

## **Burundi: Poverty Reduction Strategy Paper—Second Implementation Report**

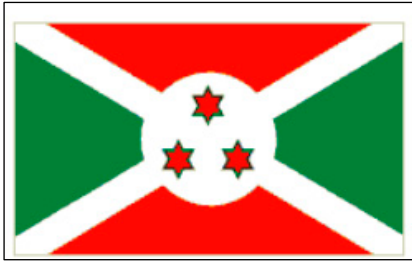
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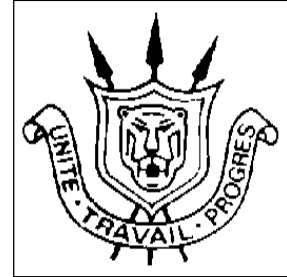
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REPUBLIC OF BURUNDI



## GROWTH AND POVERTY REDUCTION STRATEGY FRAMEWORK

### SECOND IMPLEMENTATION REPORT

DECEMBER 2009



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## ACRONYMS AND ABBREVIATIONS

|        |   |
|--------|---|
| ABELO  | Burundi Association of Local Elected Officials                      |
| ABP    | Burundi Press Agency  |
| ABUTIP | Burundi Public Works Agency   |
| ACBF   | African Capacity Building Foundation                                |
| ADF    | African Development Fund  |
| AfDB   | African Development Bank  |
| AGOA   | African Growth Opportunity Act                                      |
| AIDS   | Acquired Immunodeficiency Syndrome                                  |
| APFB   | Association for the Promotion of the Burundian Girl                 |
| ARCT   | Telecommunications Regulation and Control Agency                    |
| ARV    | Antiretroviral  |
| BBN    | Burundi Standardization Office                                      |
| BCC    | Burundi Coffee Company  |
| BINUB  | United Nations Integrated Office in Burundi                         |
| BOB    | Official Gazette of Burundi [ <i>Bulletin Officiel du Burundi</i> ] |
| BPS    | Provincial Health Office  |
| BRB    | Bank of the Republic of Burundi                                     |
| CAMEBU | Burundi Essential Medications Central Purchasing Office             |
| CCDC   | Communal Community Development Committee                            |
| CCDLP  | Communal Development and Poverty Reduction Committee                |
| CDC    | Community Development Committee                                     |
| CDF    | Family Development Center   |
| CDS    | Health Center   |
| CDV    | Voluntary Testing Center (for HIV)                                  |
| CEPGL  | Economic Community of the Great Lakes Countries                     |
| CERDA  | Center for Research and Development in Agro-Economy                 |
| CET    | Common External Tariff  |
| CFSVA  | Comprehensive Food Security and Vulnerability Analysis              |
| CIRGL  | International Conference on the Great Lakes Region                  |
| CMC    | Community Medicine Center   |
| CNAR   | National Prosthetics and Rehabilitation Center                      |

|          |   |
|----------|---|
| CNC      | National Communications Council                                       |
| CNDRR    | National Remobilization, Reinsertion, and Reintegration Commission    |
| CNIDH    | National Independent Human Rights Commission                          |
| CNLS     | National Council to Combat AIDS                                       |
| CNTA     | National Center for Food Technology                                   |
| CNTB     | National Commission on Land and Other Assets                          |
| CNTS     | National Blood Transfusion Center                                     |
| COGERCO  | Cotton Management Company   |
| COMESA   | Common Market for Eastern and Southern Africa                         |
| CONFEJES | Conference of Youth and Sports Ministers of French-Speaking Countries |
| COTEBU   | Textile Complex of Bujumbura  |
| CPI      | Consumer Price Index  |
| CWIQ     | Core Welfare Indicator Questionnaire                                  |
| DAP      | Di Ammonium Phosphate   |
| DCPND    | National Decentralization Policy Paper                                |
| DDR      | Disarmament, Demobilization, and Reintegration                        |
| DFID     | Department for International Development                              |
| DGHER    | Directorate-General of Water Supply and Rural Energy                  |
| DPAE     | Provincial Directorate of Agriculture and Livestock                   |
| DRC      | Democratic Republic of Congo  |
| DSR      | Disease Surveillance and Response                                     |
| DWS      | Drinking Water Supply   |
| EAC      | East African Community  |
| ECCAS    | Economic Community of Central African States                          |
| EGL      | Great Lakes Energy  |
| ENA      | National School of Administration                                     |
| ENS      | Teacher Training School [ <i>Ecole Normale Supérieure</i> ]           |
| EPI      | Expanded Program on Immunization                                      |
| FAB      | Burundi Armed Forces  |
| FAO      | Food and Agriculture Organisation                                     |
| FBU      | Burundi franc   |
| FDN      | National Defense Force  |

|           |   |
|-----------|---|
| FEAM      | Foreign Exchange Auction Market                                 |
| FFW       | Food for Work   |
| FHI       | Food for Hungry International                                   |
| FMCR      | Rural Microcredit Fund  |
| FNL       | National Liberation Forces                                      |
| FRN       | National Road Fund  |
| GBV       | Gender-Based Violence   |
| GDDS      | General Data Dissemination System                               |
| GDP       | Gross Domestic Product  |
| GFATM     | Global Fund to Fight AIDS, Tuberculosis, and Malaria            |
| GPRSF     | Growth and Poverty Reduction Strategy Framework                 |
| GTZ       | Gessellschaft für Technische Zusammenarbeit                     |
| HCR       | High Commissioner for Refugees                                  |
| HIPC      | Heavily-Indebted Poor Country                                   |
| HIPCI     | Heavily-Indebted Poor Country Initiative                        |
| HIS       | Health Information System                                       |
| HIV/AIDS  | Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome |
| HLI       | Highly Labor-Intensive  |
| IGA       | Income-Generating Activities                                    |
| IGE       | General State Inspectorate                                      |
| IMF       | International Monetary Fund                                     |
| IMPLABURA | Revised and Updated Information and Planning Model of Burundi   |
| INECN     | National Institute for the Environment and Nature Conservation  |
| INSS      | National Social Security Institute                              |
| IPA       | Institute of Applied Pedagogy                                   |
| ISP       | Higher Police Institute   |
| ISTEEBU   | Burundi Institute of Statistics and Economic Research           |
| ITAB      | Burundi Institute of Agricultural Techniques                    |
| JVMM      | Joint Verification and Monitoring Mechanism                     |
| LMD       | Bachelor's/Master's/Doctoral degree system                      |
| LOFP      | Organic Law on Government Finance                               |
| MAP       | Multi-Country HIV/AIDS Program                                  |



|          |   |
|----------|---|
| MCHE     | Main Cryogenic Heat Exchanger   |
| MDG      | Millennium Development Goal   |
| MED      | Foreign Exchange Auction Market [ <i>Marché aux enchères de devises</i> ] |
| MES      | Monitoring and Evaluation System  |
| MFI      | Microfinance Institution  |
| MFP      | Civil Service Mutual Association  |
| MICS     | Multiple Indicators Cluster Survey  |
| MINAGRIE | Ministry of Agriculture and Livestock                                     |
| MSP      | Ministry of Public Health   |
| MTBF     | Medium-term Budget Framework  |
| MTEF     | Medium-term Expenditure Framework   |
| NBI      | Nile Basin Initiative   |
| NGO      | Non-governmental organization   |
| NHA      | National Health Accounts  |
| NHDP     | National Health Development Plan  |
| NICT     | New Information and Communication Technologies                            |
| NIF      | Tax Identification Number   |
| NSDS     | National Statistical Development Strategy                                 |
| NSS      | National Statistical System   |
| OBR      | Revenue Authority of Burundi  |
| OCIBU    | Burundi Industrial Crops Office   |
| ODA      | Official Development Assistance   |
| ODPIA    | Observatory on the Rights of People Infected and Affected by HIV          |
| OdR      | Roads Authority   |
| OIs      | Opportunistic Infections  |
| ONAPHA   | National Pharmaceutical Office  |
| ONATEL   | National Telecommunications Office  |
| ONATOUR  | National Peat Office  |
| ONPR     | National Pensions and Occupational Risks Office                           |
| ONT      | National Tourism Office   |
| OPA      | Professional Agriculture Organization                                     |
| OPJ      | Judicial Police Officer   |

|            |   |
|------------|---|
| OTRACO     | Mass Transit Office   |
| OVC        | Orphans and Other Vulnerable Children   |
| PALIPEHUTU | Party for the Liberation of the Hutu People   |
| PBF        | Performance-Based Financing   |
| PBF        | Peacebuilding Fund  |
| PCDC       | Communal Community Development Plan   |
| PETS       | Poverty Expenditure Tracking Survey   |
| PLHIV      | People Living with HIV  |
| PMTCT      | Prevention of Mother-to-Child Transmission  |
| PMPA       | Political Parties and Armed Political Movements   |
| PMRSE      | Multisectoral Socioeconomic Reinsertion Project   |
| PNB        | National Police of Burundi  |
| PNSA       | National Food Security Plan   |
| PPCDR      | Post-Conflict Rural Development Program   |
| PRGF       | Poverty Reduction and Growth Facility   |
| PRSF       | Poverty Reduction Strategy Framework  |
| PRIME      | Poverty Reduction Implementation Monitoring and Evaluation                              |
| PSI        | Population, Sante et Information [local affiliate of Population Services International] |
| PTB+       | Smear Positive Pulmonary Tuberculosis   |
| PTPCE      | Public Works and Job Creation Project   |
| RB         | Regular Budget  |
| REGIDESO   | Water and Electricity Production and Distribution Agency                                |
| RGCP       | General Regulations on Government Accounting  |
| RIM        | Network of Microfinance Institutions  |
| RN         | National Road   |
| ROU        | University Projects Agency  |
| SAB        | Special Allocations Budget  |
| SAN        | National Agricultural Strategy  |
| SGFP       | Government Finance Management Strategy  |
| SIB        | Special Investment Budget   |
| SIGEFI     | Integrated Government Finance Management System   |
| SINELAC    | International Electricity Company of the Great Lakes Countries                          |

|          |  |
|----------|--|
| SNL      | National Legislation Unit  |
| SNR      | National Intelligence Service                                    |
| SOSUMO   | Sugar Company of Moso  |
| SPAHD    | Strategy Paper for Human Development                             |
| SP/REFES | Permanent Secretariat for Monitoring Economic and Social Reforms |
| STIs     | Sexually Transmitted Infections                                  |
| SWAp     | Sector Wide Approach (sectoral approach)                         |
| SWOT     | Strengths, Weaknesses, Opportunity, Threats                      |
| TMU      | Technical Memorandum of Understanding                            |
| TFP      | Technical and Financial Partner                                  |
| UB       | University of Burundi  |
| UCAR     | Commercial Union of Insurance and Reinsurance                    |
| UNDP     | United Nations Development Programme                             |
| UNGEI    | United Nations Girls Education Initiative                        |
| UNICEF   | United Nations Children's Fund                                   |
| USAID    | United States Agency for International Development               |
| VAT      | Value-Added Tax  |
| VAWG     | Violence against Women and Girls                                 |
| WFP      | World Food Programme   |
| WHO      | World Health Organization  |

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## **Executive Summary**

1. Like the first evaluation, the second report on implementation of the GPRSF first describes the characteristics of poverty in Burundi before proceeding to review progress made in terms of each strategic axis. It is useful to start by noting that the prospects for reducing poverty are clearly framed in terms of demographic issues and that this is a novel approach. The analysis of macroeconomic performance, including the real sector, inflation, budgetary framework, the real sector [sic], and currency completes the content of this report.

### **Analysis of poverty and demographic challenges**

2. The results of the CWIQ survey conducted in 2003 reveal a national poverty rate of 67 percent, with rates of 69% in rural areas and 34% in rural areas. This overview providing a measure of consumption capacity was supplemented by an analysis that allows us to assess the level of poverty based on structural components, to measure its scope in terms of goods accumulated over a certain period of time, and to analyze these characteristics in urban areas.

3. The uneven distribution of the poor throughout the country's different provinces and the specific nature of particularly vulnerable population categories such as households headed by widows, orphans, or war victims suggest that poverty reduction policies must be well-targeted.

4. In this context of extreme poverty and given the link between population numbers and poverty reduction, it is crucial that issues related to demographic pressure be clearly taken into account in all development programs. Demographic growth projections indicate that the number of inhabitants will reach ten million in less than ten years. Under such conditions, the challenge to be addressed will be not only to ensure sustainable development but to maintain the stability of incomes and food security as well.

### **Axis 1: Improve governance and security**

5. The need to strengthen security is a reality throughout the country. In fact, despite the delays reported when the general cease-fire agreement took effect, the peace process has been truly taken shape following the last rebel movement's transformation into a political party, and the launch of the program for demobilization, disarmament, and reintegration of FNL components. The strengthening of security has also been enhanced by the program to disarm the civilian population, through the establishment of a commission to disarm the civilian population and combat the proliferation of light arms and small-caliber weapons, through consciousness-raising, and through the organization of search and seizure.

6. However, the process of disarming the population must be accelerated in order to gradually reduce and eliminate numerous cases of armed robbery. Despite efforts made to combat the proliferation of illegally held light weapons, many people still keep these weapons and are the source of a new type of insecurity in the country.



7. In addition, execution of the DDR program has been somewhat delayed in that, as of the end of 2008, demobilization had reached only 48 percent, reinsertion only 49 percent, and reintegration only 34 percent. The repercussions of these delays on the 2009 budget are considerable and require managing the remaining forces, namely 6,378 combatants. On the other hand, the strengthening of skills within the FDN and the PNB has proceeded rather well with the introduction of ethics among the troops, participation in peace-keeping operations within the African Union framework, standardization of ranks, rehabilitation of barracks, training and information sessions, and the purchase of communications equipment.

8. In the area of promoting the rule of law, combating impunity, and promoting justice for all, the government continued its efforts to strengthen the judicial system and to ensure respect for human rights. Thus, in order to improve the image of justice, the government organized three surveys on how it is perceived by population, the answers to which allow for a better understanding of the real problems posed. At the same time, actions were taken to strengthen the credibility of the judicial system in order to reduce delays in the processing of cases. These actions basically involve (i) several training sessions; (ii) evaluation of training needs prior to preparation of a strategic training plan; and (iii) organization of on-site visits with a view to speeding up the enforcement of decisions.

9. It should be emphasized that these programs have had a very limited impact given that there is still no strategy for ensuring the continuity of actions begun in this fashion. The judicial backlog, or the accumulation of cases not tried, has continued to increase since the beginning of the decade, even though the number of judges has been significantly increased since 2004. This situation helps to reinforce mistrust of the judicial system among litigants.

10. The problem of overcrowded prisons also continues to be acute, with prison occupancy rates increasing from 197 percent to 245 percent between 2005 and 2008. Reform of the rules for carrying out court decisions and revision of the Criminal Procedure Code still continue to be major challenges for dealing promptly and diligently with the significant case backups before the various jurisdictions and for clearing out the prisons.

11. Moreover, even though some cases of failure to respect human rights are still noted, concrete measures have been taken in terms of strengthening citizens' freedom, guaranteeing their rights, and combating impunity. This notably involves (i) adoption of the new penal code, (ii) implementation of the integrated strategy to combat sexual violence against women and children, (iii) organization of numerous training and information sessions, (iv) assistance for the victims of sexual violence, and (v) the introduction of increased discipline among security forces. In addition, the hunting of albinos could be curbed thanks to the dismantling of the network of those who commit this crime.

12. With respect to national reconciliation, establishing transitional justice has proven to be a long and complex process. A schedule for organizing consultations was adopted for 2008, while information and awareness campaigns were conducted for all stakeholders.

13. There is good coordination on land tenure issues thanks to the establishment of an expanded technical committee. This coordination has allowed for development of a land tenure policy paper and revision of the land tenure framework, the content of which will soon be adopted. As for the specific issues of those without land, particularly returnees, the CNTB is engaged in finding detailed solutions, but the task has been very onerous in that as of year-end 2008 only 29.3 percent of the 11,568 disputes had been settled.

14. In the area of political governance, core activities revolve around the program to strengthen the institutions selected by the Senate, the consolidation of local good governance committees, and training for various participants in the decentralization process such as the CDCs that have taken on a large role in formulating community development plans. To this end, participatory discussions were organized to finalize the National Decentralization Policy Paper that will contribute to the development of a medium- and long-term action plan.

15. The government's policy on dialogue was supported by the "Framework for Dialogue and Consultation" program and national partners who, following intensive consultations among representatives from government, parliament, political parties, youth, women, and civil society, concluded by setting up a national forum, thus establishing the use of dialogue as the preferred instrument for resolving and preventing conflict.

16. In terms of economic governance, the government was able to initiate a diagnostic survey on governance, the results of which should contribute significantly to the development of a national governance strategy. At the same time, increased transparency in the management of public funds is reflected not only in the production of oversight reports but also in the revitalization and strengthening of the capabilities of the State Inspectorate General, the Court, and the Anti-Corruption Brigade.

17. The primary objective of the government finance reforms initiated with the support of the partners is to increase the mobilization of domestic revenue, improve the profile of government expenditures, and increase transparency in the management of government resources.

18. Regarding improvements in the expenditure profile, the review of capital expenditures and the introduction of the MTEF in key services such as agriculture, health, and education represent important steps toward better alignment between the budget and domestic and foreign revenues. The implementation of the NIF, revision of the General Tax Code, and the preparation of the taxpayer charter should improve the performance of the Tax Directorate while implementation of the Customs Code will facilitate more rigorous control of imports and related exemptions.

19. In addition, prior preparation of the budgetary framework, promulgation of the Government Procurement Code, strengthening of the SIGEFI, establishment of cash flow plans, and measures adopted for better control of the wage bill will allow for improved control of expenditures consistent with anticipated revenue levels. Finally, as regards the legal and institutional framework, adoption of the organic law and development of a

government finance management strategy represent a crucial phase in the rationalization of budget management.

## **Axis 2: Promotion of sustainable and equitable growth**

20. Food production increased slightly between 2007 and 2008, at an estimated 2.6 percent. This increase, compared to annual population growth of 2.35 percent, demonstrates the difficulty of significantly increasing the food balance sheet. This situation is further complicated due to structural constraints such as the increased scarcity of arable land, diminished soil fertility, difficulties in gaining access to agricultural inputs, and poor water management – constraints for which no appropriate response has yet been found. Problems related to current circumstances and associated with irregular rainfall levels have, in some of the country's provinces, caused severe food insecurity, with more serious repercussions for the most vulnerable population categories.

