

*Towards a private sector
enabling environment*

*A Facility financed by the
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The ACP Business Climate Facility (BizClim) provides technical assistance that is essentially about improving regulations, legislation, the institutional set up and financial measures (the rules of the game) relating to the enabling environment of the private sector in ACP countries or regions and to the reform of SOEs - and to do so by focusing on possible support to ACP governments or regional institutions.

Responsible Editor
M'Hamed Cherif
Av. Roger Vandendriessche 38
1150 Brussels - Belgium
Tel: +32 2 772 01 19
Fax: +32 2 777 08 60
info@acpbusinessclimate.org
http://www.acpbusinessclimate.org

Investing in Burundi

There is hope that investing in Burundi will become an easier proposition, and that peace and economic recovery in the country will be consolidated. A compelling case for investing in Burundi was made at a workshop hosted by BizClim.

On May 27th, BizClim hosted a workshop in Brussels with the title 'Boosting the business & investment environment in Burundi: Need for a specific post-conflict approach?' Key speakers from Burundi were invited to showcase their country and to network with participants from a wide spectrum of stakeholders. The speakers included Mr Gérard Muringa, Director General at the Ministry of Planning, His Excellency Laurent Kavakure, Ambassador of the Republic of Burundi, and Mr Gervais Rufyikiri, President of the Senate. Sir John Kaputin, Secretary General of the ACP Group, made opening remarks and carried out the official opening of the workshop. The event drew more than 40 participants, including representatives from the European Commission, EDF-funded Technical Assistance programmes (e.g. ProInvest, TradeCom) and the European private sector (e.g. EBCAM, BECI, and the Chamber of Commerce for Industry and Agriculture, Belgium-Luxembourg ACP). The media coverage of the workshop was encouraging.

A country with valuable natural resources

Since an agreement with the major opposition political parties was reached in November 2007, which resolved a long political deadlock, and the recent signing of an agreement with Burundi's last remaining rebel group, peace and recovery are finally within reach. In fact, overall Burundi's ranking in the Fund for Peace FSI 2007 has improved, and the country is already on its way to recovery.

Burundi is endowed with natural resources, including nickel, uranium, rare earth oxides, peat, cobalt, copper, platinum, vanadium, arable land and hydropower. Agricultural production comprises coffee, cotton, tea, corn, sorghum, sweet potatoes, bananas and cassava, as well as beef, milk and hides. In addition, the Government has embarked on number of actions aimed at boosting the business climate and attracting investors. The delegation from Burundi made its case with the support of detailed presentations and videos.

▶ A need to boost the country's image

Burundi has been ravaged by wars, leading to a dire social and economic situation. It is estimated that about 55% of the population lives below the poverty threshold, with a life expectancy of just 42 years. Burundi's infrastructure is limited and crumbling, while the overall business environment is deemed unfavourable (see table below).

Index	Rank	Out of
Ease of doing business	174	178
Index of economic freedom	145	157
Corruption perceptions index	131	180
Human development index	167	177
Global competitiveness index	124	125
Ibrahim index	40	48
Green & Livable index	136	141
Environmental Performance Index	132	149
Global Peace Index	--	--
Inward FDI Performance Index	--	--
CPIA Fiscal Policy Rating	52	75

Reasons for optimism

While much remains to be done to change the situation for the better, the delegation from Burundi was upbeat about future prospects. Change will be facilitated by the existence of a good civil service that has remained strong despite many years of conflict and hardships. Fortunately, there is now a much better story to tell from this former «Oasis of Peace» in Africa: it could become such an oasis again. On July 1, 2007, Burundi became a

member of the East African Community (EAC). According to the IMF, "Burundi's membership in the EAC is expected to boost trade and growth over the medium term. To take full benefit of this access, Burundi will need to focus on tax reform, improve the business climate, and spend more on infrastructure". This is exactly what the Government is committed to do. For example, the tax on bank transactions has been already abolished along with

taxes on investment related imports. The entire country is now a duty-free zone for companies, which may promote potential export from Burundi. The resumption of regular flights between Brussels and the Capital Bujumbura is seen as another positive development. Burundi is in the process of changing its investment code to make investing in the country an easier proposition. Finally, the Government is set to establish a one-stop-shop for the facilitation of investment and company registration. ■

Powering Africa: highlights now available



Against the background of huge investment needs in the power sector, African policy makers met on 27th-28th March 2008, to reflect

on power sector reforms and options to power the continent. The conference was organized by the Union of Producers, Transporters and Distributors of Electric Power in Africa (UPDEA), with the support of BizClim. The conference was held at Le Plaza Hotel in Brussels and brought together around 100 participants from the public and the private sector from both Africa and Europe. A video report of the event is available on www.acpbusinessclimate.org/documents/Power_Reforms.wmv

In your diary

Most of the projects supported by BizClim include the organization of workshops and conferences. These events fit into a strategy that aims at enhancing ownership, strong involvement of key stakeholders and building of consensus around recommendations and road-maps. The following are among the main events:

- Central African Republic – June 18, 2008: Planning and consultation meeting towards the establishment of a regional business forum.
- Gabon - July 8, 2008: Validation of the draft business law compendium.
- Ghana- July 21-23, 2008: Conference on fight against counterfeiting
- Nigeria- July 23-24, 2008: Validation Conference

For further information on these events, please contact Patricia Gores at patricia@acpbusinessclimate.org

BizClim invites you to become an associate expert in an ACP country or region

NEW REQUESTS UNDER EXAMINATION

Country/Region	Beneficiaries	Title
West Africa	Ghana Real Estate Developers Association (GREDA)	Water & Sanitation PPP Project
Africa	GICAM	Pan African workshop on property rights
Burkina Faso	Ministry of Trade and Industry	Assistance in support of competitiveness and development