

Burundi

Population ¹	11,175,378
Area (km ²) ¹	27,830
GDP per capita (USD) ¹	271.75
TES (Mtoe) ²	N/A
Energy intensity (toe/10 ³ 2015 USD) ²	N/A
CO ₂ emissions - energy (MtCO ₂) ³	0.6

There is no data by Orbis Crossborder Investment on completed energy projects and deals from 2015-2021

Sources:

1. The World Bank 2018
2. ©IEA (2021), World Energy Balances (<https://www.iea.org/data-and-statistics>). All rights reserved.
3. ©IEA (2021), CO₂ Emissions from Fuel Combustion (<https://www.iea.org/data-and-statistics>). All rights reserved.

Burundi’s overall risk level against the assessed areas is **moderate**.

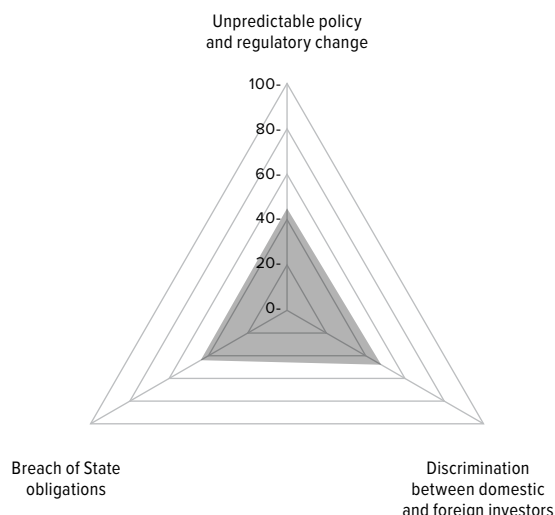
Of the three risks assessed in EIRA, *breach of State obligations* is lower compared to *unpredictable policy and regulatory change* and *discrimination between domestic and foreign investors*.

Burundi has a moderate performance on all the EIRA indicators. The highest-scoring indicator is *management of decision-making processes* at 57, followed by *rule of law* at 56. On *foresight of policy and regulatory change*, it has a score of 51 while *regulatory environment and investment conditions* stands at 43.

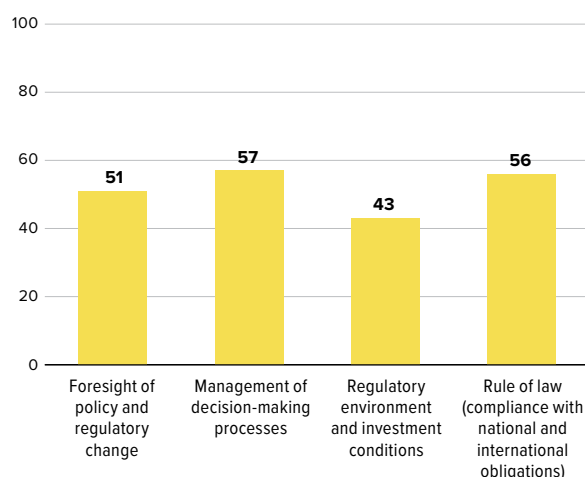
On a more detailed level, Burundi’s overall sub-indicator performance is moderate. The highest-scoring sub-indicator is *institutional governance* at 75. On the sub-indicator *management and settlement of investor-State disputes*, it has scored 70, followed by *regulatory effectiveness* at 56. Its score on *robustness of policy goals and commitments* is 54. Its score is 47 on the sub-indicator *communication of vision and policies* and 42 on *respect for property rights*. It has a score of 39 on the sub-indicator *transparency*. The lowest-scoring sub-indicator is *restrictions on FDI* at 30.

While there are some policies and measures in place, more concrete steps must be taken to strengthen Burundi’s performance across all indicators and underlying sub-indicators. Particular attention must be given to lowering the existing restrictions on FDI in the country.