21. In order to achieve the two-fold objective of first ensuring food security and then generating sufficient agricultural surpluses to make agriculture a real engine of development, the government has a national agricultural strategy as well as an action plan detailing areas of concentration and priority actions. In this regard, integrating agriculture in the trade routes represents a challenge to which operational solutions must be applied in the short term.

22. During 2008, activities carried out to increase food production primarily involved making inputs available, promoting irrigation, intensifying food crops, research and development, promoting market garden products, and strengthening the capabilities of agricultural monitors.

23. The processing and conservation of agricultural products is an important link in ensuring this integration, increasing the added value of food products, and preventing the many post-harvest losses recorded at present. The CNTA has made notable contributions to updating technologies adapted for the processing and conservation of agricultural products. This center has already made significant progress that, during the course of 2008, consisted of supporting some operators by providing materials, organizing training sessions, performing biological and biochemical analyses of samples, and conducting feasibility studies on processing units.

24. With regard to agro-industrial crops, coffee still ranks first in terms of its contribution to exports and household incomes. However, the development of this crop is limited by the phenomenon of cyclical production that is still not well controlled, by the inefficiency of the marketing system, and by limited competitiveness on international markets.

25. From this perspective, the adoption of a strategy for the State's disengagement from the coffee industry and the implementation of reforms focusing on liberalization, the restoration of supply capabilities, and improved quality represent significant progress for the future of this industry. In addition, the privatization process that puts at the center of its concerns the protection of compensation for coffee crops is at an advanced stage and moving progressively toward the sale of coffee hulling plants and washing stations. As for tea and

cotton, the same liberalization process is being prepared and its implementation should also make it possible to reenergize production, improve producer prices, and strengthen competitiveness.

26. The diversification of export crops, already underway, has the two-fold objective of increasing foreign exchange resources and creating new jobs. Opportunities for new sources of growth in this area include developing palm oil, flower farming, and the fruit and vegetable industry.

27. Given its major impact on improving nutritional balance (milk and meat) and on growth (increased productivity with the use of manure), livestock farming has continued to benefit from various types of support basically revolving around livestock repopulation programs, strengthened capabilities of beneficiaries, control of diseases, an improved regulatory and legal framework, and preparation of the strategic guideline paper on livestock farming. Promotion of the milk and meat industries should be a priority for increasing the added value of livestock products while the increased availability of manure will help to increase agricultural productivity. At the same time, efforts have been made to ensure the development of fishing and the revival of fish farming, the production of which increased by 50 percent between 2007 and 2008.

28. Bearing in mind the imperative of environmental protection to ensure sustainable development, the government has undertaken to put in place regulatory provisions to standardize the legal framework and ensure the follow-up of international conventions on the environment, thanks to the organization of information and awareness sessions and on-site visits. In this regard, the availability of a document on the country's environmental profile represents an important step toward instilling a degree of discipline among those who exploit the products of mines and quarries and who from now on must obtain authorization before launching their operations.

29. Some concrete actions have also been taken, particularly in terms of reforestation, production of forestry plants, the maintenance of plantations, and marsh management. However, bush fires and illegal cutting of wood continue to be major concerns that require the collaboration of various participants in order to limit their effects.

30. Space planning and territorial management, within an international scenario marked by the ravages of climate change, are essential in addition to the land tenure paper, the revised land tenure code, and provincial land management schemes.

31. Thanks to the new business environment and continued implementation of the Integrated Framework for trade promotion, economic operators have been able to start up new industrial and commercial activities in Burundi. At the same time, renewed interest on the part of private investors is beginning to be seen in the mining sector and has already led to the registration of new dealers in gold sales, hydrocarbon research, and the exploitation of quarries. Some actions have also been taken for small-scale miners in the sector through awareness and information efforts and by reorganizing some of these workers.

32. With respect to potential growth in the mining sector, the government is promoting intensified research operations and the installation of mineral processing units on site in order to take advantage of the potential for creating new jobs and increasing incomes. The constraints associated with this economic approach involve the sources of energy needed to operate on a large scale, particularly the nickel deposit discovered.

33. Tourism and handcrafts are also experiencing a degree of resurgence thanks to the restoration of security. This renewal is expected to be consolidated in upcoming years through more effective marketing of existing potential and Burundi's participation in an expanded economic arena.

34. Various initiatives were undertaken to mobilize young people and allow them to participate actively in the country's socioeconomic life. Specific efforts made in this area include providing training in entrepreneurship and expanding youth centers. Sports and culture have also benefited from particular attention through the rehabilitation of infrastructure, participation in competitions organized at the national and regional level, and encouragement of activities that place a value on natural culture.

35. Despite these efforts, the creation of new jobs remains a major concern. In effect, according to the results from the 1-2-3 survey, urban employment is dominated by the informal private sector accounting for more than 75.3 percent, followed by civil service in second place at about 10 percent. In rural areas, more than 90 percent of the population works in the agricultural sector. The few non-agricultural activities in rural areas are poorly-paid, are often seasonal, are carried out by children, and are generally non-competitive.

36. In terms of support for production, the government is promoting the private sector, more effective transportation, and a more sustained contribution from new technologies. Thus it is that reforms like the new investment code, the law on bankruptcy and competition, as well as the adoption of a new framework for collaboration between the private sector and government could be taken up to improve the business environment. At the same time, efforts have been made to encourage and support the emergence of microfinance, which has helped to improve access to credit for small investors and low-income borrowers.

37. Improved traffic conditions, reflected in significant paving operations, rehabilitation programs, maintenance of major roadways, and the modernization of urban road work and the expansion of communications to formerly inaccessible areas have continued to be supported so that eventually the growth sought by the GPRSF will be stimulated and gradually consolidated thanks to the positive impact that these programs have on trade.

38. Energy requirements are generally covered by the use of firewood with its devastating effects on deforestation. Year after year, this deforestation, in conjunction with insufficient national capacity to produce electricity, requires the use of larger amounts of imported energy to meet demand. In 2008, 46 percent of electricity consumption had to be imported even though the momentum of demand is itself constrained by limited ability to connect new subscribers, as supplemental supply requirements are potentially very high.

39. To provide a regular and adequate supply of energy, there are plans to rehabilitate existing hydroelectric power stations, to construct new ones, and to participate in the program to link the electrical networks of the countries in the region. At the same time, consideration of the specific needs of rural areas must be enhanced by identifying sites where micro power stations should be set up, while the program to promote new and renewable energy should be intensified.

40. Finally, Burundi's membership in larger geographic entities is seen as bringing additional growth opportunities, particularly in terms of trade prospects. Although Burundi belongs to several regional organizations, spectacular progress has been made in the process of integration in the East African Community, which has already entailed far-reaching reforms at the customs level in the unrestricted movement of people and goods. Burundi is already committed to accelerating the implementation of reforms agreed to in the EAC framework in order to reap the increased benefits from economies of scale expected from the integration process.

### **Axis 3: Promotion of human capital**

41. The primary and secondary education system has made remarkable progress in terms of the numbers of beneficiaries due to the policy of free primary education, increased efforts to construct new schools, including community colleges, and community participation in the management of academic infrastructures. The gross enrollment rate in the 2007–2008 school year was 123.5 percent, compared to 105.2 percent in 2005 and the gender parity index in primary education increased from 0.86 in 2005 to 0.95 in 2008.

42. However, strong demand for education has already led to distortions that must be corrected, particularly in terms of crowded classrooms, the lack of teaching materials, and not enough teachers. Improved performance and teaching quality thus seem to be one of the major challenges to be overcome for successful economic integration of young people, above all to ensure that young people are in a competitive position vis-à-vis the new requirements following Burundi's entry into the EAC.

43. In this context, the government has already taken important steps in addition to the policy of eliminating school fees. Completion of the sectoral development plan in education and training as well as the involvement of all partners in this plan represent important steps to promote better coordination of interventions to promote education.

44. In terms of higher education, the major question that remains involves the significant increase in the numbers of students compared to the insufficient number of teachers at the University of Burundi, as well as the quality of the teaching provided in private universities.

45. During 2008, the government continued to implement its program to build and equip amphitheatres, to rehabilitate classroom, and to provide books, laboratory and teaching materials as well as computer equipment to allow the use of NICT. At the same time, studies have been conducted on restructuring higher education with the introduction of the LMD system.

46. In the short term, there are plans to take action to improve the effectiveness of higher education, particularly by reorganizing the advanced studies that would be included in a new law to be prepared, by encouraging research, including the creation of the National Commission on Science, Technology, and Research, and through better supervision of private higher education.

47. Access to professional training is still very weak, existing centers are under-equipped, and the quality of apprenticeships needs to be improved. Despite the still limited number of beneficiaries and the great regional disparity among training centers, it can be happily noted that the boy/girl ratio is favorable to girls. In terms of the illiteracy rate of 65.1 percent for women and 42.8 percent for men, efforts undertaken for better integration of adults must be consolidated, particularly by strengthening the skills of literacy teachers and increasing their logistical resources.

48. Regarding health, it is important to emphasize that healthcare expenses represent an average of more than seven percent of annual household income. This is problematic, particularly for poor and vulnerable families for whom such expenses can be as much as 17 percent of income. In order to mitigate the constraints associated with this situation, the government has consolidated the process of implementing actions to gradually make it possible to achieve the goals of the NHDP and begin to implement important reforms to improve conditions for accessing healthcare.

49. The primary objective of reducing maternal and neonatal mortality rate is reflected in the increase in the number of childbirths occurring in health facilities (from 41 percent in 2005 to 56 percent in 2008), improved capabilities for responding to obstetrical emergencies, and the increased frequency of healthcare visits by children under the age of five years.

50. In addition, the vaccination coverage rate reached 92 percent in 2008 while the widespread distribution of antimalarial medications and insecticide-treated mosquito nets have made it possible to reduce the ravages caused by malaria.

51. In general terms, the program to combat tuberculosis made it possible by late 2008 to achieve a detection rate of 47 percent and a cure rate of 86 percent. Targeted actions have also strengthened health performance so as to improve access to services and the quality of care, particularly equipping and rehabilitating infrastructures, providing equipment, and improving the supply of medications.

52. In fact, reducing inventory shortages and seeking sustainable solutions to the thorny issue of insufficient human resources continue to be major concerns for the effectiveness of the entire health system.

53. In conjunction with efforts to improve access to healthcare, sustained actions must be made to increase the drinking water supply rate, which was 79.7 percent in urban areas and 63.4 percent in rural areas in 2005. During the course of the year under review, the program to develop water sources and supply continued and should proceed at a more rapid pace in upcoming years thanks in particular to the rational management of water resources, the

expansion of the distribution network, and the strengthening of community water management. In terms of urban sanitation, the age and limited capacity of facilities do not allow for large scale operations while adhering to environmental hygiene standards. For example, only 20 percent of Bujumbura's waste is collected while only 38 percent of the city's area is connected to the public sewer system. Moreover, there continue to be institutional and regulatory gaps, basically due to the lack of a clear hygiene policy or provisions implementing the environmental and hygiene codes. In the short term, the government plans to conduct studies that should result in the development of new infrastructures and the acquisition of appropriate materials.

54. In terms of housing and urban planning, it is important to note from the outset that Burundi is still not very urbanized. However, with the renewal of economic activities and the scarcity of agricultural land, it is foreseeable that urban centers, particularly the capital, may be subject to strong pressures in terms of housing. Such a development will not fail to exacerbate a situation that is already marked by a significant shortage of housing, the most immediate effect of which has already been an unprecedented increase in rents.

55. As for the scope of this problem, the government has pursued and strengthened measures to increase the supply of parcels divided into lots both in Bujumbura and in the country's interior. However, due to very high construction costs and inadequate housing finance mechanisms, there is an urgent need to define a clear housing promotion policy. The outlines of such a policy will focus on encouraging private savings, mobilizing long-term resources, and developing new sites and services suited to different income categories.

56. Support for vulnerable groups is still a government priority. Since the onset of the crisis, vulnerable population categories such as children orphaned by war and AIDS, widows, and street children are living in particularly difficult conditions and need multifaceted social supports. Thanks to the consolidation of peace, the government has strengthened its assistance mechanisms to make available basic needs (food and equipment) and has set up shelter (housing) and reintegration facilities (schools, school fees, healthcare).

57. The issue of recovery of land by returnees, particularly those who left the country in the 1970s, is a major challenge for peaceful coexistence in the areas involved due to strong returnee movements, particularly in the southern area of the country. The government intends to adapt its assistance to the specific needs of different vulnerable population categories in order to ensure successful reinsertion based on economic and social independence.

58. Along the same lines, the promotion of social security requires the definition of appropriate programs. Those who receive social benefits, provided by the INSS and the MFP, are estimated to number only 10 percent. Parallel to the establishment of a national structure responsible for coordination and follow-up of activities associated with the promotion of social security, the government has initiated the process of setting up the ONPR, a sickness and maternity insurance agency for the informal sector, and a National Solidarity Fund, and has also developed a national social protection policy. There are also plans to implement the Social Security Code in the next few years.



59. In terms of gender advancement, significant efforts have been made to reestablish equality of the sexes. Nonetheless, the results of recent surveys tend to confirm the persistence of economic and legal inequities that penalize women. In effect, women are found in the poorest categories, above all when they are heads of households. They are more affected by unemployment and do not have decision-making power over the allocation of family income.

60. Faced with this situation, the government has adopted voluntary measures to ensure that women are well represented in executive and legislative agencies. At the same time, specific and more targeted actions have been supported by various stakeholders in order to strengthen gender promotion policy. They basically involve information and awareness, the consolidation of women's economic power, the adoption of provisions to eliminate sexual abuse, and addressing the needs of the victims of such abuse.

61. Ultimately, the government is committed to intensifying activities to combat sexual abuse, the search for greater independence of women, and the implementation of a national gender policy. In addition, given the cross-cutting nature of gender-related issues, training and awareness sessions are planned for sectoral leaders responsible for designing, implementing, and following up and monitoring the various programs, in order to ensure the effective management of this dimension. To this end, indicators of progress will be agreed upon on a participatory basis in order to ensure objective and periodic reviews of the gender issue.

#### **Axis 4: Combating AIDS**

62. In the latest seroprevalence survey conducted in 2007, the seroprevalence rate was 2.97 percent nationally, with 2.8 percent in rural areas, 4.41 percent in peri-urban areas, and 4.59 percent in metropolitan areas. In order to halt the spread of this pandemic, the government has set up multisectoral programs to (i) reduce HIV/AIDS transmission by strengthening and expanding preventive interventions, (ii) improve the well-being and quality of life of PLHIV and those affected by HIV/AIDS, (iii) reduce poverty and other determinants of vulnerability to HIV, and (iv) improve coordination and management. Measures such as providing healthcare, facilitating access to medications, promoting income-generating activities, and advocating for the rights of PLHIV are very positive initiatives on behalf of those affected by HIV/AIDS.

63. The actions of the government and its partners seem to be bearing fruit in that the prevalence rate fell between the 2002 and 2007 surveys, particularly in terms of stabilizing the number of AIDS orphans, which increased by 43 percent between 2000 and 2005, but by less than 4 percent between 2005 and 2008 according to CNLS estimates. In addition, the number of voluntary screenings more than doubled in 2008, reaching nearly 237,000. In total, about one out of every ten people knows their epidemiological status.

64. Ultimately, the advances made in executing these programs must be reinforced by more effective implementation of an action plan tied to the national strategic plan to combat AIDS for the period 2007–2011.

## **Macroeconomic performance**

65. GDP growth was reinforced despite the onset of the international crisis, reaching 4.5 percent in 2008 compared to 3.6 percent in 2007. This slight improvement in relative terms is basically due to growth in the primary and secondary sectors.

66. In contrast, 2008 was marked by a generalized increase in consumer prices, with the CPI going from 674.6 points in January to 919.9 points in December. Food products, household items, and medical services made a more significant contribution to the increase in the cost of living. The year-on-year inflation rate went from 14.9 percent in January to 28.1 percent in August, and then followed a bearish trend, falling to 25.6 percent in December 2008. This trend seems to be confirmed in 2009, following the decline in international prices for raw materials.

67. The current account deficit was reduced from 15.7 percent to 13.5 percent of GDP between 2007 and 2008, despite a significant balance of trade deficit, thanks to current transfers increasing sharply from US\$240 to US\$308 million, or 26.6 percent of GDP. This situation reflects a growing need for external supports to offset the current account balance.

68. The principal monetary aggregates all increased between 2007 and 2008. The wage bill increased by 34.29 percent, net external assets by 66.3 percent, and net loans to the Treasury by 19.8 percent. This widespread increase is due to soaring prices and to a lesser degree to delays in the disbursement of foreign assistance. However, the Central Bank has continued to implement reforms by using indirect instruments of monetary management such as (i) liquidity auctions, (ii) the use of mandatory reserves, and (iii) refinancing rates. The management of exchange rates and the foreign exchange auction market have also helped to stabilize the FBu. The Central Bank has also strengthened governance-related issues by consolidating risk assessment mechanisms, promulgating new by-laws establishing its independence, performing external and external audits, applying financial safeguard measures, and improving banking supervisions mechanisms.

## **Budgetary framework**

69. During the first two years of PRSF implementation, expenditures increased much faster than the government's own revenues. Nonetheless, the increases noted should be interpreted in the light of high inflation rates during 2007 and 2008. This means that the effects on poverty reduction programs are less severe.

70. Analysis of the 2008 budget indicates a slight increase in domestic revenues as compared to projections. The increase of FBu 8.1 billion, largely attributable to non-tax revenues, would no doubt have been much higher if the performance of the customs and tax units had not been below anticipated tax goals.

71. Regarding expenditures, excess spending amounted to FBu 20.6 billion due primarily to the increase in the wage bill and sizeable disbursements under the DDR program. Execution of the 2008 budget shows financing requirements of FBu 366.8 billion instead of

the FBu 359.6 billion initially indicated. This shortfall could be offset thanks to assistance from development partners amounting to FBu 258.9 billion and to a lesser extent proceeds from the privatization program and the use of bank financing.

72. Priority sectors such as health, education, and agriculture and livestock have benefited each year from increasing funds, even though their share of the budget from 2006 to 2008 remained nearly stagnant. Funds allocated from the HIPC initiative gave priority to social sectors such as education, health, combating AIDS, and national solidarity.

## **Chapter 1. Recent development of work on second review of PRSF**

### **1.1. Political and socioeconomic developments**

73. The political environment has clearly improved, particularly with respect to progress made in preparing for the elections planned for 2010. This favorable environment was gradually consolidated following installation of the CNI on a consensus basis and continued political dialogue including representatives from the administration, political parties, and civil society. The formation of a permanent political forum of political parties, which is one of the recommendations from this dialogue, should make it possible to recreate an environment favorable to the adoption and implementation of broadly agreed upon political measures. This more peaceful context has been enhanced by very significant improvements in the security situation thanks to the definitive cessation of hostilities between the government and the FNI, the integration of components of this movement in the country's various institutions, and the release of political prisoners.

