

# BURKINA FASO

UNITARY COUNTRY

## BASIC SOCIO-ECONOMIC INDICATORS

INCOME GROUP: LOW INCOME

LOCAL CURRENCY: WEST AFRICAN CFA FRANC (XOF)

### POPULATION AND GEOGRAPHY

**Area:** 274 200 km<sup>2</sup>  
**Population:** 19.193 million inhabitants (2017), an increase of 3% per year (2010-2015)  
**Density:** 70 inhabitants / km<sup>2</sup>  
**Urban population:** 28.7 % of national population  
**Urban population growth:** 5.3% (2017 vs 2016)  
**Capital city:** Ouagadougou (13.6% of national population)

### ECONOMIC DATA

**GDP:** 35.89 billion (current PPP international dollars), i.e. 1870 dollars per inhabitant (2017)  
**Real GDP growth:** 6.7% (2017 vs 2016)  
**Unemployment rate:** 6.3%  
**Foreign direct investment, net inflows (FDI):** 485.9 (BoP, current USD millions, 2017)  
**Gross Fixed Capital Formation (GFCF):** 24.6% of GDP (2017)  
**HDI:** 0.402 (very low), rank 185 (2017)  
**Poverty rate:** 43.7 (2014)

## MAIN FEATURES OF THE MULTI-LEVEL GOVERNANCE FRAMEWORK

Burkina Faso is a unitary state with a presidential-type system comprising a single chamber (the National Assembly) with a multi-party system. After the political crisis that saw the fall of former President Blaise Compaoré in October 2014, the last coupled presidential and legislative elections were held in November 2015. They led to the election of the President of the Republic by direct universal suffrage for a five-year term, renewable once, and the election of the 127 parliamentarians to the National Assembly for a five-year term. They were followed by local elections in May 2016: Mayors and municipal councillors were elected by direct universal suffrage for a 5-year term, who in turn elected regional councillors.

The decentralization process is based on the June 1991 Constitution. It went through three cycles:

- The first cycle (1993 to 2003) was marked by the creation of the National Commission for Decentralization, the adoption in 1993 of the five decentralization laws, the adoption in 1998 of the decentralization policy texts, and the organization of municipal elections in 1995 and 2000 which allowed the creation of legislative bodies in 33 full-function municipalities and then in 49 urban communes.
- The second cycle (2004 to 2015) was marked by the adoption of the General Code of Local Authorities (Act No. 055/2004/AN of 21 December 2004), the full communalization of the territory, the adoption of the Strategic Framework for the Implementation of Decentralization, the adoption in 2012 of the National Strategy for Capacity Building for Decentralization Actors, and the establishment of the National Decentralization Conference.
- The third and final cycle has just begun with the adoption on 7 March 2018 of new reference frameworks including the Prospective Vision of Decentralization in Burkina Faso by 2040, the National Decentralization Policy in Burkina Faso, the 10-year Strategy 2017-2026 for the implementation of the national decentralization policy, and its five-year action plan 2017-2021.

On the basis of these new reference frameworks, the Ministry of Territorial Administration and Decentralization (MATD), which ensures the administrative supervision of local authorities (financial supervision is ensured by the Ministry of the Economy, Finance and Development (MINEFID)), aims to accelerate the decentralization process, in particular through the introduction of direct universal suffrage for the election of regional council presidents, a unified mechanism to channel donor resources, a law on the financial programming of public transfers, access to new sources of financing (public-private partnership, loans and financial markets, diaspora mobilization), broadening the tax base and shared taxation, the introduction of ex-post controls and a reform of public procurement regulation.

A network of parliamentarians for decentralization and local development has recently been established to facilitate the drafting and adoption of decentralization laws and to monitor their implementation.

## TERRITORIAL ORGANISATION

2017	MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGS
	351 Municipalities		Regions	
	Average municipal size: 54 681 inhabitants			
	<b>351</b>		<b>13</b>	<b>364</b>

**OVERALL DESCRIPTION.** Burkina Faso is subdivided into thirteen administrative regions headed by Governors, forty-five provinces headed by High Commissioners and three hundred and fifty-one departments headed by prefects. The two main cities are Ouagadougou, the political capital and Bobo-Dioulasso, the economic capital.