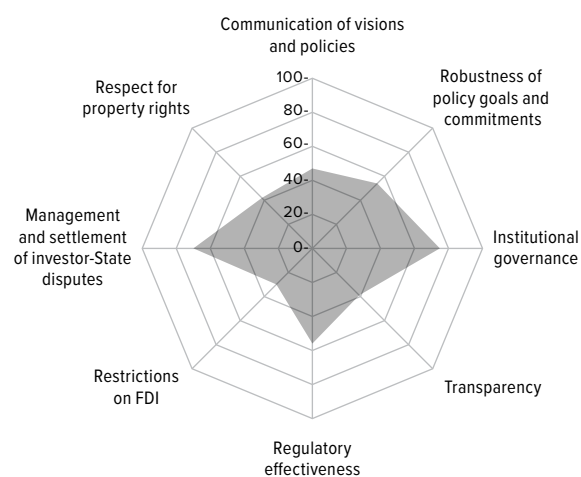
RISK LEVEL



INDICATOR PERFORMANCE



SUB-INDICATOR PERFORMANCE



Foresight of policy and regulatory change

QUICK FACTS

The main strategy document of Burundi is Vision 2025.

In 2011, the Energy Sectoral Strategy and its Action Plan (PNAA) were updated in line with Vision 2025 and the Poverty Reduction Strategy Paper II (PRSP-II).

Burundi ratified the Paris Agreement in 2018 and submitted its first NDC.

STRENGTHS

The Government is working towards achieving universal energy access and attracting the associated investments. The country is ideal for developing renewable energy, especially wind, solar, and water. Various hydroelectric power plants are being deployed both on a regional and national level. For instance, a 200 MW hydroelectric project in the Ruzizi River is being developed on a Build, Own, Operate, Transfer (BOOT) basis involving three countries: Burundi, the Democratic Republic of the Congo, and Rwanda. The project will become operational in 2025-2026. In 2020, the construction of a 7.5 MW solar plant began with support from the Renewable Energy Performance Platform. It will be the first-ever photovoltaic plant connected to the electricity grid and is expected to increase Burundi's power generation capacity by 15%.

A multi-sectoral National Consultative Committee (CCN) oversees the achievement of Vision 2025 and supports dialogue between development stakeholders and public authorities. The Government has established a technical body, the Permanent Executive Secretariat (SEP), to support the CCN in its tasks. The SEP ensures that the formulation of successive PRSPs and the implementation of the Millennium Development Goals aligns with Vision 2025. The PNAA National Coordinator, jointly with the National Director, submits an activity progress report to the donor organisations.

AREAS FOR IMPROVEMENT

The Government has expressed a willingness to exploit the country's untapped renewable potential. It should now develop a national policy with evidence-based targets to support this priority. The policy should ensure balanced growth in power production from hydro, biomass and solar resources. Moreover, it should promote energy solutions suited to the population's needs, for instance, clean cooking technologies. Finally, it must encourage the much-needed private investment in power generation infrastructure through a well-functioning framework for renewable energy auctions.

To bridge the substantial gap between the generated electricity and the demand load, the Government approved a master plan for power production, transmission and distribution in 2018. It is highly recommended that follow-up activities are carried out, including feasibility studies for selected investment, planning for off-grid expansion and interconnection with neighbouring countries.

Management of decision-making processes

QUICK FACTS

Burundi is a constitutional Republic.

The Ministry of Hydraulics, Energy and Mines (MINHEM) has the overall responsibility for the energy sector.

STRENGTHS

The Government has channelled significant resources in centralising and simplifying business registration procedures. Its success in this respect was possible due to the establishment of the Investment Promotion Agency (API). The API is a professionally and financially independent institution that not only informs and assists potential investors on business procedures but also ensures that new laws and regulations that benefit investors are upheld. Businesses can complete registration services through the API within 24 hours by simultaneously obtaining the certificate of incorporation and a Tax Identification Number. The National Development Plan 2018-2027 (PND BURUNDI 2018-2027) encourages cooperation among State entities, as well as with local authorities, on matters that are essential for the country's economic growth, such as the mobilisation of funds, promotion of market competition, and development of sub-regional and regional infrastructure.

The Government has recently implemented several initiatives to address bottlenecks historically inherent in the land titling process. These initiatives aim to inform the public on the procedure to register land and procure title deeds and measures to combat corruption in the properties registration process. Since 2016, national legislation address issues related to conflict of interest in awarding public procurement and criminalise bribery in public services. Following the 2020 election, the new Government is making efforts to re-establish ties with key stakeholders, including the African Union, the EU, the United Nations agencies, and international financial institutions.