74. In the economic arena, a slight improvement in the GDP was somewhat offset by a higher than projected inflationary movement. In fact, GDP growth recorded in 2008 was 4.5 percent while the level achieved a year earlier was only 3.6 percent. This positive development is largely attributable to the increase in coffee production, which went from 8,000 to 24,700 tons between 2007 and 2008. External supports, which proved to be more substantial than anticipated, also had a positive impact on this development.

75. In contrast, the international crisis with its repercussions on basic products such as gasoline and foodstuffs provoked and exacerbated the upward movement of inflation that year-on-year amounted to 25.7 percent compared to 14.7 percent as recorded in December 2007. Faced with the risk of deteriorating living conditions for the population, particularly the most vulnerable groups, the government adopted temporary measures, notably including the reduction of customs duties and import taxes on some targeted food products and petroleum products.

76. On a more general level, Burundi remains in a relatively fragile condition due to the repercussions of a sociopolitical crisis that has lasted for 15 years and the country still faces difficulties in achieving the millennium objectives by the year 2015. With a poverty rate of nearly 67 percent, the challenges to successful implementation of the PRSF ultimately require an operational refocusing of activities that directly create growth in order to increase national capacities for generating employment and income.

### **1.2. Development of second review work**

77. The evaluation of the second year of PRSF implementation was conducted in four distinct but complementary phases. This approach was basically designed to strengthen the necessary internalization of the issues by the stakeholders and to consolidate the participatory approach used since the launch of the process.

### **Phase one: dissemination of results from the first review**

78. The content of the report, including the relevant recommendations from the Executive Boards of the World Bank and the IMF, was initially presented to leading sectoral leaders and donor representatives. During this meeting, highly useful observations were made to improve the report in the next phase. In order to guarantee the ongoing involvement of grass roots communities and thus correct the gaps uncovered in the preparation of the first review, seminars were organized in all of the country's provinces not only to give a detailed presentation of results achieved but also to strengthen knowledge in the area of follow-up and monitoring at the level of the decentralized structures.

### **Phase two: participatory evaluation at the central administration level**

79. The formation of sectoral groups by broad themes definitely represented progress in terms of seeking broad consensus on the challenges, solutions, and means required for implementing the various sectoral strategies. However, it appears that technical assistance is often lacking for the proper operation of all the sectoral groups. The installation of a network of sectoral experts made it possible to partially resolve this issue in terms of the PRSF process.

80. This network was used to produce the preliminary reports and update the matrix of PRSF progress monitoring indicators.

81. During the period under review, the sectoral experts were able, thanks to support from the partners, to have training meetings on integrating the "population" dimension in sectoral policies and in techniques for collecting, processing, and analyzing statistical data.

### **Phase three: participatory evaluation at the community level**

82. Based on the same logic of strengthening capabilities and involvement, community delegates and community and provincial leaders benefited from adapted training programs before starting on the evaluation work as such.

83. This approach made it possible to reenergize the provincial and communal community development committees and make significant progress. This already bodes well for more active participation in the preparation of the third review, which could coincide with the launch of work relating to the revised PRSF.

### **Phase four: consultations with civil society and the private sector**

84. Discussions were organized with representatives of civil society and the private sector in order to ask about their assessment of PRSF implementation and their availability for subsequent phases. At that time, the participants benefited from a training session on follow-up and evaluation techniques as did the other national participants.

**Phase five: macroeconomic follow-up, analysis of poverty, and updating of indicators**

85. The evaluation of macroeconomic performance was conducted based on analysis of results achieved in the real sector, budgetary execution with particular emphasis on pro-poor expenditures, and the monetary sector. The analysis of poverty focuses on determining the regions that have high concentrations of the poor and on the major determinants of poverty in both urban and rural areas. With support from ISTEERU, statistical information was collected on the major socio-economic sectors. Thus, a matrix that includes updated data and covers an extended period of time facilitates the analysis of trends and lays the foundations for an action plan to be implemented to improve the PRSF follow-up and monitoring system in upcoming years.

## Chapter 2: Poverty profile and demographic issues

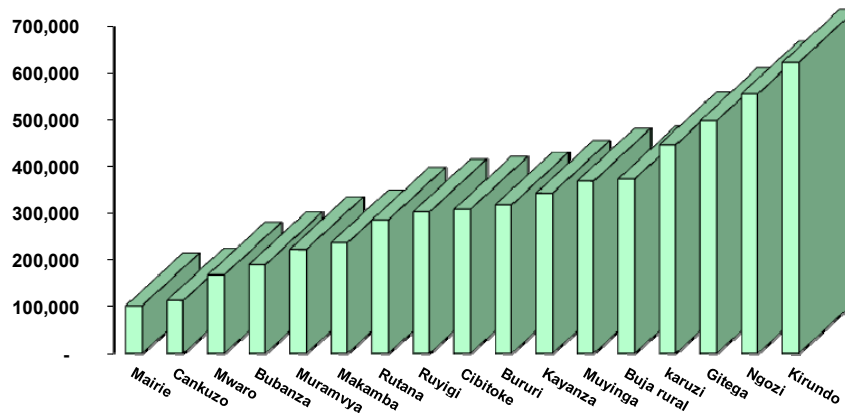
### 2.1. Poverty profile in Burundi

#### 2.1.1. General characteristics

86. According to the last CWIQ household survey conducted in 2006, the poverty rate is estimated to be 67 percent nationally, with 69 percent in rural areas and 34 percent in urban areas. These estimates are based on an adult-equivalent poverty line of Fbu 627 per day in urban areas and Fbu 525 per day in rural areas.

87. The results of this same survey provide a view of the poverty level prevailing in each of the country's provinces and thus lead to better knowledge of the priority regions that require redefinition and better targeting of programs. The chart below shows the classification of provinces according to the size of the population living below the poverty line.

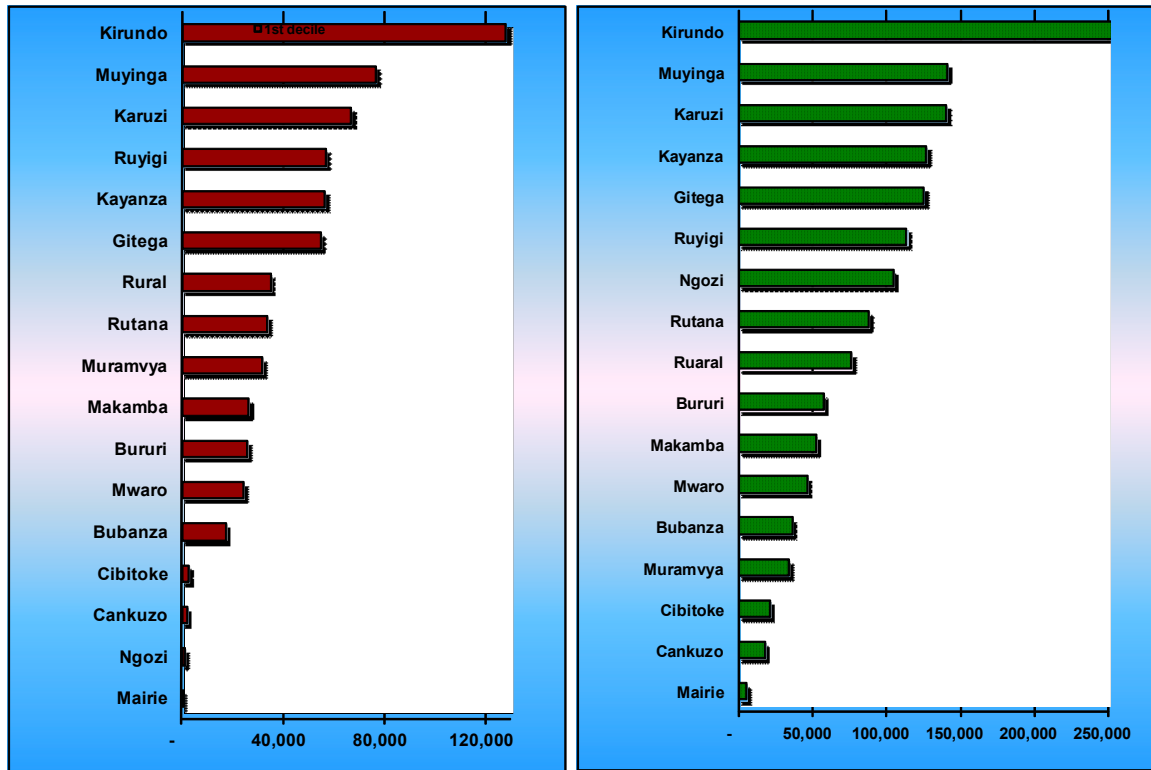
**Chart 1: Number of Poor People by Province**



*Source: 2006 CWIQ*

88. The most vulnerable categories can be targeted based on a distribution of the population according to the lowest income deciles and quintiles. The results of this grouping are shown in the next two charts, which represent the distribution by province of the number of people in the first income decile and fifth income quintile, respectively, or the poorest 10 percent and 20 percent of Burundians.

| <b>Chart 2: Distribution by Province of the Poorest Population Segments</b> |  |
|---|--|
| <i>Distribution of population in the first income decile</i>                | <i>Distribution of population in the first income quintile</i> |



Source: 2006 CWIQ

89. In both cases, the province of Kirundo proves to be the province most affected in that the largest number of poor people are concentrated there, followed by the provinces of Muyinga and Karuzi.

90. The effectiveness of policies to combat poverty must necessarily be based on precise knowledge of the most fragile provinces in order to prioritize the targeting of the socioeconomic programs of the government and its partners on the most disadvantaged areas. In addition, it is essential for particularly vulnerable population categories to benefit from more sustained attention in terms of the conditions specific to certain households.

### 2.1.2. Determinants of poverty

91. With regard to the determinants of poverty, the principal salient points already indicated in the first annual review of the PRSF should be recalled. Households led by women, a divorced person, or a widow are generally poorer than other households. In contrast, the educational level of the head of household correlates positively to household income.



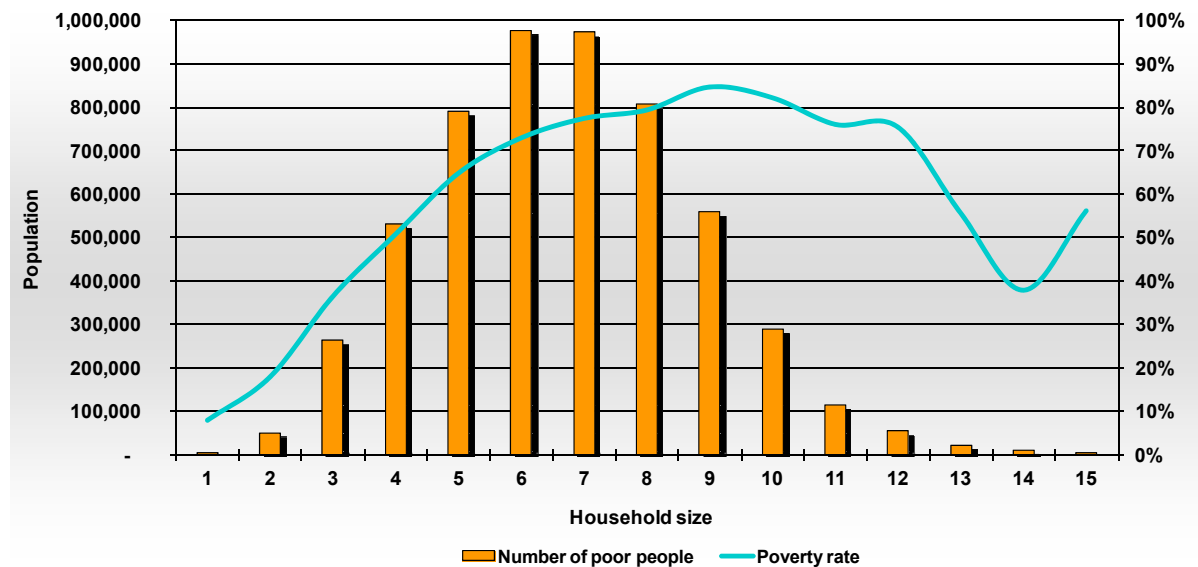
92. In addition, the distance that must be traveled to access basic infrastructures (primary school, healthcare center, source of drinking water, and public transport) has a negative effect on household well-being. These two phenomena argue for expanding and equipping social infrastructures in the country's most disadvantaged regions and for designing social safety nets that are better adapted to the needs of particularly disadvantaged households.

93. Some household farming choices are also characteristic of their income levels. Thus, livestock are generally raised by the most comfortable households in rural areas while the raising of goats, pigs, poultry, and rabbits is rather characteristic of less comfortable strata in urban areas. Similarly, export crops correlate positively with income level. Households with lower incomes are more likely to grow primarily food crops like beans and sweet potato.

94. These practices are characteristic of households caught in a poverty trap. In fact, without the savings needed to invest in a new agricultural activity or to insure themselves against the risks incurred, these households limit themselves to a subsistence agriculture that does not allow them to improve their incomes and build up savings. This type of poverty trap is exacerbated in wartime. In this case, since savings itself becomes risky, it tends to disappear, which puts formerly relatively prosperous households into a poverty spiral from which it is impossible to emerge without outside support in the form of capital. This is why distributing cattle, improving access to agricultural inputs, and disseminating microcredit in rural areas are solution options to be consolidated.

95. The distribution of poverty in Burundi based on household size shows a maximum poverty rate of 85 percent in nine-member households. It appears that smaller households are better able to provide for their members' needs. As shown in the chart below, the number of poor people is higher in households with five to eight members.

**Chart 3: Distribution of Poverty Based on Household Size**



Source: 2006 CWIQ

96. In order to noticeably reduce poverty, it is imperative to adopt a clear population policy. It must seek to reduce the number of households living on small agricultural operations, by organizing land focusing on developing larger areas that allow for economies of scale and ensure the rationalization of production.

### 2.1.3. Specific poverty situation

97. Besides the determinants of poverty already indicated in the CWIQ survey, three additional surveys, namely the 2007 panel priority survey, the 1-2-3 survey, and the food security and vulnerability survey conducted by the World Food Programme in 2008 provide a greater understanding of certain characteristics and trends of the poverty phenomenon.

#### 2.1.3.1. Trajectory of poverty between 1998 and 2007

98. The 1998–2007 panel priority survey followed the trajectory of 1,000 households between 1998 and 2007. Given the number of households interviewed and the methodology used, the results are clearly not sufficiently representative to allow comparison with CWIQ-type surveys, but a certain number of factors explaining the development of poverty over the last ten years can be determined.

99. Thus, since those surveyed in this sample represent new households, they are more likely than other households to escape poverty. While the original households had a poverty rate of 79 percent in 1998, the households that emerged from them saw their rate fall to 62.3 percent, or a decline of about 17 percent, probably reflecting greater mobility among young families. As a whole, the 1,000 families that were followed up have an average poverty rate of 65.3 percent in 2007 compared to 68.8 percent in 1998, or an average decline of about 3 percent between the two periods. In contrast, the original households that were located had a virtually stagnant rate as indicated in the table below. Finally, these data show that the percentage of poor people by province experienced a contrasting change between 1998 and 2007, under the direct and indirect effects of the crisis.

**Table 1: Poverty Rate by Province in the 1998–2009 Panel Priority Survey (original households)**

| Province       | Poverty rate in 1998 (%) | Poverty rate in 2007 (%) | Change in poverty rate |
|----------------|--------------------------|--------------------------|------------------------|
| Bururi         | 49.4                     | 30.4                     | -19.0                  |
| Cankuzo        | 50.0                     | 52.3                     | +2.3                   |
| Cibitoke       | 71.1                     | 57.8                     | -13.3                  |
| Gitega         | 90.2                     | 81.2                     | -9.0                   |
| Karusi         | 76.9                     | 76.9                     | 0.0                    |
| Kayanza        | 63.2                     | 72.6                     | +9.4                   |
| Kirundo        | 63.6                     | 78.2                     | +14.6                  |
| Muramvya       | 52.5                     | 61.6                     | +9.1                   |
| Muyinga        | 77.2                     | 48.1                     | -29.1                  |
| Ngozi          | 55.6                     | 86.7                     | +31.1                  |
| Rutana         | 81.8                     | 70.5                     | -12.3                  |
| Ruyigi         | 96.2                     | 90.4                     | -5.8                   |
| Sample average | 68.8                     | 67.8                     | -1.0                   |

*Source: Priority Survey, presented by P. Verwimp*

100. It seems clear that the provinces of Kirundo, Ngozi, Kayanza, and Muramvya were the provinces most severely affected by the effects of the war, in contrast to the provinces of Bururi, Rutana, and Muyinga. Nonetheless, this last province was among the poorest provinces in the country in the 2006 CWIQ survey. As for Ruyigi, although the poverty rate seems to have declined slightly, it continues to be the highest rate in the country according to this survey. It should also be noted, however, that some provinces severely affected by the conflict, such as Bubanza, are not represented here.

### **2.1.3.2. Rural poverty and urban poverty**

101. Given that more than 90 percent of Burundi's population lives in rural areas, the large majority of poor people are found in the countryside, which should thus be the primary target of development programs. However, the current population density of 310 inhabitants/km<sup>2</sup> will not allow the economic integration of all the new generations in rural areas in their original setting. As a result, urbanization is expected to accelerate.

102. For this reason, it is important to study the characteristics of poverty in urban areas with a view to preventing the creation of ghettos and shanty towns, which become foci of violence and serious security problems.

103. Two parallel surveys were conducted in 2008 in urban and rural areas, the 1-2-3 survey on employment and the WFP survey on food security, respectively. Although they use different methodologies and their respective questionnaires on household characteristics are not uniform, the two surveys do allow for a better understanding of the phenomenon of poverty in Burundi.

104. Even though these surveys do not easily lend themselves to an analysis of poverty based on the level of expenses or household consumption, they contain detailed modules on the physical welfare of households, the condition of their homes, their access to water and power, and their "assets." These details provide an approximation of "permanent household income" and thus of the capacity of households to consume over the long term, excluding the potential effects of cyclical income.

