechanisms for developing and implementing projects that affect them.
- 6.22 The main stakeholders identified are: (i) The institutions of the republic, such as the Economic and Social Council (ESC). They play an important role to foster participation in the economic and social life of the country. (ii) Civil society, comprising public-interest benevolent associations. (iii) The private sector, which constitutes real development potential, especially in the economic and agro-food branches, and in the tourism, cottage industry and services sectors. (iv) The development partners, who are very active in the country and who contribute more than 70% of the resources for funding SED. These stakeholders are making considerable efforts to harmonise and coordinate their interventions in countries so as to be in accordance with the principles of the Paris Declaration.
- 6.23 The country's decision to decentralise offers a timely instrument. It should enable all components of the population to be better associated with the development of their localities through the construction of classrooms, health centres and water points, and through environmental protection projects.

7. OVERARCHING ISSUES

The CRM found out the following overarching issues:

- Decentralisation
- The informal sector
- Modernising the state and society
- Corruption
- Land use planning
- Training, skills enhancement and insertion of young people
- The problem of gender and gender equality
- The diaspora, a factor of sustainable development

- Legal insecurity in the rule of law
- The issue of e-governance.

8. Good Practices

- Burkina Faso: regional ombudsman and peacemaker in Africa
- The national citizenship week
- Anti-corruption committees in the Burkinabe police service
- Women's houses
- When the authorities are an example to follow!
- Computerising the expenditure chain to ensure more transparent management
- Efficient cash management contributes to better budget projection
- Transparent customs management increases tax productivity
- The GODE Craft Production Unit (UAP)
- The Networks of Popular Banks of Burkina Faso (RCPB)
- The National Youth Forum and its consequences on the youth employment policy

9. CONCLUSION

- 9.1 Other practices deserve special mention by the CRM, notably National Farmers' Day (JNP); the Government and Unions Forum; the Government and the Private Sector Forum; the National Cultural Week; the SIAO, which is the invention and craft industry fair of Ouagadougou; the Burkina Tour, which has become an African cycling sports event; and, of course, the pan-African film festival FESPACO.
- 9.2 The APR Panel appreciates and values all the efforts made by the authorities of Burkina Faso to address the challenges of implementing the programme of action, and to assume the challenges of democratising the SHD process with so much determination. On the path of this construction, there are constraints and risks to which Burkina should remain attentive and to which it should find solutions for executing the action plan with the participation, and for the benefit, of all stakeholders. This determination should be effectively expressed through the elimination of the constraints, some of which could even constitute risks.
- 9.3 Among these constraints, there is a need to stress in particular the mode of 'blocking' the democracy and multiparty system, which is somewhat stifled by the omnipresent weight and domination of the majority party on the Burkina political scene. This constitutes an issue of concern. The pernicious separation between the leaders and institutions of the republic on the one hand, and the populations on the other, prepared the ground for increasing inequalities at the social level despite sustained growth of nearly 6% over a long period. Added to that are regional and geographical inequalities, which fuel the feeling of exclusion from the economic advantages of growth. This is to the detriment of the rural areas and the ethno-cultural groups that live in these disadvantaged geographical areas. At the natural level, the vagaries of the weather and Sahelisation of the country constitute more than constraints, but real risks.
- 9.4 In addition to these internal constraints, there are also constraints and risks arising from the dynamics of the global economy. These include soaring oil prices, coupled with the high cost of electric power and the volatile price of cotton on the world market – a crop that is very important to the economy of Burkina Faso.

- 9.5 At the social level, the 2.9% population growth rate is weighing heavily on resources. To this one must add that within an arid Sahelian environment, the situation is aggravated by economic growth that occurs without an increase in job creation, but is rather accompanied by unemployment and the precariousness of employment. The main victims are young people, who are in an uproar and who cannot make headway in the existing planning for a sustainable future. Also, the low level of involvement of women in the various political, economic and social processes is weighing down and hampering the implementation of the programme of action.
- 9.6 However, an optimistic perspective illuminates the dynamics of the construction of an emerging economy in Burkina Faso. It is based, in particular, on the assets of the country. These assets should determine the country's chances of success in the implementation of its programme of action. One of the major assets of Burkina Faso is its people, who are confident in their capacities, have a leadership with a visionary sense, and are determined to change the course of things. Other assets – such as the dynamism of the Burkinabe informal sector, the country's membership of regional economic and monetary groups, the dynamism of the associative movement, and the pride in cultural values of the Burkinabe people – all combine to enhance the chances of transforming the hope into a shared reality. This optimistic perspective is also based on the evaluation by other actors and partners, such as the Millennium Challenge Corporation. The corporation has found that the country is making progress in 10 of the 17 performance criteria in the three political categories considered. Burkina Faso should, therefore, build on these assets and progress made to take up the challenges and address the constraints.

The assets

- 9.7 Burkina Faso has, at the political, economic and social levels, the following assets:
- a. The political stability of Burkina Faso, which is an asset of the very first order on which it can base the construction of an emerging country by 2025.
 - b. A people that have succeeded in developing faith in their own capacities, particularly their working capacity.
 - c. Its role as a hub in the resolution of sub regional crises because of the respectability of its leaders.
 - d. Its great agro-pastoral potential, which should be developed in order to meet its own needs, but also in order to export products to the sub regional and international markets.
 - e. The development of its cultural potential in exportable products with regional and international cultural activities.
 - f. Its central geographical position in West Africa, with its heritage as a transit and commercial and cultural junction.
 - g. The capacity to control water and other natural resources – both land based and underground – which the country developed these past years.
 - h. The visionary sense of its leadership, which should be strengthened to turn it into a force for transformation of the society towards a better future.

The challenges

- 9.8 The country should count on its assets to meet a number of challenges, including (notably) the following:
- a. The 'unblocking' of the political arena that is somewhat stifled by the weight of the omnipresent majority party.

- b. The corruption that is creating a rift between the governors and the governed, and which is undermining all the reform efforts.
- c. The insignificant involvement of women and the youth in the development process as partners and actors in their own right.
- d. A political and democratic governance that produces few dividends in the fields of legal and physical security, food security, as well as economic security, social security and environmental security of the populations.
- e. The lack of consensus around the defined vision, which is the construction of an emerging economy by 2025.
- f. The transformation of the handicap of isolation into a development asset.
- g. The capacity to mobilise and coordinate human, material, natural and financial resources.
- h. The choice of partnerships with the private sector for investment of the enterprise in flourishing niches.
- i. Promotion of capital transfer by Burkinabe living abroad as a lever in distributive economic growth.
- j. The integration of the informal sector into the economy as a partner in the progress towards an economically emerging society.
- k. The capacity of the country to ensure and maintain a growth that is not only high but also sustainable, inclusive, participative and distributive.
- l. The control of the 'Sahelian nature' through an appropriate environmental policy for transforming the Burkinabe Sahel into a fertile land.
- m. The control of the cultural constraints that can stop or impede socioeconomic development.

Socio-economic development efforts and progress include:

- n. The inequitable spatial distribution of the population, which makes Burkina a country with a highly dominant rural population.
- o. The transformation of the youth, who constitute the majority of the Burkinabe population, into an asset in the dynamism of structural transformations.