Decentralization enshrines the right of local and regional authorities to administer themselves freely and manage their own affairs in order to promote grassroots development and strengthen local governance. Act No. 055-2004/AN of 21 December 2004 on the General Code of Local Authorities in Burkina Faso defines two levels of local authorities: the region and the municipality (rural and urban). There are a total of 351 municipalities, including 302 rural municipalities, 47 urban municipalities, 2 special status municipalities (Ouagadougou the capital and Bobo Dioulasso) and 13 "local authorities-regions". The "special status municipalities" are subdivided into districts with an elected council within each district and a district mayor at the head of each district. Ouagadougou is divided into 12 districts and Bobo Dioulasso into 7 districts.

## SUBNATIONAL GOVERNMENT RESPONSIBILITIES

The 2004 General Code of Local Authorities (Articles 80 to 105), devolves 11 blocks of competences to municipalities, 10 to regions. The implementation process was carried out in three phases:

- The first phase (2006-2008) saw the transfer of three blocks of competences to urban municipalities: (i) pre-school, primary education and literacy; (ii) health; (iii) culture, youth, sports and leisure;
- The second phase (2009-2013) saw the transfer of four blocks of competences to all municipalities, urban and rural: the first three blocks (i) pre-school, primary education and literacy; (ii) health; (iii) culture, youth, sports and leisure; plus the provision of drinking water and sanitation;
- The third phase (from 2014) led to the transfer by decree of the blocks of competences initially provided for by the Code to all local authorities.

Despite the adoption since 2009 of several decrees on the modalities of the transfer of competences and resources, the process of operationalizing the transfers remains incomplete overall. Implementation is slow and the sectoral administrations concerned are reluctant, both in the development of the relevant regulations and in their implementation.

### MAIN RESPONSIBILITY SECTORS AND SUB-SECTORS

	REGIONS	MUNICIPAL LEVEL
<b>1. General public services</b>	Public buildings and equipment	Administrative services (marriages, births, deaths, etc.); Public buildings and equipment
<b>2. Public order and safety</b>	Civil protection and fire fighting	Municipal police; Municipal signage; Civil protection and fire fighting
<b>3. Economic affairs/transport</b>	Elaboration of regional development plan; Regional economic development; Creation, development and management of regional fair areas; Organisation of regional fairs; Construction and management of regional slaughterhouses; Construction and maintenance of rural roads; Promotion of public transit	Elaboration of a municipal development plan; Creation, development and management of markets; Construction and management of slaughterhouses and slaughter areas; Municipal roads; Public parks; Public transport; Local tourism
<b>4. Environmental protection</b>	Promotion of actions to protect the environment; Natural resource management and sustainable development; Nature conservation; Soil and groundwater protection; Climate protection; Sanitation	Environmental protection; Natural resource management and sustainable development; Parks and green spaces; Waste management; Street cleaning
<b>5. Housing and community amenities</b>	Elaboration and adoption of a regional spatial planning and sustainable development plan (SRADDT)	Construction and renovation; Land development; Drinking water supply; Street lighting; Urban planning
<b>6. Health</b>	Participation in the construction and management of basic health facilities; Construction and management of intermediate health facilities; Promotion of traditional pharmacopoeia	Primary health care, (health centres); Preventive health; Cemetery planning and management; Creation and management of funeral homes
<b>7. Recreation, culture &amp; religion</b>	Construction and management of regional cultural, tourism, youth, sports and leisure infrastructure; Regional museums; Cultural heritage; Regional archives	Construction and management of cultural, tourism, youth, sports and leisure infrastructure at municipal level; Municipal Museum
<b>8. Education</b>	Participation in development of pre-school education, primary education, post-primary and secondary education; Participation in the development of higher education (universities and colleges); Promotion of vocational training	Development of pre-school education, primary education, literacy, post-primary and secondary (middle school) education; Promotion of employment vocational training and non-formal education
<b>9. Social protection</b>	Protection and promotion of human and civil rights; Social promotion of individuals and groups; Organization and management of relief for vulnerable and affected populations	Social protection of children and youth; Organization and management of relief for vulnerable and affected populations