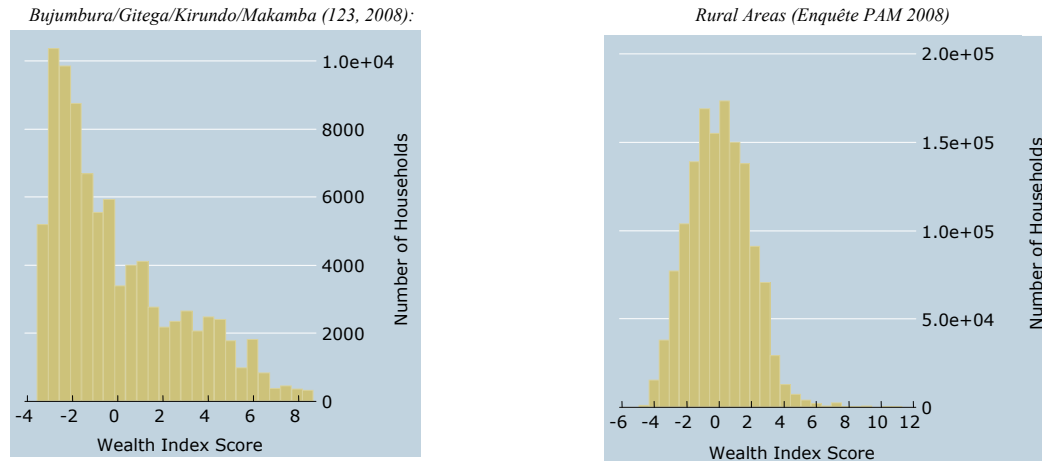
105. The sum of these assets can be used to construct a wealth score based on an analysis by principal component, on the basis of which it is possible to determine the relative positions of households in terms of material wealth.

106. Since the scores calculated on the basis of the two surveys are not based on the same components, it is difficult to compare them in absolute terms. Nonetheless, they can provide a measure of the inequality in household possession of assets, as in the chart below showing the distribution of households based on the level of their wealth.

107. Based on all the evidence, the little wealth there is in rural areas seems to be better distributed than in urban areas. In the former, distribution has a normal shape, with households concentrated around the average wealth score.

108. In the second, households are concentrated at the bottom of the scale, while a small percentage of households is relatively comfortable in material terms.

**Chart 4: Distribution of Households by Wealth Score, Urban versus Rural**



#### A. Poverty in rural areas

109. As emphasized above, poverty is predominant in rural areas, with an average rate of 69 percent in 2006. The level of inequality is low there and the characteristics of the poorest households are not very distinct. However, it is possible, by constructing a wealth index based on the summer 2008 WFP survey, to characterize households belonging to the lowest wealth quintiles.

110. It is not access to drinking water, the type of toilet, or the fuel used for cooking food that distinguishes poor households, since these assets do not depend on private investment but on the still low level of public infrastructures in rural areas. In contrast, there are few households in the lowest wealth quintile that have a tool as rudimentary as a candle-ring (6%) or an oil lamp (1%). The quality of the home is also an external sign of a household's wealth or poverty; 53 percent of very poor households make do with dirt walls, only 35 percent have adobe brick homes, and 92 percent still have a thatched roof.

111. In terms of material possessions, only 6.5 percent has a radio, 2 percent has a bicycle, 6 percent has a table, and 15 percent has chairs. Even in terms of farming implements, households in the poorest quintile have fewer implements than average. In contrast with urban households, few rural households employ a domestic servant (7 percent among the wealthiest, an average of 2 percent).

112. Fewer poor households in rural areas have livestock, only 2 percent of households in the poorest quintile have cattle, 23 percent have goats, and 15 percent have poultry compared to 12 percent, 37 percent, and 27 percent, respectively, for all rural households.

113. In terms of the distribution of poverty by province, using the wealth score provides a slightly different view compared to the poverty rate measured in the 2006 CWIQ survey. Clearly the northeastern and northwestern provinces appear to be the most impoverished, while the provinces of Kirundo and Ngozi are closer to the national average, and other provinces such as Gitega or Bujumbura Rural are among the least poor. This apparent contradiction can be explained by the different measurements of poverty. Use of the wealth score provides an idea of the accumulation of assets by a household over time, while consumption level is closely tied to current circumstances. Thus, it is possible that a favorable climate benefitted the inhabitants of Bubanza during the period preceding the survey, even though years of war deprived its residents of assets they would have been able to accumulate in peacetime. It thus seems necessary to superimpose different measures of poverty in order to understand its extent and characteristics.

**Table 2: Classification of Provinces by Wealth Score**

| Province  | Average Score | Average Wealth Quintile | Number of Households |
|-----------|---------------|-------------------------|----------------------|
| Bubanza   | -0.77         | 2.31                    | 46,146               |
| Ruyigi    | -0.59         | 2.50                    | 80,171               |
| Karusi    | -0.58         | 2.59                    | 82,437               |
| Cankuzo   | -0.52         | 2.63                    | 52,019               |
| Muyinga   | -0.42         | 2.63                    | 112,198              |
| Cibitoke  | -0.24         | 2.84                    | 93,389               |
| Kirundo   | -0.14         | 2.90                    | 123,734              |
| Ngozi     | -0.04         | 2.97                    | 141,428              |
| Kayanza   | 0.22          | 3.17                    | 122,119              |
| Rutana    | 0.22          | 3.13                    | 59,844               |
| Muramvya  | 0.27          | 3.21                    | 55,322               |
| Mwaro     | 0.31          | 3.21                    | 51,764               |
| Bujumbura | 0.46          | 3.29                    | 74,779               |
| Makamba   | 0.57          | 3.41                    | 70,674               |
| Gitega    | 0.68          | 3.38                    | 120,005              |
| Bururi    | 0.80          | 3.53                    | 96,689               |
| Total     | 0.04          | 3.00                    | 1,382,717            |

#### B. Poverty and inequality in urban areas

114. The 1-2-3 survey conducted in three phases, in 2006, 2007, and 2008, provided updated data on household consumption and wealth in four urban areas: Bujumbura, Gitega, Kirundo, and Makamba.

**Table 3. Per Capita Consumption and Inequality (Gini index) in Urban Areas**

|                       | Bujumbura | Gitega  | Makamba | Kirundo |
|-----------------------|-----------|---------|---------|---------|
| Average expense (FBu) | 557,365   | 406,981 | 305,505 | 324,043 |
| Gini index            | 0.439     | 0.379   | 0.450   | 0.439   |

*Source ISTEEDU, 1-2-3 Survey*

115. It should be noted immediately that urban households are clearly not as poor as rural households, with annual average monetary consumption per capita of FBu 458,202, while per capita GDP is only FBu 171,483. Inequalities are very sharp in urban areas and are more pronounced toward the top of the pyramid.

116. The disparities in per capita consumption vary by 60 percent between the first and second income quintile and 125 percent between the fourth and fifth. Average per capita consumption within the last quintile is about nine times higher than in the first quintile. Although the level of consumption in Bujumbura may be noticeably higher than in the three other metropolitan areas surveyed, the degree of inequality that prevails there, measured by the Gini index, is more or less the same, at about 0.44, except in Gitega, where it is clearly lower (0.38).

117. The consequence of this inequality is that in urban areas the characteristics of poor households are very pronounced. Thus, when the urban population is divided into wealth quintiles based on the wealth scores mentioned above, the poorest households are characterized by the following traits:

- They build their houses of adobe brick (95%) while the presence of more solid materials like cement, baked brick, or stone is characteristic of a higher level of wealth;
- They have no access to electricity (0.7%), while 55% of all urban households enjoy electricity, and light their homes using methods such as candles (34%), candle-rings (34%), and hurricane lamps (26%);
- They access water primarily through public fountains (64%) and managed sources (19%) while 54 percent of all households have a faucet in their home or on their lot;
- Seventy-five percent of them still use open pits as toilets and 19 percent use public latrines, which does not particularly distinguish them from households in the intermediate quintiles. In contrast, it is the households in the highest wealth quintile that are distinguished by the use of flush toilets;
- Thirty-six percent still use wood as fuel for cooking and 60 percent use coal, while the higher quintiles prefer coal, or electricity for those who are most comfortable;
- They have a very low rate in terms of material assets, even with respect to those that have become common in urban areas like a radio (34% compared to 69% for all

households) or a mobile telephone (5% compared to 53%). In contrast, unlike rural areas, owning a bicycle is not a sign of wealth and the equipment ownership rate of the poorest household quintile (12.6%) is even somewhat higher than the average (11.8%);

- Obviously they do not have a servant in their homes (0.9%) while 26 percent of urban households and 83 percent of the most comfortable households do have servants.

## **2.2. Demographic issues**

### **2.2.1. Diagnosis of the population problem**

118. The three general censuses conducted successively in 1979, 1990, and 2008 indicate that with a surface area of 29,950 km<sup>2</sup>, Burundi is one of the most densely populated countries in Africa, with a population of 4,028,420 inhabitants in 1979, 5,292,793 inhabitants in 1990, and 8,038,618 inhabitants in 2008. Thus, the inferred density went from 155 inhabitants per square kilometer in 1979, to 204 inhabitants per square kilometer in 1990, to 310 inhabitants per square kilometer in 2008. However, these densities are unevenly distributed in spatial terms in that of the 16 rural provinces, seven exceed the national average of 310 inhabitants per square kilometer (Bubanza, Bujumbura Rural, Gitega, Kayanza, Kirundo, Muyinga, and Ngozi), and three of these provinces have nearly 450 inhabitants per square kilometer (Kayanza - 472, Bujumbura Rural – 458, and Ngozi – 448. These more densely populated provinces account for nearly 52 percent of the total population.

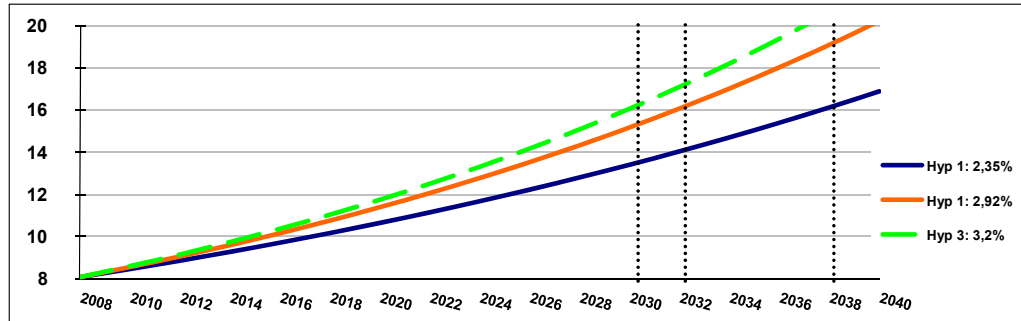
119. Burundi's population is also characterized by strong demographic movement, to a large extent linked to the predominance of young people and their reproductive behavior. Those under age 15 represent nearly 50 percent of the total population and those under age 20 represent nearly 60 percent. The composite fertility index is about seven children per woman and the gross birth rate is about 44.3 percent. A population structure like that of Burundi ultimately becomes a source of many limitations on the country's development. The numbers of the inactive population put strong pressure on the economically productive population in terms of education, health, agriculture, and more generally the sharing of the fruits of economic growth. Since fertility has remained more or less constant, while mortality recorded a significant decline up to 1992 followed by an upward trend, population growth has followed a varying pace depending on the period considered. Thus, between the censuses of 1979 and 1990, the natural growth rate of the population was 2.51 percent while between the censuses of 1990 and 2008, it was 2.35 percent. It was estimated at a level of nearly 2.9 percent to 3.2 percent up to the current time.

### **2.2.2. Population, growth, and poverty**

120. To address the great challenges of the millennium, particularly the eradication of poverty, and considering current demographic reality, demographic factors must now be integrated into development plans and programs, but it is also imperative to consider the

impact of demographic growth as one of the major constraints on combating poverty in Burundi.

**Chart 5: Projected Growth of Burundi's Population, 2008–2038**



*Source: 1990 and 2008 Censuses, 1998 Priority Survey*

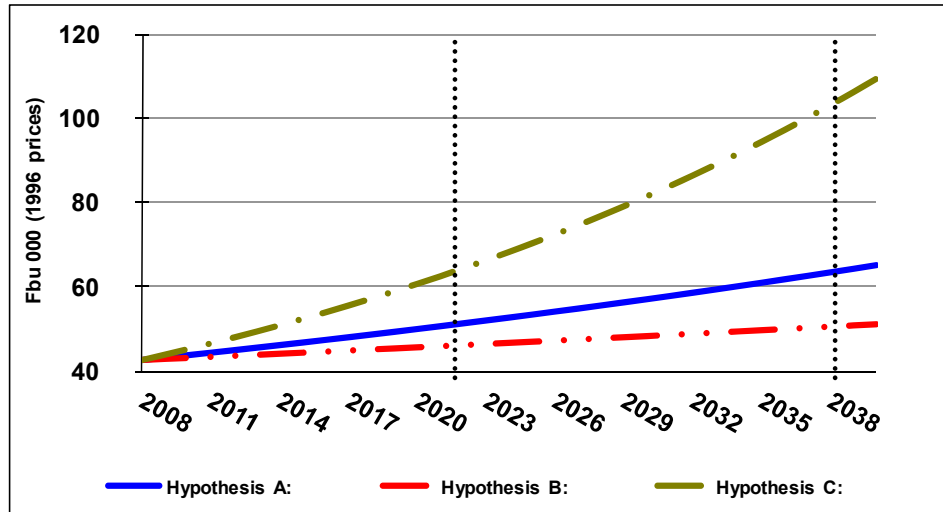
121. The above chart presents annual demographic growth projections based on three assumptions, one low at 2.3 percent, the second at 2.9 percent, and the third at 3.2 percent. It should be noted that in all three cases, the population would exceed 10 million inhabitants before ten years had passed and could double beyond 2030 (high growth assumption), 2032 (medium growth assumption), or 2038 (low growth assumption).

122. This trend is a particular concern given the country's limited resources. The costs to provide social services are expected to increase considerably, while opportunities for the exploitation of new lands are becoming increasingly rare and the secondary and tertiary sector job market is not able to absorb new entrants. In real terms, per capita GDP is today 33 percent lower than in 1990. At the current growth rate of 4.42 percent (2006–2008), it would take 20 years to recover the 1990 per capita income level, assuming annual population growth of 2.35 percent. If this growth were 2.9 percent, it would then take 27 years, and if it were 3.2 percent, it would take 34 years. To recover this income level beyond 2015, annual GDP growth of 8.3 percent would be needed, assuming low demographic growth and even higher growth using the other assumptions, which is unattainable given the current capacity of the national economy.

123. The following chart presents three scenarios of real per capita GDP growth calculated at 1996 prices, using three economic growth assumptions considered realistic, and a demographic growth rate of 2.9 percent. This rate is justified by recent progress in terms of maternal and child mortality as a result of the policy of free healthcare and the development of public health facilities.



**Chart 6: Real Per Capita GDP Growth, 2008-2038,  
with Demographic Growth of 2.9% Per Annum**



Source: Ministry of Planning

124. The central assumption anticipates an average growth rate equal to the initial years of PRSF implementation, or 4.42 percent. The second assumption is pessimistic and anticipates a rate barely higher than that of the population, or 3.5 percent, in the event that the effects of the international crisis continue (decline in export revenues and ODA). The last assumption is more optimistic and anticipates that most obstacles to growth will be removed and growth could stabilize over the long term at 6 percent. We would then have to wait until 2022 to recover the 1990 level of per capita GDP, until 2036 under the central assumption, and until 2079 under the pessimistic assumption.

125. In contrast, if demographic growth could be kept to 1.7 percent, sustained economic growth of 5 percent until 2020 would be sufficient to return to the 1990 per capita GDP level. These figures clearly indicate that everything must be done to control the population's growth so as to increase its well-being and effectively combat poverty. An awareness of this problem was noted during the discussions with the representatives of the population who recommended in particular increased awareness regarding Burundi's demographic issues and emphasized the need to revitalize and strengthen family planning programs.

126. During the consultations with communities, demographic issues clearly emerged from the discussions, following which the specific recommendation was made to intensify awareness-building meetings on birth control and to strengthen training programs on family planning.

## **Chapter 3: Improving governance and security**

### **3.1. Strengthening peace, national reconciliation, and security**

127. The restoration of security, consolidation of the peace, and the national reconciliation process continue to be prerequisites for establishing programs bringing sustainable growth and taking actions with an effective impact on poverty reduction.

128. Generally positive development could be seen during the course of 2008, thanks to the considerable efforts made by all stakeholders in the peace process, specifically the government of Burundi, civil society, the United Nations, and the various international partners.

129. Nonetheless, challenges remain that must be overcome in order to create a strengthened security environment and thus eliminate any risk of renewed conflicts. Above all, this involves the proliferation of weapons among the population, which remains a source of new forms of insecurity.

130. The evaluation of progress made in this area is based on analysis of achievements related to the four objectives set forth when the PRSF was prepared, namely: (i) negotiation of a ceasefire; (ii) demobilization, disarmament, and reintegration of combatants; (iii) professionalization of the defense and security forces; and (iv) promotion of justice, human rights, and the fight against impunity.

#### **3.1.1. Negotiation of the ceasefire**

131. Although the implementation of the global ceasefire accord signed in 2006 was subject to some delays, the efforts made have led to undeniable success over the course of 2008. In fact, while the withdrawal of the PALIPEHUTU-FLN from the Joint Verification and Monitoring Mechanism and the reemergence of insecurity exacerbated by the abrupt renewal of hostilities in April 2008 weakened the country's security situation for some months, renewed discussions in May 2008 notably led to confirmation of the ceasefire. As a result, in June 2008 the government and the PALIPEHUTU-FNL reached a mutual agreement to henceforth give preference to discussion as the way to settle disputes.

132. The leadership of the subregion has played a decisive role in stabilizing the political climate while the direct involvement of the subregion's heads of state encouraged the reconciliation of positions and thus facilitated visible progress, particularly with the declaration of December 4, 2008 that opened up the way to transforming the PALIPEHUTU-FNL movement into a political party and launched the process for the demobilization, disarmament, and reintegration of FNL combatants and the release of political prisoners.

#### **3.1.2. Demobilization, reinsertion, and reintegration of former combatants**

133. Initiated in 2003, the program on the demobilization, reinsertion, and reintegration of former combatants ended 2008 with mixed performance as seen in the table below.