AREAS FOR IMPROVEMENT

A law on access to information should be enacted as soon as possible. It should outline the scope of application, the procedure for citizens and investors to obtain government-held information and the obligation of public authorities to provide it.

All Government levels should make legislative and regulatory drafts publicly available and invite feedback from relevant stakeholders. There should be definitive timelines set to receive comments from concerned stakeholders, depending on the issues raised and the number of people affected.

Regulatory environment and investment conditions

QUICK FACTS

The Authority for the Regulation of Water and Electricity (AREEN) regulates electricity and water services.

Law No. 1/13 of 2015 On the Reorganisation of the Electricity Sector governs activities in the electricity sector.

STRENGTHS

AREEN was established under Decree No. 100/159 of 2018 as an independent legal entity to assist MINHEM in implementing Law No. 1/13 and its associated regulations. Its role includes supporting MINHEM in setting electricity prices, evaluating applications for electricity licences and monitoring compliance with the applicable rules and regulations. The Inspection General and the Court of Auditors oversee the management and finances of AREEN. Law No. 1/13 prohibits anti-competitive practices in the electricity sector.

Burundi welcomes foreign investment in different economic sectors, including energy. The Investment Code of 2008 outlines the business incentives available to new investors, including deduction on tax credit and reduced tax rate on profits. To lower the administrative burden on investors, the Government allows them to avail tax credit without procuring preliminary approval. Moreover, the Investment Code grants foreign investors from some countries free access to land and the right to use it, subject to reciprocity. The opportunities for sub-regional collaboration and access to the regional market are interesting for Burundi, which is a member of the East African Community, African Union, and the Common Market for Eastern and Southern Africa.

AREAS FOR IMPROVEMENT

AREEN's independence can be further enhanced, particularly in terms of recruiting its board members. The Government's role in appointing board members should be limited. Instead, the criteria and process of their selection should be competitive and publicly announced.

The technical capacity of key Government officials in PPP delivery and management should be strengthened, and AREEN should be actively involved in granting licences for the production, transmission and distribution of electricity in the context of PPP contracts and concessions.

In compliance with Law No. 1/13, the public services of water and electricity are liberalised. Yet, the national utility, Régie de Production et de Distribution d'Eau et d'Electricité (REGIDESO), continues to enjoy a monopoly over electricity transmission, distribution and supply until 2040. Given its precarious financial and technical status, the Government should improve REGIDESO's performance as this is a critical requisite for effective private-sector participation. It should prepare a performance improvement plan that includes a programme on revenue protection and emergency investments.

Rule of law

QUICK FACTS

Burundi's legal system is largely based on civil and customary law.

Burundi acceded to the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States in 1969.

Arbitration in Burundi is governed by Law No. 1/010 of 2004 enacting Articles 337 to 370 of the Code of Civil Procedure.

STRENGTHS

National law allows parties to use alternative dispute resolution methods before or during a trial or arbitration procedure. The Centre for Arbitration and Conciliation was established to deal with commercial and investment disputes. The arbitral tribunal may be composed of lawyers or specialists from various sectors. Law No. 1/010 was enacted to harmonise Burundi's legal framework on arbitration with that of the OHADA Member States.

The Investment Code protects and facilitates the acquisition and disposition of all property rights. In exceptional cases of expropriation in the public interest, investors are guaranteed a lawful procedure and fair and prior compensation. Following the Land Code's adoption in 2011, the Government has worked consistently on the land registration regime. Communal land services (guichets foncier) have been installed in many areas to create a link with the central cadastre service. There are no technology transfer requirements applicable to foreign investments.

AREAS FOR IMPROVEMENT

Although Burundi's Industrial Property Law, enacted in 2009, complies with international norms, on a practical level, its implementation is insufficient, and enforcement measures are lagging. The Government should focus its efforts on building capacity and setting up a database to collect and collate the relevant IP information.

The Government should develop a comprehensive legal and judicial reform strategy to ensure the independence and efficacy of the judicial system. Meaningful changes include, first and foremost, strengthening the capacity of justice actors and institutions. Currently, 80% of litigation concerns land conflicts, thus impeding courts from handling other types of disputes adequately. Establishing designated courts and introducing timeframes to examine cases will help to reduce further delays in the delivery of justice.