## SUBNATIONAL GOVERNMENT FINANCE

<b>Scope of fiscal data:</b> municipalities and regions.	SNA: 1993	Availability of fiscal data: <b>Low</b>	Quality/reliability of fiscal data : <b>Low</b>
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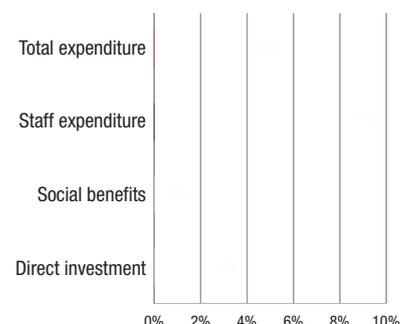
**GENERAL INTRODUCTION.** The sources of financing for decentralization are defined by Article 110 of the 2004 General Code of Local Authorities, which stipulates that the resources necessary for the performance of the tasks of local authorities shall be allocated to them either by transfer of taxation, or by grants and subsidies, or by both at the same time. There are therefore several sources and mechanisms of financing: direct financial support from the State, support from the Permanent Fund for the Development of Local Authorities (FPDCT), support for the exercise of transferred powers, the reassignment of certain tax revenues to local authorities and donor support through programmes and projects in support of decentralisation. Municipal and regional authorities also have their own resources but have many difficulties in mobilising them. They can also resort to loans.

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## SUBNATIONAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION

2016	DOLLARS PPP / INH.	% GDP	% SNG EXPENDITURE	% GENERAL GOVERNMENT EXPENDITURE (SAME EXPENDITURE CATEGORY)
<b>Total expenditure</b>				
<b>Incl. current expenditure</b>				
				Total expenditure
				Staff expenditure
				Social benefits
				Direct investment
<b>Incl. capital expenditure</b>				



**EXPENDITURE.** No data available.

**DIRECT INVESTMENT.** No data available.

## SUBNATIONAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION – COFOG



## SUBNATIONAL GOVERNMENT REVENUE BY CATEGORY

2017	DOLLARS PPP / INH.	% GDP	% GENERAL GOVERNMENT REVENUE (SAME REVENUE CATEGORY)	% SNG REVENUE
<b>Total revenue</b>				
Tax revenue				0%
Grants and subsidies	1	0.1%		0%
Tariffs and fees				0%
Property income				0%
Other revenues	14	0.8%		0%

Category	% SNG Revenue
Tax revenue	0%
Grants and subsidies	0%
Tariffs and fees	0%
Property income	0%
Other revenues	0%

**OVERALL DESCRIPTION.** The own resources of local authorities are mainly made up of tax resources established by law (patents, residence tax, tax on immovable property, arms tax, tax on enjoyment and contribution of the informal sector, company property tax) and non-tax resources established by decision of the municipal councils (revenue from the exploitation of services, land-use revenues, income from the sale of movable and immovable property, securities and titles belonging to the municipality). According to various estimates, including those made by the Observatory of Local Finance in Africa, the own resources of local authorities range from 1/3 to 1/2 of the total revenue of local authorities. The 'local authority-region' does not have a "tax territory". Its resources come from the proceeds of taxes collected at the municipal level, distributed between the municipality and the region. Own resources are mobilized by the General Directorate of Taxation (DGI) for the benefit of local authorities.

The resources provided by the national government to the local authorities take two main forms: grants and subsidies on the one hand, and financial transfers linked to the competences transferred on the other hand.

The resources transferred by the national government to local authorities in support of the transferred competences take the form of an annual allocation for recurrent costs for the maintenance and operation of the transferred infrastructure, and investment expenditure for the rehabilitation of the transferred infrastructure and the construction of new infrastructure. The distribution of financial resources is defined by joint inter-ministerial decree between MINEFID, MATD and the other ministries concerned.