**Table 4: Status of DDR Program Execution as of Year-End 2008**

| Stage          | Status                                | Children |       |          | Adults |       |          | TOTAL      |
|----------------|---------------------------------------|----------|-------|----------|--------|-------|----------|------------|
|                |                                       | Boys     | Girls | Subtotal | Men    | Women | Subtotal |            |
| Demobilization | Program projection                    |          |       | 5,000    |        |       | 50,000   | 55,000     |
|                | Achieved 2007                         |          |       | 3,041    | 16,783 | 506   | 17,289   | 20,330     |
|                | Achieved 2008                         |          |       | 220      | 5,719  | 10    | 5,729    | 5,949      |
|                | Achieved end of 1 <sup>st</sup> phase | 3,212    | 49    | 3,261    | 22,502 | 516   | 23,018   | 26,279     |
|                | Execution rate                        |          |       | 65%      |        |       | 46%      | <b>48%</b> |
|                | Program projection                    |          |       |          |        |       |          | 47,000     |
| Reinsertion    | Achieved 2008                         |          |       |          |        |       |          |            |
|                | Achieved end of 1 <sup>st</sup> phase |          |       |          | 22,502 | 516   | 23,108   | 23,108     |
|                | Execution rate                        |          |       |          |        |       |          | <b>49%</b> |
|                | Program projection                    |          |       |          |        |       |          | 47,000     |
| Reintegration  | Achieved 2007                         |          |       |          |        |       | 13,500   | 13,050     |
|                | Achieved 2008                         |          |       |          |        |       | 3,077    | 3,077      |
|                | Achieved end of 1 <sup>st</sup> phase |          |       |          |        |       | 16,127   | 16,127     |
|                | Execution rate                        |          |       |          |        |       |          | <b>34%</b> |

Source: World Bank Aide Memoire

134. The execution rates are 48 percent, 49 percent, and 34 percent, respectively, for the demobilization, reinsertion, and reintegration phases. The delays in the execution of the various sub-programs led to additional budgetary coverage of 3,232 members of the FDN and 3,146 members of the PNB still to be demobilized, or an effective total of 6,378 people in order to achieve the objective of 25,000 men for the FDN and 15,000 men for the PNB.

135. Regarding the handling of the specific case of FNL dissidents, the signing of two decrees on the legal status of dissidents in the PALIPEHUTU-FNL movement and the creation of the technical commission responsible for verifying the status of dissident combatants in the PALIPEHUTU-FNL movement at Randa and Buramata have made it possible to clarify the future of the group that could be included in the future phase of the program.

### 3.1.3. Disarmament of the civilian population

136. With the effective cessation of hostilities, the illegal possession of firearms is a major challenge to restoring sustainable security reassuring to all. Faced with the risks of insecurity

inherent in the uncontrolled possession of firearms as manifested in armed robberies and the reappearance of ambushes on main roads, the government has set itself the goal of reactivating the program to disarm the population.

137. Progress made during the course of 2008 in this area reflects this political orientation and includes (i) strengthening the Commission for Civilian Disarmament and for combating light arms and small-caliber weapons set up in 2007, (ii) creating provincial outposts, (iii) training on combating the proliferation of light arms and small-caliber weapons, (iv) setting up a munitions destruction site at MUDUBUGU, (v) securing, equipping and building National Police weapons depots, (vi) collecting and neutralizing 1,626 weapons and 31,533 munitions, (vii) raising awareness among senior levels of government, civil society organizations, the population, and the media regarding the voluntary surrender of weapons, (viii) registering and storing weapons surrendered voluntarily, and (ix) search and seizure (2,508 weapons, 5,892 grenades, and 60,623 munitions seized).

138. To encourage the population to surrender their weapons voluntarily, it is important to study ways and means to accelerate procedures for granting compensation in that the noted reluctance to surrender weapons is in part based on this situation.

### **3.1.4. Professionalization of defense and security corps**

#### **3.1.4.1. At Defense and Security Forces level**

139. The program to introduce ethics among the troops at all levels, including an introduction to human rights, international humanitarian law, leadership, discipline, and the military penal code has benefited more than 39,094 men, 23,000 of them in the FDN and 16,094 in the PNB.

140. The preparation and participation of members of the FDN and PNB in peacekeeping operations intensified. Thus, Burundi is among the countries contributing troops to peacekeeping missions in Somalia, the Sudan, Chad, and Cote d'Ivoire. In fact, within the African Union framework, the Burundi contingent with the peacekeeping mission in Somalia went from 850 in 2008 to 1,700 military personnel. In this context, training sessions on the code of conduct and gender were used to prepare Burundi contingents for peacekeeping operations.

141. The National Security Council is currently in operation and has made suggestions on developing and conducting training and civic education sessions for the security forces. As regards strengthening the capabilities of the defense and security forces, particular mention should be made of the training and harmonization program among troops from the old armed political movements and the old national army.

142. Similarly, short- and long-term training sessions are regularly organized for officers with the support of the partners. Moreover, along with the rehabbing of military camps, the quartering of troops and the reinsertion of entire families formerly displaced in military barracks have helped to improve living and hygiene conditions inside the rehabbed barracks.

In order to control the weapons and ammunition of the defense and security forces and thus reduce armed violence, pursuant to the Geneva Convention, signed by Burundi on June 7, 2006, the government set up the center for destruction of weapons and ammunition to mark the weapons of the PNB and the FDN and control ammunition inventories. In addition, a site for destroying explosives and ammunition was set up at the FDN Logistics Base and has already allowed the destruction of 8,008 weapons and munitions, some of which were collected under the civilian disarmament program while others are obsolete PNB and FDN weapons.

143. In the area of oversight and monitoring of security institutions, more frequent activities were noted at the parliamentary level. The parliamentary committee responsible for the defense and security forces regularly conducted visits to monitor the security services, including the Ministry of National Defense.

#### **3.1.4.2. At the National Police level**

144. The basic mission assigned to the national police is to ensure protection for citizens and their belongings. In order to improve the performance of the police corps, the government established an action plan that over the course of 2008 took the form of programs that essentially focused on (i) ethics, the value of the National Police of Burundi, discipline, police conduct vis-à-vis the population, and civic education (10,526 officers), (ii) the basic principles of the legal use of restraint by the police force (4,425 police officers), (iii) institutional communication, and (iv) operational management (143 judicial police officers).

145. Awareness sessions were also organized on the subject of gender-based violence (60 people per commune) and on human rights (30 officers). A police retraining program was also conducted and involved 143 judicial police officers. Similarly, communications equipment with 536 sending and receiving stations and transportation methods (10 motorcycles and 51 vehicles) were made available. The provision of teaching and office material also helped to strengthen the PNB's capabilities.

146. These actions must continue to consolidate their impact on the effectiveness of the national police. The recommendations for achieving this are to strengthen training programs for all ranks of police officers, improve internal and external communications, improve computer and transportation equipment, construct additional police stations, and put the finishing touches to the building to house the Higher Police Institute.

### **3.2. Strengthening the rule of law, combating impunity, and promoting justice for all**

#### **3.2.1. Strengthening justice**

147. Establishing justice that guarantees equity and transparency is an important pivotal point for consolidating the rule of law and hence for instilling an environment favorable to the emergence and encouragement of individual and collective initiatives. From this perspective, strengthening the effectiveness of judicial institutions is part of the priorities of

the government, which has set for itself the objective of gradually removing obstacles hampering access to justice for all.

148. The establishment of effective justice accessible falls within the framework of the priorities defined in the context of policy for the sector. However, in terms of the scope of the challenges to be met, the government's annual spending in this sector, or FBu 1,766 per inhabitant (about one euro), is clearly insufficient.

149. The actions to be taken to minimize these difficulties should seek not only to rehabilitate and build infrastructures but also to professionalize the judges and ensure effective local justice.

### **3.2.2. Expanding access to justice**

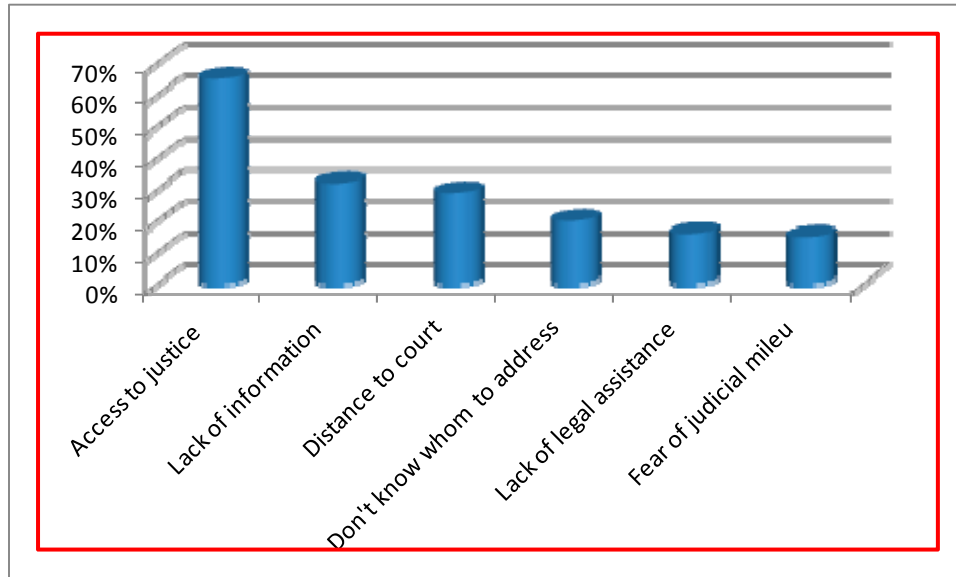
150. The principal issue is to make justice rational, impartial, and effective, to bring the justice system closer to litigants, and to relieve backlogs and crowding in the courts, tribunals, and prisons. The programs carried out from this perspective basically revolve around seeking a better understanding of the real problems in the justice sector by organizing detailed surveys, equipping new infrastructures, and providing legal assistance to the population, most particularly vulnerable individuals such as minors and victims of gender-based violence.

#### **A. Organizing surveys**

151. The results of the survey on the perception of local justice commissioned by the “Gutwara Neza” Program to Support Good Governance<sup>1</sup> indicates that more than one-third of the population consulted (34%) complain about a lack of justice. The following chart presents the main obstacles as defined by the population consulted.

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<sup>1</sup> Béduwé and Michel Van Herp, *La perception de la Justice de proximité par la population burundaise, Rapport définitive, 2007–2008*, European Union.

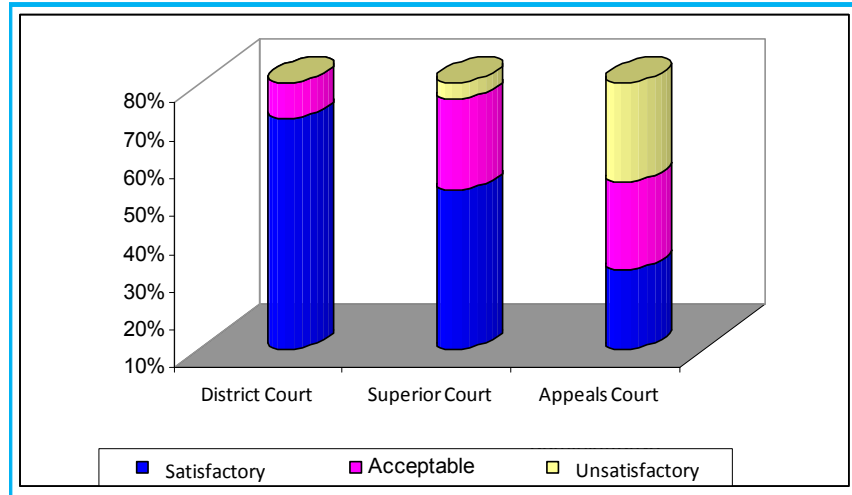
**Chart 7: Obstacles Hindering Access to Justice**

*Source: Survey on perception of local justice*

152. The distance from local courts, lack of knowledge regarding whom to address, as well as the lack of legal assistance are also among the obstacles noted by the population.

153. The second survey conducted in the context of the diagnostic study of governance and corruption in Burundi indicated that more than 30 percent of respondents who had resorted to official justice over the last three years did not understand the procedures followed.

154. This finding is heightened by the fact that most laws are published in French. With a view to solving this problem, the second edition of the codes and laws (1970–2006) in French and Kirundi versions is being prepared while the national legislation unit (SNL), whose mandate includes translating all legal texts, has already translated seven laws in 2008. The survey on the monitoring of public expenditure and the beneficiaries' level of satisfaction covered the justice sector in addition to education and health.

**Chart 8: Assessment of Treatment by Type of Jurisdiction**

*Source: 2007 PETS Survey*

155. Those interviewed in this survey tend to confirm that costs are high (51.4%) and decisions are handed down slowly (60%). This latter aspect seems to be one of the principal problems mentioned by the population, has very negative repercussions on the effectiveness of the judicial system, and is the basis for the dissatisfaction experienced by litigants.

156. In contrast, while the quality of treatment continues to be generally good, it can be noted that more than 50 percent of users consulted in the context of the PETS survey consider it satisfactory and about 77 percent find it more or less acceptable.

157. The above chart thus shows that the higher the jurisdiction, the more the level of satisfaction deteriorates in terms of the quality of treatment. This assessment indicates that the population considers itself more welcome and better treated in the district courts and would likely have greater confidence in the local courts.

## **B. Equipping of infrastructures**

158. Based on the desire to bring justice closer to the litigants in accordance with the sectoral policy, the district received significant support. In most cases, this meant constructing new sites while in other cases buildings destroyed during the crisis had to be rehabilitated. Thus 33 district courts (local courts) were constructed in 2008. For 2009, there are plans to construct an additional 40 district courts and rehabilitate another 30.

## **C. Legal assistance**

159. Several national and international participants are currently ensuring that legal aid and judicial assistance are available to the vulnerable population. In 2008, about 750 people benefitted from representation before the courts and tribunals. However, this system will not function as well as possible until a specific legal framework is set up, facilities are set up, and



a budgetary line item is opened up to ensure that the population has access to the law and is heard, given guidance, and represented in court when appropriate. The possibility of opening up a legal aid service operating at the communal level and managed by the commune itself is also being examined on a pilot basis in three of the country's communes.

### 3.2.3. Strengthening the credibility of the judicial system

#### Challenges to the judicial system

**Table 5: Status of Criminal Cases in Prosecutors' Offices**

| OFFICE OF THE ATTORNEY GENERAL                  | Cases during year | Cases opened | Cases closed | Cases remaining |
|---|-------------------|--------------|--------------|-----------------|
| General Prosecutor's Office of the Republic     | -                 | -            | -            | -               |
| Gen. Prosecutor's Office/Anti-corruption court  | 55                | 281          | 210          | 126             |
| Gen. Prosecutor's Office near A.C. of Bujumbura | -                 | -            | -            | -               |
| Gen. Prosecutor's Office near A.C. of Gitega    | 6                 | 14           | 14           | 6               |
| Gen. Prosecutor's Office near A.C. of Ngozi     | 1                 | 61           | 42           | 21              |
| Prosecutor's Office of Bubanza                  | 304               | 898          | 634          | 388             |
| Prosecutor's Office of Bujumbura-City           | 5106              | 3373         | 3727         | 4793            |
| Prosecutor's Office of Bujumbura-Rural          | 323               | 744          | 914          | 153             |
| Prosecutor's Office of Bururi                   | 982               | 902          | 1209         | 675             |
| Prosecutor's Office of Cankuzo                  | 58                | 332          | 312          | 78              |
| Prosecutor's Office of Cibitoke                 | 14                | 915          | 300          | 129             |
| Prosecutor's Office of Gitega                   | 118               | 1236         | 1217         | 137             |
| Prosecutor's Office of Karusi                   | 25                | 394          | 398          | 21              |
| Prosecutor's Office of Kayanza                  | 125               | 771          | 807          | 88              |
| Prosecutor's Office of Kirundo                  | 577               | 827          | 758          | 615             |
| Prosecutor's Office of Makamba                  | 88                | 700          | 743          | 45              |
| Prosecutor's Office of Muramvya                 | -                 | -            | -            | -               |
| Prosecutor's Office of Muyinga                  | 130               | 904          | 757          | 205             |
| Prosecutor's Office of Mwaro                    | 40                | 505          | 487          | 58              |
| Prosecutor's Office of Ngozi                    | 69                | 1168         | 1026         | 212             |
| Prosecutor's Office of Rutana                   | 17                | 538          | 547          | 8               |
| Prosecutor's Office of Ruyigi                   | 37                | 361          | 358          | 30              |
| <b>TOTAL</b>                                    |                   | 14924        | 14460        |                 |

Source: Ministry of Justice

160. Over the years, the credibility of the judicial system has eroded due in particular to the shortage of qualified staff and financial and logistical resources, the failure to adapt the legal framework and materials, and corruption. In terms of competence, only 28.4 percent of sitting judges hold a degree in law, although the rate is 82.9 percent in the higher jurisdictions.

161. The limited qualifications of personnel diminish the effectiveness of the system and affect the quality of services provided to the population (misinterpretation of the law, ignorance of procedural timeframes, poorly rendered judgments, etc.). As shown in the matrix of indicators, the number of court delays, i.e. the accumulation of unprocessed cases, has been increasing constantly since the start of the decade, even though the number of judges has increased significantly since 2004.

162. In terms of competence, only 28.4 percent of sitting judges hold a degree in law even though the rate is 82.9 percent in higher jurisdictions. The limited qualifications of personnel diminish the effectiveness of the system and affect the quality of services provided to the population (misinterpretation of the law, ignorance of procedural timeframes, poorly rendered judgments, etc.).

163. Finally, delays in adopting a new code of criminal procedure as well as a new law on inheritance, matrimonial regimes, and bequests significantly limit effectiveness in the handling of cases related to family and land disputes, which account for the largest number of issues to be resolved. In general terms, the volume of cases to be handled continues to accumulate in prosecutors' offices as shown in the table.

164. In collaboration with various partners, the government has undertaken reforms to mitigate the impact of these problems and has expanded the implementation of its program to strengthen the capabilities of justice professionals by carrying out the following actions:

- (i) Organization of a training session in ethics for towns in all of the country's provinces: 167 judges have benefited from these sessions;
- (ii) Preparation of a course on business law for judges in the Court of Commerce;
- (iii) Training on administrative disputes for the members of the Administrative Courts of Bujumbura and Gitega and the administrative chamber of the Court of Appeals of Ngozi;
- (iv) Training of 12 national trainers in court management who in turn presented courses to 205 prosecutors' offices chiefs, courts, clerks, and court secretaries, in order to improve the technical knowledge and quality of the services provided by judges;
- (v) Training of judge-trainers (12), social workers (17), and judicial police officers (16) on justice for minors in December 2008;
- (vi) Granting of eleven study and research scholarships for judges in the context of supporting promotion of gender balance in terms of representation in the courts.

