

BURKINA FASO

UNITARY COUNTRY

AFRICA

BASIC SOCIO-ECONOMIC INDICATORS

Income group - **LOW-INCOME** Local currency - **Franc CFA (XOF)**

POPULATION AND GEOGRAPHY

AREA: **274 500** km²

POPULATION: **17.6** million inhabitants (2014),
an increase of 3% per year (2010-14)

DENSITY: **64** inhabitants/km²

URBAN POPULATION: **29.9%** of national population

CAPITAL CITY: **Ouagadougou** (14.6% of national population)

Sources: World Bank, UNDP-HDR, ILO

ECONOMIC DATA

GDP: **28.5** billion (current PPP international dollars)
i.e. 1 619 dollars per inhabitant (2014)

REAL GDP GROWTH: **4%** (2014 vs 2013)

UNEMPLOYMENT RATE: **3%** (2014)

FOREIGN DIRECT INVESTMENT, NET INFLOWS (FDI): **342** (BoP, current USD
millions, 2014)

GROSS FIXED CAPITAL FORMATION (GFCF): **31%** of GDP (2014)

HUMAN DEVELOPMENT INDEX: **0.402** (low), **rank 183**

TERRITORIAL ORGANISATION AND SUBNATIONAL GOVERNMENT RESPONSIBILITIES

MUNICIPAL LEVEL	INTERMEDIATE LEVEL	REGIONAL OR STATE LEVEL	TOTAL NUMBER OF SNGs
368	-	13 REGIONS	381
AVERAGE MUNICIPAL SIZE: 47 826 INHABITANTS			

MAIN FEATURES OF TERRITORIAL ORGANISATION. Burkina Faso is a unitary state with a two-tier local government structure. Decentralisation has been enshrined in the constitution of Burkina Faso since 1991, with a devolution process on-going since 1995. Since 2006, the country is divided into 13 Regions, divided into 368 municipalities, shared between urban and rural status municipalities according to demographic and economic criterias. Between region and municipalities, there are deconcentrated provinces with role of advising mayors of municipalities. Among urban municipalities, Ouagadougou (capital city) which concentrate an important amount of inhabitants and economic activities, enjoy a special status and is divided into self-governed districts (*arrondissements*).

MAIN SUBNATIONAL GOVERNMENTS RESPONSIBILITIES. The last decentralization reform in 2004 (law 055-2004, articles 28 to 105) introduced a progressive devolution of competences to local authorities including a step-by-step deconcentration then decentralization process. 10 areas of competence were to be transferred in compliance with this law, with a clear division between tiers functions. As the criteria that determined this transfer to the regional and local authorities are not explicated in the legislation or the accompanying documents, apart from the subsidiarity principle and a rule of "progressiveness", hence this devolution is defined as a devolution of „tasks“ but not as a devolution of expenditures. This often leads to confusion on the scope of devolved responsibilities and on difference between responsibility transfers and financial transfers.

SUBNATIONAL GOVERNMENT FINANCE

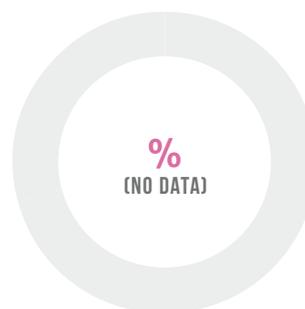
EXPENDITURE	% GDP	% GENERAL GOVERNMENT (same expenditure category)	% SUBNATIONAL GOVERNMENT
TOTAL EXPENDITURE (2013)	1.2%	3.9%	100%
CURRENT EXPENDITURE	0.6%	-	51.2%
STAFF EXPENDITURE	0.1%	2.0%	11.3%
INVESTMENT	0.6%	4.5%	49.0%

The Law 014-2006 enshrines the expenditures and resources allocations of local governments. According to this law, capital expenditures must reach at least 1/3 of total subnational expenditures, which is a great constraint on local governments' budget.

EXPENDITURE BY FUNCTION

% SUBNATIONAL GOVERNMENT EXPENDITURE

- GENERAL PUBLIC SERVICES
- DEFENCE
- SECURITY AND PUBLIC ORDER
- ECONOMIC AFFAIRS
- ENVIRONMENTAL PROTECTION
- HOUSING AND COMMUNITY AMENITIES
- HEALTH
- RECREATION, CULTURE AND RELIGION
- EDUCATION
- SOCIAL PROTECTION



Responsibilities by sector are being very progressively devolved upon local governments, vertically by also horizontally, according to the Burkina Strategic Framework for the implementation of decentralization (decree 095-2007). A first set of responsibilities has been devolved in 2009: culture and sport, primary school, water and sanitation, and health.

REVENUE BY TYPE	% GDP	% GENERAL GOVERNMENT (same revenue category)	% SUBNATIONAL GOVERNMENT
TOTAL REVENUE (2012)	1.2%	5.4%	100%
TAX REVENUE	0.2%	1.7%	20.4%
GRANTS AND SUBSIDIES	-	-	-
OTHER REVENUES	-	-	-

Governmental transfers still the principal financial resources of Burkinabé LGs, although they can levy taxes, which are partly shared between the two tiers of subnational government. Municipalities have also the possibility to get paid for local services that they render, through secondary taxation system and user fees. Access to borrowing is very limited and mostly indirect (retroceded from the State to the LG), except for Bobo Dioulasso and Ouagadougou which have been authorized to borrow from an international development agency in the past years.

TAX REVENUE. Local tax revenue in Burkina Faso is mainly based on 6 shared taxes (*impôts*), divided between municipalities (97 to 98.5% of taxation) and Regions (5 to 3% of taxation). The taxes are based on license contribution; residency; montmain; firearms; informal sector contribution and land revenue. 4 other taxes are perceived by the municipalities. Regions also perceive a wide array of indirect taxes.

GRANTS AND SUBSIDIES. Central government transfers to local authorities are essential in Burkina Faso. For investments, this funding relies on the DGE (*Dotation globale d'équipement*), and on the investment grant allocated by the Permanent Development Fund for Local Governments (FPDCT) relying on a formula including poverty depth index and population; as for the current budget, the DGF (*dotation globale de fonctionnement*) grant is dedicated by the central government to municipalities and Region. Other specific investment grants can be allocated by lines ministries.

OTHER REVENUES. Apart from tax and grants, municipalities can collect: benefit-related taxes (*taxes locales*) which are levied by the municipality for a service that only the city can provide (for example potable water provision); and user fees and charges (*redevances*) as a price for a service rendered by the municipality.

OUTSTANDING DEBT	% GDP	% GENERAL GOVERNMENT
OUTSTANDING DEBT (2013)	-	-

Subnational borrowing is constrained to preliminary approval by central institutions.

A joint- study of:



Sources: B. Dafflon, T. Madiès, The Political Economy of Decentralization in Sub-Saharan Africa: A New Implementation Model in Burkina Faso, Ghana, Kenya, and Senegal. • B. Dafflon, Decentralization and local governance: local governments public finances in Burkina Faso (2012) • Africa Development Forum, Washington, DC: World Bank and Agence Française de Développement. (2013) • BCEAO, IDS World Bank 2015