Between 2016 and 2018, financial transfers to municipalities ranged from \$73.3 million PPP in 2016 to \$273.6 million PPP in 2017, and are expected to reach \$216 million PPP in 2018. In 2017, the operationalization of transfers in various fields through the signing of operational protocols between the State and local authorities and the involvement of 6 new ministries resulted in a significant increase in the amount of resources transferred compared to 2016. As part of the implementation of the National Economic and Social Development Plan (PNDES), the national government is committed to increasing the share of the State budget allocated to local authorities to 10% in 2018 and 15% in 2020. The target of 10% in 2018 set as part of the PNDES has not been achieved since the rate is currently around 5%.

In addition to their own resources and those provided by the national government, local authorities may receive financial assistance from other national or international technical and financial partners.

**TAX REVENUE.** No data available.

**GRANTS AND SUBSIDIES.** The national government provides grants and subsidies to local authorities as a contribution to strengthening their operating and investment revenues. These include a global operating allocation (DGF) and a global equipment allocation (DGE). Since 2009, the amount of these grants and subsidies provided by the national government is allocated up to 30% for the DGF and 70% for the DGE. Local authorities also receive capital investment grants from the Permanent Fund for the Development of Local Authorities (FPDCT) in the form of drawing rights.

**OTHER REVENUES.** No data available.

#### ■ SUBNATIONAL GOVERNMENT FISCAL RULES AND DEBT

	DOLLARS PPP/INH.	% GDP	% GENERAL GOVERNMENT DEBT	% SNG DEBT
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#### Total outstanding debt

Financial debt\*

\* Currency and deposits, loans and bonds

**FISCAL RULES.** Local authorities are governed by the same budgetary rules as the State. The financial regime of local authorities is based on the principles of budgetary law defined in the "Directives on the transparency code, finance laws and general regulations on public accounting" within WAEMU. The principles of budgetary law applicable to local and regional authorities are: annuality, unity, universality, precedence, sincerity, budget balance, legality of taxation and the specialization of credits. The principle of balanced budget applies to the accounting balance of revenue and expenditure. The total expenditure shall not exceed the total revenue.

**DEBT.** In accordance with Article 17 of the General Code of Local Authorities, loans are subject to prior authorisation by the supervisory authority, i.e. the Ministry of Finance. The borrowing conditions are specified by decree of the Council of Ministers on the proposal of the Minister of Finance (Decree No. 2009-150/PRES/PM/MEF of 27 March 2009 on the general regulation of public debt and public debt management and Decree No. 98-296/MEF/SG/DGTCP/DDP of 18 December 1998 on the execution of public debt procedures and its related bodies).

The main debt procedures of local authorities are: (i) direct loans to local authorities with sufficient financial capacity to service the debt; (ii) loans contracted by the State and on-lent to the local authority on external or domestic financing; (iii) loans contracted by the local authority and guaranteed by the State.

Unlike central government borrowing, local government borrowing only finances investments and should be included in the Investment section of the local budget. So far, only the cities of Ouagadougou and Bobo Dioulasso have been able to benefit from World Bank loans, which have been on-lent by the State. Ouagadougou has also benefited from AFD sub-sovereign loans.



Lead responsible: UCLG  
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[www.sng-wofi.org](http://www.sng-wofi.org)

**Socio-economic indicators:** World Bank // UNDP // UN Desa // ILO.

**Fiscal data:** Transfert de compétences et de ressources de l'Etat aux CT pour une mise en œuvre optimale des plans locaux de développement, Rencontre Gouvernement et Présidents de conseils de collectivités territoriales, Ouagadougou, 25-26 janvier 2018.

**Other sources of information:** Perspectives économiques en Afrique (PEA) 2018 // MATD Vision prospective de la décentralisation au Burkina Faso à l'horizon 2040 // MATD Politique nationale de décentralisation au Burkina Faso // MATD Stratégie décennale 2017-2026 de mise en œuvre de la décentralisation Burkina Faso // BAD (2017) Document de stratégie pays (DSP) 2017-2021 // UCLGA & Cities Alliance (2018) Assessing the institutional environment of local governments in Africa.