165. Seeking to enhance the impact of these programs and prepare a better strategic training plan, a study was begun to evaluate the training needs of both judges and court personnel. Ultimately, the plan is to conduct essential refresher training courses for certain categories of personnel and to move toward establishing a Professional Judicial Training Center.

166. The year 2008 also saw the adoption of measures designed to reestablish trust between the justice system and litigants through a broad program to enforce judicial decisions and a campaign of on-site visits. For this purpose, 505 clerks and judges were given preliminary training on decision-writing techniques, methods for enforcing orders and

decisions, civil and criminal procedure, classification and archiving, and case management and handling. In this way, 1,855 matters were handled and 1,945 reports were issued.

167. [sic] While this program has made it possible to temporarily alleviate the judicial backlog, unfortunately it has not been accompanied by a continuity strategy. Reform of the rules for enforcing court decisions and revision of the criminal procedure code are still major challenges for quickly dealing with the sizeable accumulation of cases pending before the various jurisdictions and for relieving overcrowding in prisons.

### **C. Condition of prison system**

168. As regards the prison system, cases of illegal or arbitrary arrests, failure to separate minors from adults, failure to file the arrest and custody record, as well as poor conditions persist. Those in preventive custody thus account for nearly two-thirds of those being detained. In order to improve access to justice for detainees and reduce extended preventive custody, itinerant courts and prosecutors have been organized in the jurisdictions of some provinces. However, these actions have had little effect on overcrowding in prisons. The program to provide assistance to juvenile prisoners should help to speed up the examination of their cases.

169. On the same subject, prison overcrowding is worse in that the prison population increased from 197 percent to 245 percent between 2005 and 2008, after having declined following the Arusha accords. The number of detainees increased particularly in 2008, increasing from 106 to 123 per thousand inhabitants. In addition to involving a violation of human rights, this overcrowding leads to a deterioration of prisoners' living conditions and further strengthens the population's negative perception of the justice system.

170. Reform of the rules for executing court decisions and revision of the criminal procedure code continue to be major challenges for dealing promptly and diligently with the significant case backlogs pending before the various jurisdictions and for clearing out the prisons. Overcrowded conditions should lead to the development of a criminal policy, the holding of more frequent pre-trial chamber sessions, and the renovation of prisons so dilapidated they run the risk of collapsing. In 2008, some detention centers were rehabilitated and this initiative should continue during 2009 so as to cover 11 of the country's prisons. The possibility of developing new prison facilities is also recommended while urgent actions have already been identified by the thematic group on detention in order to solve the problems of overcrowded prisons.

#### **3.2.4. Promotion and defense of human rights**

171. Despite efforts to ensure respect for human rights in Burundi, some cases of human rights violations attributed to the PNB, FDN, SNR, government agents, the PALIPEHUTU-FNL and its presumed dissidents could be noted during 2008. Aware that the human rights dimension is fundamental to the success of poverty reduction programs, the government has taken concrete steps to remedy the situation, in particular by restoring more stringent

discipline in the security forces and by initiating ongoing dialogue with all socioeconomic partners and civil society.

172. Moreover, completing and promulgating the new penal code represents significant progress in combating impunity for crimes in Burundi. In effect, the new code eliminates the death penalty, raises the age of majority, sets out alternative penalties in lieu of imprisonment, and considers torture a criminal act. This is also true of genocide, war crimes and crimes against humanity, and gender-based violence.

173. In addition, several actions were taken within the framework of the integrated strategy for combating sexual assaults and abuses against women and children. Efforts to eradicate such offenses are complicated by the fact that they are not reported in all cases. Victims prefer not to report sexual violence to which they are subjected and often opt for amicable settlement through the *Bashingantahe* [elders]. This practice contributes to persistent impunity for these crimes to the extent that the alleged perpetrators thus escape prosecution.

174. During 2008, the government organized information and education campaigns to educate the population on their rights and duties. Thus, targeted campaigns were organized during events such as (i) the Day of the African Child, (ii) the 60<sup>th</sup> anniversary of the Universal Declaration of Human Rights, (iii) the International Day in Support of the Victims of Torture, and (iv) on the occasion of the Goma Declaration. The government produces a weekly radio program on various subjects related to human rights. The program is broadcast on all stations and can thus be heard anywhere in the country.

175. Finally, training programs on human rights and peaceful coexistence are organized for different target populations such as grass roots officials, prisoners, the defense and security forces, populations in peace village sites, etc.

176. Actions to strengthen capabilities have also been carried out through assistance to the victims of human rights violations (attention and guidance). In terms of adherence to international conventions, note should be made of training in human rights for focal points in the ministries and the distribution of equipment to the National Police of Burundi (motorcycles, communications equipment, office supplies, etc.).

177. In order to comply with international commitments regarding the production of initial and periodic reports on human rights conventions and agreements ratified by Burundi, a small report preparation unit was set up and given training in this area. Focal points in the area of human rights were set up in the various ministries. They are responsible for providing data to the report preparation unit.

178. Regarding the promotion and protection of the rights of specific groups, a national gender policy was developed. Gender focal points have been set up in the ministries. They are responsible for ensuring that the gender dimension is taken into account in the policies and programs of their ministries. In terms of protecting children, a national policy for orphans and other vulnerable children is being developed. In addition, training and awareness

sessions, particularly for community leaders regarding human rights protection, human dignity, and violence against women, which have already started, will have to be strengthened and continued.

179. Finally, the hunting of albinos in certain provinces of the country, particularly on the border with Tanzania, was also noted in 2008, during which five albinos were killed. Most albinos, fearing for their safety, have had to take refuge at the headquarters of certain provinces and communes. Energetic actions have been taken, leading to the arrest of those alleged to have committed these crimes. Strategies designed to totally dismantle their network have been decided upon with the Tanzanian government.

180. In order to strengthen government action in the area of protecting human rights, the following strategies and actions will be considered.

| <b>Objectives</b>  | <b>Actions</b>  |
|--|---|
| Devise strategies to mobilize financing and implement programs benefiting target populations;  | Set up a permanent framework for mobilizing donor financing;<br><br>Set up an observatory for monitoring-evaluation and coordination of various interventions carried out for the benefit of vulnerable and needy populations.  |
| Promote respect for human rights so that they will flourish in Burundi society.  | Set up an effective information system on human rights violations;<br><br>Set up a broad human rights education program;<br><br>Collaborate closely with civil society organizations and other partners;<br><br>Strengthen the capabilities of units responsible for monitoring respect for human rights.   |
| Promote peace education and national reconciliation by restoring cultural values.  | Prioritize peaceful settlement of disputes through community mechanisms;<br><br>Involve shelters in dispute management.   |
| Set up effective mechanisms for coordination and follow-up of the interventions of government and its various partners so as to have significant impact on beneficiary populations.                                      | Create a permanent framework for consultation among different participants including donors;<br><br>Create a small permanent unit to design, monitor and evaluate interventions on behalf of vulnerable individuals.  |
| Promote the socioeconomic integration of the Batwa among Burundi's other population groups, particularly by changing attitudes, establishing income-generating micro-projects, facilitating access to basic vital needs. | Continuously raise awareness among the Batwa regarding non-marginalization and non-discrimination;<br><br>Set up a system of adapted monitoring and evaluation along with follow-up indicators;<br><br>Raise awareness among the Batwa of the merits of filing vital records (births, marriages, deaths) and facilitate their access to these services. |

### **3.3. MANAGING CONFLICTS ASSOCIATED WITH THE PAST**

#### **3.3.1. Process of establishing traditional justice**

181. The process of setting up transitional judicial mechanisms is on course. In June 2008, the government signed a PBF project document with the United Nations to support national consultations on establishing transitional justice mechanisms in Burundi. A schedule of consultations was adopted for the purpose. Awareness and information campaigns to accompany the process have been organized for civil society, religious denominations, the Bashingantabe, youth, and media representatives.

#### **3.3.2. Settlement of land disputes**

182. An expanded inter-ministry technical committee including donors has coordinated the preparation of the land tenure policy paper, the content of which was approved in September 2008. The policy paper focuses on (i) revising the land tenure code, (ii) restructuring and modernizing the land tenure offices, (iii) decentralizing land tenure management, and (iv) developing sustainable solutions to the problems of those without land and the limited amount of land available. The draft code was presented to the public during the workshop organized in November 2008. Innovations in this regard involve (i) decentralizing land use offices, (ii) the role of local authorities in securing land; (iii) clarifying the status of small farmers; and (iv) creating a national land tenure commission.

183. Regarding the problems of those without land, exacerbated by the massive repatriation of refugees, a rural villages strategy was adopted on August 4, 2008, and has led to the creation of three pilot villages in Makamba and Rutana. In general terms, the land tenure problem continues, above all in areas strongly affected by the number of returnees, as indicated by the volume of the disputes filed as of late 2008.

**Table 6: Summary Data on Disputes Filed**

| No. | Province         | Land Disputes | %            |
|-----|------------------|---------------|--------------|
| 1   | BUBANZA          | 675           | 5.8          |
| 2   | BUJUMBURA MAIRIE | 1,771         | 15.3         |
| 3   | BUJUMBURA RURAL  | 204           | 1.8          |
| 4   | BURURI           | 1,911         | 16.5         |
| 5   | CANKUZO          | 41            | 0.4          |
| 6   | CIBITOKÉ         | 583           | 5.0          |
| 7   | GITEGA           | 352           | 3.0          |
| 8   | KARUSI           | 207           | 1.8          |
| 9   | KAYANZA          | 173           | 1.5          |
| 10  | KIRUNDO          | 565           | 4.9          |
| 11  | MAKAMBA          | 1,890         | 16.3         |
| 12  | MURAMVYA         | 458           | 4.0          |
| 13  | MURAMBYA         | 7             | 1.6          |
| 14  | MUYINGA          | 38            | 0.3          |
| 15  | NGOZI            | 1,808         | 15.6         |
| 16  | RUTANA           | 511           | 4.4          |
| 17  | RUYIGI           | 194           | 1.7          |
|     | <b>TOTAL</b>     | <b>11,568</b> | <b>100.0</b> |

184. The CNTB has settled 3,389 disputes (2.93%) and ratified 702 amicable settlements. There are plans to expand the CNTB from 23 to 50 members and to improve its legal ability to make final decisions so as to relieve congestion in the judicial system. However, sooner or later, the political dialogue on land use issues will have to be strengthened in terms of looking for opportunities to make land accessible to the poor while land use reform turns out to be an essential option for updating an action plan that will be operationally effective. In the meantime, land use security units have been set up by the CNTB in some communities.

### **3.4. Strengthening governance**

#### **3.4.1. Strengthening political governance**

##### **3.4.1.1. Strengthening the capabilities of selected institutions**

185. To promote exchanges between senators and local elected officials, the senators have conducted on-site visits in the 16 provinces and the city of Bujumbura, during the course of which several subjects were addressed, specifically (i) community development and land

management planning to achieve food self-sufficiency, (ii) the role of local elected officials in social cohesion and justice, and (iii) developing a better communication strategy within the communal councils, including both internal communication and communication with partners. Regarding the establishment of a permanent framework for consultation with local elected officials, the Burundi Association of Local Elected Officials (ABELO) was created. A total of nearly 1,000 local elected officials, or eight times more officials than in earlier years, had the benefit of at least one training session in 2008.

#### **3.4.1.2. Promotion of decentralization**

186. Progress was noted over the course of the period under review, particularly in terms of good governance committees, participatory involvement in the choice of priorities, and the strengthening of capabilities within decentralized agencies. In order to draw up a report on the operation of local good governance committees, provincial meetings were organized throughout the country and should result in a proposal to set up inclusive local good governance committees to promote accountability and solidify grass roots citizen involvement in the development and management of local affairs.

187. In terms of increasing awareness and information regarding decentralization and local governance, activities have focused on (i) training the media and civil society organizations on decentralization and local governance, bringing together 100 people from professional associations, the media, audiovisual media, the press, regulatory agencies, and departments involved in decentralization and local governance; (ii) organizing an awareness and information campaign on decentralization and governance at the local level; (iii) putting together texts on decentralization, consisting of 18 legislative and regulatory texts on decentralization in Burundi; and (iv) setting up and validating a database on local groups in the 17 provinces. After evaluating needs and limitations, 50 motorcycles and 33 computers were made available, 20 communal offices were rehabilitated, and 39 community offices were constructed.

#### **3.4.1.3. Promotion of citizen participation**

188. Actions to promote citizen participation were devoted to provincial consultations during the Estates-General on decentralization in Burundi and brought together more than 2,000 people in the 16 provinces and Bujumbura Mairie. All social categories were targeted so they could contribute to the formulation of the decentralization policy.

189. The most rewarding discussions resulted in the amendment of the decentralization policy paper as well as the three-year action plan for implementing decentralization, with five strategic axes relating to five themes.

- (i) **The legal framework** advocating the compilation of all legal texts that should allow communes to fully exercise their responsibility to supervise local development. These texts, as appropriate, may be legislative or simply regulatory. Based on this, the legal pyramid of suggested measures is variable depending on the importance of the issues addressed.



- (ii) **The institutional framework** suggests establishing more appropriate organizational structures for the execution and coordination of decentralization policy.
- (iii) **Strengthening of capabilities** of institutional participants through mass training and communication activities addressed to the population in order to compensate for the weak social penetration of decentralization at the grass-roots level.
- (iv) **Creation of the ideal conditions** to allow communes to meet the challenge of promoting socioeconomic development and poverty reduction.
- (v) **Strengthening of the population's ability to contribute**, through local taxation, should provide communes with financial resources to launch endogenous development.

190. As a tool for framing, guiding, and operational planning of the implementation of the decentralization policy, the National Decentralization Policy Paper will henceforth define the main strategic guidelines of decentralization policy and actions to be taken over the long term (8 to 10 years).

#### **3.4.1.4. Promoting the culture of political dialogue**

191. In the context of its policy of giving preference to consultation, dialogue, and exchange regarding the principal challenges facing the country and how to resolve them, the government, in collaboration with its partners, has initiated a wide-ranging program devoted to seeking broad consensus on the country's sociopolitical issues. To this end, the following phases have guided the course of the work.

192. The organization of the first national forum bringing together all stakeholders, which took place April 17–19, 2008, facilitated the launch of the process and established discussion frameworks for the various sociopolitical participants. Thus, democratic dialogue was possible and allowed the different participants to together define their priorities for consolidating peace in Burundi as well their roles and responsibilities for dealing with various issues, particularly the proper preparation of future elections. This initial phase, which should allow the participants to adopt the rules of democratic dialogue and reach consensus regarding the important issues/priorities the country is facing, included two discussion sessions for 120 government officials, 17 discussion sessions with civil society organizations in all the provinces (more than 1,000 participants), two discussions sessions with 60 media professionals, two discussion sessions with all political parties (120 representatives), and two discussion sessions with 138 members of parliament.

193. The second phase involves the preparation of action plans with concrete suggestions for moving forward. The third phase consists of organizing five regional forums to allow various sociopolitical participants (parliament, political parties, civil society, and the media) to evaluate and contribute to the results of each framework so as to arrive at a mutual commitment suitable for instilling a culture of dialogue in Burundi.

194. A final phase on the organization of a national forum in Bujumbura bringing together all sociopolitical participants is designed to allow them to evaluate the benefits of dialogue

and its impact on the national peace-building process, particularly in the use of dialogue to resolve and prevent conflicts in Burundi.

195. In the context of the project supporting the establishment of dialogue and consultation frameworks among national partners and the objective of strengthening democratic culture, a series of actions will be taken, particularly the political parties forum, to perpetuate the fruits of these dialogue frameworks, perform a technical, institutional, and organizational diagnosis of the existing local good government committees in order to define the situation, strengths and weaknesses, opportunities and risks facing these committees in performing their mission and ways to establish such committees where they do not exist. This will allow grass-roots communities and the development partners supporting these committees to participate in promoting good governance.

### **3.4.2. Strengthening administrative governance**

196. In the context of strengthening the capabilities of the communes, training activities were provided for local actors (CDC, CCDCs, communal councils, and project management committees) on varied subjects such as project planning and management. These training and information sessions made it possible to address subjects such as project planning and management, the updating of communal community development plans (PCDC), the identification of community projects, government contracting awards, financing of priority projects developed by the PCDCs, and support for their implementation. Formally, 17 out of 129 communes received a development plan, and 11 of them have been confirmed as of year-end 2008.

197. Questions related to the technical and organizational capabilities of local civil society partners, including issues of project financing, civilian education and good governance, organization of civil society, as well as the strengthening of local actors' capabilities in advocacy techniques have also been addressed. The formalization of Batwa marriages represents an important step toward integrating this community within the country's sociopolitical life.

198. The training sessions organized by PRADECS targeted local participants in 34 communes where it is active, providing training on communal planning modules and the microproject monitoring and evaluation cycle. These sessions trained about 2,200 people at a rate of 50 people per commune. The training on government contract awards and financial management involved 430 people. Data processing training for communal agents was also provided to 150 people.

### **3.4.3. Strengthening economic governance**

#### **3.4.3.1. Combating financial malfeasance**

199. In the context of restoring the values of integrity that were greatly diminished by the sociopolitical crisis, the proper management of public funds is one of the foundations on which Burundi's socioeconomic development must be built. To this end, actions taken during

the course of 2008 involved (i) conducting a diagnostic survey on governance, (ii) revitalizing the role of the General State Inspectorate, and (iii) increasing transparency in the management of public affairs.

200. The involvement of civil society must be emphasized, with 3,147 cases of malfeasance reported, in comparison with 2,619 cases reported in the preceding year. However, the anti-corruption court tried only 21 cases in 2008, compared to 77 in 2007, indicating the need to strengthen its caseload capacity.

*a. Diagnostic survey on governance*

201. The conduct of the diagnostic survey on governance and corruption in Burundi represented significant progress toward the implementation of a national strategy on corruption and combating corruption, along with its action plan. The report on the survey was forwarded to the government in May 2008 and analyzed by the Council of Ministers in August 2008. The survey's results were disseminated throughout the country and the terms of reference for drawing up the strategy were finalized.

*b. Revitalized role of the IGE, the Court, and the Special Anti-Corruption Brigade*

202. The General State Inspectorate was able to produce 85 reports and also filed 11 complaints with the general prosecutor's office at the anti-corruption court for misappropriation of funds, fraudulent management, or some other malfeasance.

203. The year 2008 was also marked by some degree of renewal of the activities of the General State Inspectorate, particularly in connection with the installation of the institution's new units, divided into five divisions as follows: the Division of Public Revenue; the Division of Public Expenditures; the Division of Public Participation Companies and Projects, the Division of Administrative and Legal Affairs, and the Division of Training, Methods, and Documentation.

204. With regard to the special anti-corruption brigade, three new regional headquarters were opened in 2008 in Bururi, Gitega, and Kayanza in order to improve performance in the area of combating corruption and related offenses.

*c. Strengthening transparency in the management of public funds*

205. The units responsible for combating financial malfeasance benefited from new support through two important programs. **The first program involves support for Strengthening Mechanisms to Combat Corruption and Financial Malfeasance.** The actions carried out in this context relate to the following aspects:

- (i) Raising the awareness of all stakeholders (government, private sector, civil society, grass-roots population, etc.) on the responsibilities of the various participants and the new mechanisms to combat corruption;

- (ii) Strengthening the technical and human capabilities of the staff of the Anti-Corruption Court and the Special Anti-Corruption Brigade through training on audits, general concepts of criminal law, legal inquiry and instruction, government contracting, and public accounting;
- (iii) Training of four staff members of the Anti-Corruption Court and the Special Anti-Corruption Brigade in South Africa;
- (iv) Training of four staff members of Anti-Corruption Court and the Special Anti-Corruption Brigade on monitoring enforcement of the finance law and on the new Government Procurement Law;
- (v) Support for the Special Anti-Corruption Brigade to draw on experience and expertise in the network of the East Asian Anti-Corruption Association, as a new member;
- (vi) Support for the Anti-Corruption Court and the Special Anti-Corruption Brigade to allow two staff members to participate in a seminar on combating corruption in Kiev in the Ukraine.

206. **The second program is related to the project to combat corruption.** This program basically focuses on building awareness among and providing information to police chiefs and the judiciary. The next phases in the implementation of this project will consist of:

- (i) Starting English language instruction for personnel of the Anti-Corruption Court and the Special Anti-Corruption Brigade;
- (ii) Providing the Special Anti-Corruption Brigade with office furniture;
- (iii) Organizing three information and awareness-building workshops in Bujumbura, Ngozi, and Bururi for judges in the regular jurisdictions and police services regarding anti-corruption law and their role in combating corruption;
- (iv) Organizing 34 information and awareness-building workshops for communal leaders and grass-roots populations as represented by their elected officials on preventing and combating corruption;
- (v) Supporting media campaigns to build awareness among the population regarding efforts to combat corruption;
- (vi) Conducting an independent study on the operation of the Anti-Corruption Court and the Special Anti-Corruption Brigade and a national workshop on evaluating their activities.

207. At the decentralized level, initiatives already taken such as creating community outposts to combat corruption, setting up units to oversee communal funds, and organizing committees to manage the revenues of the district courts will be encouraged, strengthened, and gradually expanded.

#### **3.4.3.2. Reform of government finance**

208. The search for greater consistency between budgets and the priorities of socioeconomic policy, improved performance by revenue collection units, increased transparency and effectiveness in the management of public funds, and clarification of the legal and institutional framework are four major objectives targeted through the implementation of the reforms identified in the area of public finances.

***a. Aligning the budget with the priorities of economic and social policies***

209. Since the implementation of the interim PRSF, ongoing efforts to improve the profile of public expenditures have been made and gradually strengthened thanks to renewed cooperation with donors. With adoption of the complete PRSF, visible progress was made, particularly in terms of the social sectors benefiting from an increasingly larger portion of the budget. It is in this same spirit that capital expenditures were reviewed in order to identify in advance actions focusing on combating poverty.

***b. Improving the performance of revenue collection units***

210. In the area of taxes and fees, an important step was taken thanks to increasing control of the numbers of taxpayers through introduction of the NIF. As of year-end 2008, about 3,500 people who owe taxes were counted. However, the use of this system is not entirely operational since the list of taxpayers is still not exhaustive.

211. This gap can be overcome by speeding up the computerization program, for which the tasks should be completed in 2009. This will make it possible to finalize the creation of a unique file for all taxpayers and establish the necessary links with key offices such as the Customs Directorate. At the same time, revision of the General Tax Code, updating of tax procedures, preparation of the taxpayer's charter, and updating of the chart of accounts are measures that when completed should have a significant impact on the performance of the Tax Directorate.

212. With regard to the customs office, implementation of the Customs Code promulgated in 2007 was consolidated through the implementation order signed in January 2008. Use of the SYDONIA ++ software has already produced significant results, particularly better monitoring of import activities, stricter control of related exemptions, and gradual integration of the NIF in customs operations. Regarding improved infrastructures, it is important to note the rehabilitation of the port and airport customs officers as well as the border customs stations of KOBERO and KANYARU HAUT.

213. Regarding Burundi's entry into the East African Community (EAC) in 2007, the government is moving ahead with institution of the VAT, which should replace the transactions tax. It is understood that this reform may be used to offset customs losses that will be caused by establishment of the Common External Tariff (CET) and thus improve its budgetary viability. The VAT and the CET will be supplemented by (i) revision of the budget year, (ii) creation of the Revenue Office, and (iii) harmonization of customs with EAC customs. Non-tax revenues, particularly administrative and portfolio receipts, merit particular attention, especially in terms of the performance of various agencies responsible for collecting those revenues and improved forecasting capabilities.

***c. Effective and transparent management of public expenditures***

214. Measures taken regarding management of public expenditures basically involve objectives related to transparency, effectiveness, and control of different types of spending.

215. When the budget is being prepared, it is part of the logic established for the budget framework, including indications on the funds allocated to each ministry, and is more intelligible thanks to the combined presentation of the RB and SIB by ministry. The combined presentation of loans and grants for development projects by ministry represents the next phase in the process.

216. Promulgation of the Government Procurement Code represents a decisive step toward transparency in the management of public funds. For this purpose, new units such as the National Government Procurement Regulatory Authority and the National Directorate for Control of Government Procurement are already operating. The units in charge of the management of government procurement have already been set up within the various ministries. Work that remains to be done includes publicizing the new code, developing government procurement award documents, and strengthening the capabilities of the new agencies set up in this context.

217. Progress made in terms of budgetary execution also reinforces the objective of transparency and effectiveness. For this purpose, although the Integrated Government Finance Management System (SIGEFI) currently in place still needs improvement, it has nonetheless allowed for a certain degree of control over the principal stages of the expenditure circuit, particularly in terms of allocation, settlement, and orders to pay. However, efforts are still to be made to improve data reliability while at the same time it is important to study ways and means to restore the link between the BRB and the Ministry of Finance and ensure integration in the system of payment-related operations (disbursements and collections). Securing and maintaining the SIGEFI as well as integrating receipts and payment in accounting could be done when the tax units are computerized.

218. The wage bill is controlled by (i) freezing the hiring of civil servants except in priority sectors such as health, education, agriculture, and justice, (ii) completing the census of civil servants, and (iii) launching the census of army and police personnel. The transfer of payment management to the Ministry of Finance and the formulation of a consistent framework for increasing compensation compatible with budgetary possibilities should, during the course of 2009, complete all the measures the government has taken to increase efficiency in managing compensation. To perpetuate the benefits of the two censuses, it is imperative to establish a reliable and secure database. In the area of cash flow management, important phases have been completed. A preliminary cash flow plan based on the seasonality of revenues and expenditures is produced on a regular basis. Moreover, centralized finance has gradually been reestablished while the creation of a joint BRB-Ministry of Finance commission has provided new bases for more coherent forecasting of cash flow requirements and the issuance of bonds and treasury bills.

#### ***d. Strengthening the legal and institutional framework***

219. The government has just completed a decisive phase in the adoption of the Organic Law on Government Finance (LOFP) and development of a Government Finance Management Strategy (SGFP). The implementation of the LOFP promulgated on December 4, 2008 will make it possible to update the legal and regulatory mechanism,

particularly the provisions of the General Regulations on Government Accounting (RGCP), to develop a manual of procedures on the expenditure chain, and to revise the government's budgetary nomenclature and chart of accounts.

**Box 1: The New Organic Law on Government Finance**

The new organic law on government finance was promulgated in December 2008, replacing the old 1964 law. Without drastically changing national administrative traditions, the law's objective is to adapt government finance management by providing modernizing elements geared toward the decentralization of budgetary execution, primarily through the "decentralization of the payment-authorizing officer." Starting in 2014, ministries with this authority will benefit from management autonomy and proceed to authorize payments through their financial departments. Thus, the ministries will be fully responsible for the implementation of their programs and the pace thereof.

As for the vote on the annual budget act, it is divided in two parts: in the first, delegates will vote on the broad outlines of the budget, revenues, and expenditures and thus the accepted budget shortfall level. In the second, the ceilings will already be established and amendments will concern only intra- or inter-ministry trade-offs. In addition, the law proposes a modulation of the controls based on each expenditure's level of risk, thus making the government finance management system more effective by simplifying the management process. Thus, there will be fewer control points for each expenditure (some 30 signatures at present), controls will no longer be split in two but each control will be more thorough and expenditures that entail greater "risk" (government procurement, large-scale investments) will be subject to greater scrutiny than less important expenditures (e.g., purchases of office supplies). In terms of flexibility, the number of budget line items will be reduced by a factor of seven, from 3,500 to 600. This will allow managers to easily reallocate savings obtained under certain expenditures items to other items (e.g., fuel savings following a reduction in prices to purchase needed office supplies).

With respect to external resources and development assistance in particular, the LOFP provides a supple framework for donors wishing to retain control over expenditures in projects they finance, while adhering to the Paris Declaration. Thus, projects as well as special funds could appear in an annex in the Special Allocations Budget (SAB), complying with procedures and the national nomenclature. It is now possible to distinguish commitment credits from payment credits for investments spread out over several years: the commitment will occur during the first year but payment will be spread over several years, as progress is made on the investment (e.g., roads bridges, etc.).

220. Starting in 2009, the SGFP details an action plan focusing on the priorities expressed in the organic law. This will be developed on the basis of the following six objectives:

- (i) Adoption and implementation of a legislative and regulatory framework for coherent government finance management;
- (ii) Effective mobilization of domestic and foreign resources to finance expenditures while respecting budgetary balance;
- (iii) Effective, strict, and transparent management of government resources;
- (iv) A system of controls that is coherent, effective, and consistent with international standards;
- (v) Exhaustive, reliable, and regular data on government finances;

- (vi) Continuous strengthening of the institutional capabilities of the Ministry of Finance and partner structures so that they can be increasingly more effective in the performance of their missions.

#### **3.4.4 Strengthening civil society**

221. Actions designed to improve knowledge among the members of civil society have begun. The technical, human, institutional, and organizational capabilities of civil society have been strengthened through (i) support for the establishment of local committees to monitor corruption; (ii) training for 100 participants from civil society, institutions involved in anti-corruption efforts and control of government finance on government procurement and follow-up and control of the implementation of the finance law; and (iii) organization of a mini-workshop for exchange and consultation among civil society organizations involved in anti-corruption efforts and the promotion of economic good governance.

222. In addition, the hiring of a design and execution agency/entity (AFRICA LABEL) to conduct awareness and information workshops on the new anti-corruption mechanisms at the communal and regional level has led to advances in terms of information on the damaging effects of corruption. The first information and awareness workshop on combating corruption was held November 27–28, 2008.

223. Note should also be made of the organization of the guided tour provided for the print and audiovisual media in order to make the population and administrative authorities at the communal and provincial level aware of the day-to-day activities of the Special Anti-Corruption Brigade. This activity coincided with the international day on combating corruption held in Kayanza on December 14, 2008.



### **3.4.5. Privatizing government enterprises**

224. There were some delays in the implementation of the privatization program, primarily due to the complexity of the process itself and the specific characteristics of the enterprises involved. For many of them, legal instruments do exist and have made it possible to begin the privatization process. This includes ABP, COTEBU, ONATEL, ONAPHA, SOSUMO, and the Source du Nil Hotel.

225. In contrast, the government's shares in OCIBU, BCC, UCAR, and SBF were sold, generating revenues for the Treasury amounting to FBu 433,163,000; FBu 228,390,000; FBu 234,630,000; and FBu 233,488,000, respectively.

226. In legal terms, the law on privatization will be revised to facilitate privatization operations. To this end, the terms of reference for drawing up a new law are available. There are also plans to conduct technical and financial audits of the principal government enterprises in order to evaluate their real value.

### **3.4.6. Steering the economy**

#### ***a. Macroeconomic framework (IMPLABURA model)***

227. Efforts to update Burundi's information and planning model (IMPLABURA) and training personnel in its use represent an important step in seeking a coordinated economic management instrument. The model is now operational and can be used to propose economic scenarios for the country based on a large number of parameters and variables. However, the macroeconomic frameworks proposed as the basis for working on budget development still present many inadequacies, basically due to the limited quality of the basic data (the National Accounts are only available for base year 2005) and the lack of human resources to update the model.

#### ***b. Medium-term expenditure frameworks (MTEFs)***

228. In order to prepare the government's budget following the logic of missions and objectives in a multi-year, strategic framework that is consistent with the PRSF, the government plans to initiate the MTEF with support from the World Bank. The MTEF presents the expenditures and resources of one or more sectors, by objective, over a three-year horizon. Based on a multi-year macroeconomic framework, including a central MTEF on the one hand and sector strategies and action plans on the other, the central and sector planning offices will be in a position to optimize the allocation of available internal and external resources, carefully examining several alternative budget scenarios and their impact on the economy over the medium term. In conjunction with the legal framework of the new organic law on government finance, the MTEFs can ultimately be used to present a budget by PRSF program and objective from a multi-year perspective.

*c. Impact simulation (SPAHD model – Strategy Paper for Human Development)*

229. With the World Bank's support, a macroeconomic model linking the principal macroeconomic variables to the human development indicators will soon be incorporated in the forecasting mechanisms. The model seeks to show how to establish an economic growth strategy with a visible impact on human development. The results of the different simulations are based on a basic scenario running to 2020, in which current (2006) trends remain unchanged. This scenario rests on the endogenous decision variables over which the State exercises control and (domestic and foreign) exogenous variables.

## Chapter 4: Promotion of sustainable and equitable economic growth

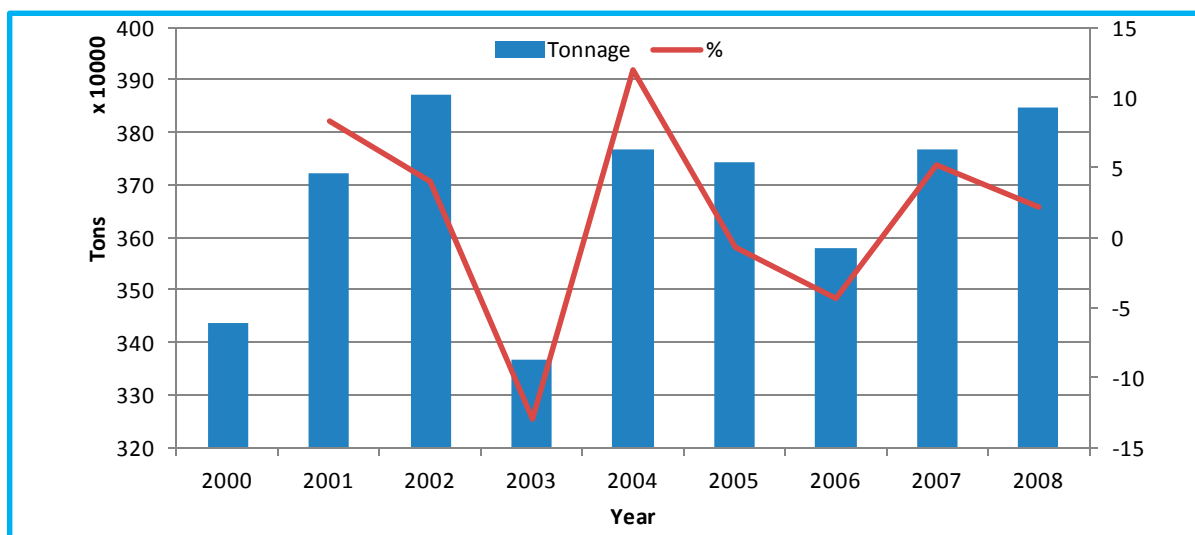
### 4.1. Renewal of agriculture, livestock, farming, fisheries, and fish farming

#### 4.1.1. Food production

##### 4.1.1.1. General trend

230. Agricultural activities are carried out in an environment of limitations due in particular to the breakup of agricultural operations, the use of rudimentary implements, the predominance of subsistence farming, and difficulties in accessing inputs. Moreover, a landscape that is characterized in many cases by steep slopes increases erosion, the immediate consequence of which is the alteration of arable lands. The agricultural sector is also marked by a decline in soil fertility, difficult access to credit, and a very high poverty rate among the rural population, 99 percent of whom are employed in agricultural activities. It is in this difficult context that agricultural production has not only been truly unable to show growth that could generate agricultural surpluses but has also failed to prevent the emergence, in some regions, of food shortages. The chart below depicts past trends in tonnages produced as well as the rate of growth from one year to the next.

**Chart 9: Food Production Trend**



*Source: Statistics Department, Ministry of Agriculture and Livestock*

231. In 2005 and 2006, agricultural production experienced unfavorable development, reflected in a declining rate of growth. The 4.2 percent increase in 2007 only allowed a return to 2004 levels before falling to 2.6 percent in 2008. This rate, compared to demographic growth estimated at 2.35 percent (based on the results from the latest population and housing census) is still not enough to recapture the per capita production levels of the early 1990s. In addition, due to the vagaries of weather that have severely impacted certain regions of the country as well as ineffective management of water resources, famine situations could be seen here and there over the course of 2008.

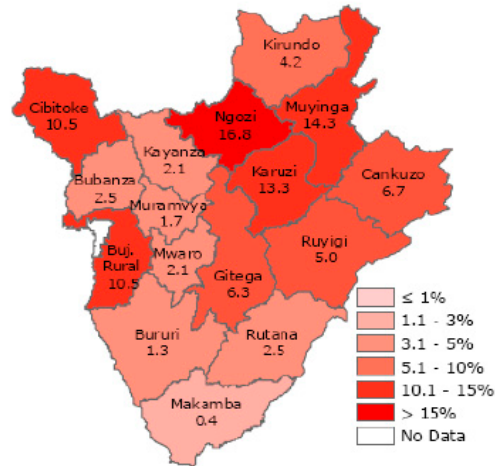
## Box 2: Principal Results of Household Food Security and Vulnerability Survey

A representative survey of 5,000 rural households conducted by the World Food Programme, with technical support from the ISTEERU, made it possible to define the extent of food insecurity in Burundi and to illustrate some factors of vulnerability. The concept of food security is defined in terms of the availability of, access to, and use of food and the concept of vulnerability is defined in terms of exposure to risk and ability to adjust.

This survey provided estimates of the number of households in a situation of serious food insecurity at 63,900 or 4.8 percent of the country's households and the number of households in a situation of moderate food insecurity at 302,700 or 23 percent. In addition, the number of moderately malnourished children under the age of five would be equal to 26.5 percent and the number of severely malnourished children under the age of five would be equal to 9.2 percent. More precisely, 52.7 percent of these children showed delayed growth and 8.4 percent showed low weight for their size.

The provinces most severely affected by food insecurity are primarily those in the northeastern part of the country (Cankuzo, Karusi, Muyinga, Ngozi, and Kirundo) with more than 63 percent of households in a situation of food insecurity. The poorest provinces in terms of assets and income would, on the other hand, be the provinces in the northwestern part of the country (Cibitoke, Bubanza, and Bujumbura Rural), primarily due to the conflict that continued there in 2008. In total, nearly two-thirds of households suffering food insecurity live in only five provinces: 16.8 percent in Ngozi, 4.3 percent in Muyinga, 13 percent in Karusi, 10.5 percent in Cibitoke, and 10.5 percent in Bujumbura Rural.

Chart 10: Geographic Distribution of Households Suffering Serious Food Insecurity

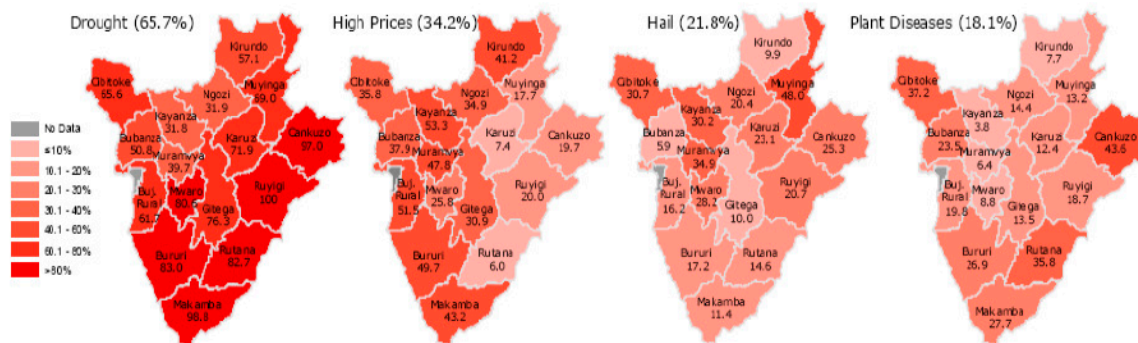


Source: WFP Comprehensive Food Security and Vulnerability Analysis, 2008

The determinants of food insecurity related to household wealth and ownership of assets, access to land and occupational status, as well as the area of cultivated land. It appears that households headed by women are more prone to food insecurity, that they diversify their production less, and rarely grow products for export. In terms of household profiles, the survey was able to isolate five types of households that are particularly at risk. First there are the so-called "marginal" households characterized by an elderly head of household with limited education and socially and geographically isolated, 60% of whose average and extremely limited income consists of transfers and pensions with the remainder coming from subsistence crops. The second category most affected is landless peasants who depend on their employment for 84 percent of their income and depend on the market for their food supplies and do not earn enough to invest in productive assets and improve their condition. The third group is represented by brewers who earn two-third of their income from brewing and the rest from farming. Finally, there is the largest group of farmers properly speaking, who obtain 90 percent of their income from agricultural production and represent one-third of the total population but whose average income is half the national average.

The survey was also able to determine the shocks to which the population was most sensitive in 2008. These include drought for two-thirds of households, increased prices for one-third, hailstorms for 21.8 percent, and plant diseases for 18.1 percent.

**Chart 11: Most Frequent Shocks Affecting Rural Populations**



Source: WFP Comprehensive Food Security and Vulnerability Analysis, 2008

A household's ability to react to shocks is very limited and for nearly 90 percent of households thus affected basically involves reducing the amount of food at each meal and buying less expensive foods. Other possible reactions include reducing adults' meals to save food for younger members of the household (65%), reducing the number of meals (60.3%), buying food on credit (58.9%), or borrowing money (52.2%).

Finally, the survey report indicates that the principle causes of household food insecurity are the decline in agricultural productivity due to overexploitation of land and forests, climate change, and erosion. Other factors would be the limited size of agricultural operations, between 0.25 and 0.5 hectares on average, the problem of preserving production to the end of the harvest, the lack of productive assets, the large percentage of unemployed young people, the lack of transportation infrastructure, the lack of information on agricultural prices (inputs and production), natural catastrophes, and increased food prices.

232. In order to meet the challenges posed by the need to improve the productivity of food crops and ensure the population's food security, the government has adopted a National Agricultural strategy based on four objectives seeking (i) sustainable growth of productivity and agricultural productivity; (ii) to promote industry and agribusiness; (iii) to support the professionalization of producers and the development of private initiatives; and (iv) to strengthen management capabilities and develop the agricultural sector.

233. Multi-faceted programs supported by the development partners were initiated several years ago and continued in 2008. The main activities carried out for this purpose are (i) rehabilitation and development of seed centers; (ii) promotion of a strategic stock of fertilizers; (iii) rehabilitation of Imbo's irrigation systems; (iv) purchase of equipment for farmers' associations and other organizations; (v) combating plant diseases and pests; (vi) reopening Gitega's poultry farming center; (vii) intensifying food crops; (viii) diversifying and promoting new crop varieties; (ix) research/development in food processing; (x) promoting small-scale irrigation; (xi) multiplication and distribution of healthy manioc stock; and (xii) the strengthening of agricultural monitors.

234. With respect to the market garden program, there are now 59,970 grafted fruit plants, 3,288 of which were produced in 2008 but only 435 of which were distributed. These data indicate that the distribution of plants is limited compared to production. It should also be noted that there is little demand for plum and papaya trees.

235. In addition, activities within the framework of the Post-Conflict Rural Development Program (PPCDR) were also started and revolve around three components, namely (i) the establishment of sustainable food security tools, (ii) the rehabilitation and construction of rural infrastructures, as well as (iii) the strengthening of rural participants' capabilities.

236. Finally, the distribution of improved seeds, plants, and fruit trees and agro-fruit trees and phytosanitary products continues and must be intensified, particularly to consolidate the food security of rural populations, especially the most vulnerable. From this perspective, the agricultural monitors who are already operating in all the communes must be given appropriate resources so that their task of strengthening the population's agricultural skills can be more effectively accomplished.

#### **4.1.1.2. Actions to be taken**

- Reactivation of agricultural extension
- Reactivation of agricultural production in the country's provinces
- Mpanda farm irrigation project (agricultural segment)
- Food security project
- Promotion of small-scale irrigation
- General agriculture and livestock census
- Rehabilitation of Ruzibazi seed center
- Rehabilitation of Mugerero water system
- Rehabilitation and development of seed centers
  
- Restoration of soil fertility, agro-silvo-livestock integration, and sustainable management of natural resources.
- Integrated efforts to combat diseases and pests in fruit and market garden plants
- Rapid multiplication and distribution of healthy manioc stock.
- Preparation and execution of a policy on inputs and widespread access to inputs.

#### **4.1.2. Processing, conservation, biological and biochemical analysis**

237. Although agriculture's share in GDP formation continues to be preponderant, it is nonetheless subject to significant post-harvest losses and limited added value for products sold. By establishing the National Center for Food Technology (CNTA), the government's specific goal was to improve techniques for preserving and processing agricultural products, thus opening up the way to developing food product markets and creating new opportunities to increase farmers' incomes.

238. The mission of the National Center for Food Technology is to work toward (i) research and development in processing and preservation technology for foodstuffs; (ii) studies and promotion of food processing technologies, and (iii) strengthening institutional capabilities and human resources.

239. In response to these mandates, the CNTA has supported farmers' associations by providing equipment and training for the development of Musongati's pineapple crop. It has trained women in the culinary arts, hospitality, and food processing and young people in Bujumbura Mairie on the processing of fruit, grains, and soy. Moreover, private associations and organizations have submitted samples to the CNTA for biological and biochemical analysis. The results of analyses are available and kept on file at the laboratory. The CNTA has also supervised and monitored the production of (i) passion fruit nectar and concentrates and (ii) composite flours for weaning children for the community medical center of Buyenzi.

240. The CNTA has also conducted three feasibility studies on facilities to (i) process concentrated tomatoes for an agricultural producers' association in Rugombo; (ii) process pureed tomatoes for a producers' organization in Musigati, and (iii) produce bread and composite flour for porridge for scholars' associations at the Career Training Center in Gitega. In addition to the preparation of a strategic action plan for the development of the CNTA, a training module on marketing food products and analyzing costs was developed.

#### **Actions to be taken**

- (i) Post-catch fishing technology
- (ii) Support for the National Center for Food Technology
- (iii) Research on adapted food product storage techniques

### 4.1.3. Agro-industrial crops

#### 4.1.3.1. Traditional export industries

##### a. Coffee

241. The importance of coffee is very specific in that it accounts for more than 80 percent of export revenues and provides employment for 800,000 rural households.

**Table 7: Change in Production, Export Value, and Average Sale Price of Principal Agro-industrial Crops**

|      | Product                  | Coffee | Tea    | Cotton |
|------|--------------------------|--------|--------|--------|
| 2006 | Production (in tons)     | 29,951 | 6,338  | 1,750  |
|      | Export (in BFu millions) | 36,121 | 10,602 | 1,211  |
|      | Sales price (Average/kg) | 2,236  | 1,697  | 200    |
| 2007 | Production (in tons)     | 8,089  | 6,825  | 2,870  |
|      | Export (in BFu millions) | 37,326 | 10,538 | 1,470  |
|      | Sales price (Average/kg) | 1,970  | 1,501  | 230    |
| 2008 | Production (in tons)     | 24,700 | 6,728  | 2,887  |
|      | Export (in BFu millions) | 35,608 | 16,415 | 1,216  |
|      | Sales price (Average/kg) | 2,946  | 2,540  | 230    |

*Source: Annual Report of the Ministry of Agriculture and Livestock, Year 2008*

242. Coffee production grew significantly in 2008 with an increase of more than 200% compared to the volume produced in 2007, estimated at about 8,000 tons. Despite this growth, 2008 production remains well below the yields recorded in 2002 and 2004, during which production exceeded 30,000 tons. In contrast, the sales price on the international markets saw a marked increase, with the value of a kilogram of coffee exported in 2008 exceeding the prices offered in 2007 and 2006.

243. Although coffee trees were sprayed with insecticide throughout the country and the restoration of washing stations continued, there are still some challenges remaining before high production levels can be achieved and maintained and the competitiveness of the coffee industry ensured. The problems in this regard are at three levels.

244. **At the production level**, the highly cyclical nature of coffee remains a major concern. This is linked to factors such as (i) limited soil fertility; (ii) ineffectiveness in the conduct of operations associated with plant size, mulching, and establishment; (iii) the age of a significant percentage of the orchard; (iv) the vagaries of the weather; (v) phytosanitary pressure; and (vi) the harmful effects of growing coffee and other crops on the same land.

245. **At the sales level**, the limitations are based essentially on how long it takes to sell the product, ineffective collection of washed coffee, weak marketing, and internal and external transportation problems.

246. **At the quality control level**, inadequate skills and obsolescent equipment should be noted.



247. The government has already begun the process of liberalizing the coffee industry in order to increase productivity, competitiveness, and the incomes of coffee growers and to facilitate the sale of coffee washing stations and hulling plants. The establishment of the Regulatory Authority for industry activities and the joint-trade organization including coffee growers represents an important link in the strategy of disengagement from the industry adopted by the government in December 2008. It is anticipated that these reforms will allow Burundi to regain the ability to grow enough coffee to develop greater control over the cyclical nature of the industry and gain access to international markets, particularly in terms of specialty coffees, the competitiveness of which has already been demonstrated.

248. Speeding up the implementation of these reforms will also make it possible to better capitalize on the effects of potentially positive international demand. This is why, in addition to revitalization of coffee production, innovative research much be undertaken to control the cyclical nature of coffee production and, above all, to make significant improvements in the quality of Burundi's coffee. Compensation that provides an incentive for coffee growers is undoubtedly a major challenge for the successful implementation of the government's strategy of disengaging from the coffee industry and for the sustainability of coffee industry-related activities. Actions to be taken in the context of the government's disengagement strategy involve the following aspects:

- (i) Organizing and directing the sale of shares in 29 washing station lots, and two hulling plants (Buterere and Songa);
- (ii) Replenishing the orchard (34 million coffee trees);
- (iii) Conducting a scientific study to define the underlying causes of the cyclical phenomenon;
- (iv) Strengthening coffee growers' organizations;
- (v) Introducing a program to guarantee the production of specialty coffees and certified coffees;
- (vi) Improving marketing by introducing a system of direct sales;
- (vii) Strengthening promotion and marketing activities, particularly by encouraging visits by international buyers and roasters;
- (viii) Restoring laboratory equipment and reviving training on quality control techniques;
- (ix) Setting up a quality control laboratory in Ngozi.

#### ***b. Tea***

249. Note should first be made of the near stagnation of tea production between 2006 and 2008, largely offset by very attractive prices on international markets. For example, the price offered per kilogram was 1,697 Fbu in 2006 but reached 2,540 Fbu in 2008. While this development benefited from a favorable set of circumstances on the international markets, improved quality following the initial rehabilitation of the tea factories done in 2007 also had positive effects.

250. Tea production has performed poorly over the last few years primarily due to poor distribution of rainfall. A liberalization program is being carried out to improve production yields from the various tea growing entities. For this purpose, a study on the competitiveness

of the tea industry was conducted and the audit report on fiscal years 2005–2006 was made available. There are also plans to intensify efforts to rehabilitate the tea industry.

### ***c. Cotton***

251. Despite a slight increase starting in 2006, cotton production shrank considerably in 2008 primarily due to an early dry season. Thus, due to the weather, the per hectare yield fell from 1 ton to 642 kilograms. To address these problems, COGERCO has taken steps to promote renewed production. This involves increasing the producer price (from 200 to 230 FBU/kg), granting bonuses to the best producers, and introducing credits for fertilizers and plates.

252. During 2008, a diagnostic study on competitiveness and a plan for recovery of cotton was carried out, while the final reports on the financial and technical additions were accepted. Finally, it is recommended that rehabilitation of the cotton industry proceed.

#### **4.1.3.2. Non-traditional export industries**

253. Palm oil is a good money maker that should be given specific attention in the context of developing regional trade. In 2009, palm oil production increased by 16.2 percent compared to 2007. Efforts made to promote palm oil production have involved restoring more than 2,300 plantation hectares to improve quality and increase production of this crop. For this purpose, four tree nurseries were set up to produce 127,300 seedlings that can be used to sow 940 hectares in the Imbo and Moso regions in the province of Bubanza, Bujumbura Rural, Cibitoke, Makamba, and Ruyigi. The seedlings show good growth and the emergence rate was 97.41 percent.

254. The amount of oil sold represents 85 percent of the oil produced and much of it is disposed of on the local market. There is strong sales potential in the neighboring countries and these possibilities should be developed by significantly improving the quality of the oil. To illustrate, exported palm oil brought in more than FBu 75 million in 2008. In more general terms, in order to revitalize palm oil production, it is recommended that a feasibility study be conducted on the oil extraction facility and that palm oil tree seedlings be produced.

255. New sources of growth should be explored and developed so as to reduce the high degree of dependence on traditional products, increase the incomes of rural households, and thus help to combat poverty. The objectives of diversifying export crops and penetrating sought-after new markets will be achieved particularly by developing Burundi's different microclimates. In this context, the following activities will be developed.

- (i) Flower-growing: some private operators have already taken an interest in this activity, but technical aspects and transportation methods remain to be worked out;
- (ii) The fruit and vegetable industry: this niche is very profitable and efforts should be made to make production available in all seasons;
- (iii) Promoting the macadamia industry;
- (iv) Supporting the promotion of industry offices;

- (v) Restoring the rice industry;
- (vi) Relaunching the production of essential oils.

#### 4.1.4. Development of animal production

##### 4.1.4.1. Impact of repopulation programs

256. During 2008, the government, with support from various partners, continued activities to repopulate livestock in order to address the negative effects of the crisis on various types of animal husbandry. In this context, along with the distribution of breeding stock (Sahiwal, Frisonne, Swiss Brown, Monteliarde, Ayrshire, Ankole), livestock are also being repopulated through 10,633 natural matings and 1,645 matings using artificial insemination.

257. While significant growth can be seen in terms of the numbers of poultry and rabbits, the numbers of cattle, sheep, goats, and pigs have only stagnated or declined. Although this reduction in livestock represents a decline in the population's investment in small-scale animal farming, at the same time it reflects an increase in livestock slaughtered to meet the increase in national meat consumption.

**Table 8: Change in Numbers of Livestock, 2001–2008**

| Year    | 2001    | 2002    | 2003    | 2004      | 2005      | 2006      | 2007      | 2008      | 2009   |
|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|--------|
| Cattle  | 360,440 | 376,346 | 355,222 | 374,475   | 396,741   | 433,800   | 479,106   | 471,614   | -1.6%  |
| Goats   | 984,166 | 974,543 | 960,288 | 1,108,962 | 1,245,680 | 1,438,713 | 1,606,717 | 1,616,873 | 0.6%   |
| Sheep   | 247,965 | 242,086 | 239,505 | 235,611   | 242,933   | 266,510   | 292,916   | 281,190   | -4.0%  |
| Pigs    | 165,143 | 115,835 | 105,753 | 136,360   | 169,572   | 178,737   | 189,505   | 166,721   | -12.0% |
| Poultry | 799,608 | 771,260 | 704,254 | 852,954   | 945,318   | 1,142,102 | 1,315,788 | 1,524,007 | 15.8%  |
| Rabbits | 290,107 | 311,834 | 217,195 | 267,544   | 316,351   | 102,998   | 315,112   | 390,641   | 24.0%  |

*Source: Annual Report of the Ministry of Agriculture and Livestock, Year 2008*

258. Similarly, in addition to the impact of renewed meat consumption and the increased need for manure, the change in the number of goats is the result of the dissemination of improved stock and freely available veterinary products such as wormers and antibiotics. The first beneficiaries were families from particularly vulnerable population categories.

259. In contrast, the decline noted in the number of pigs is the result of the appearance of Newcastle disease, which was more lethal than usual and led to the closing of some pig markets, limitations on movement, and the shutdown of slaughterhouses in the provinces affected.

260. With respect to cattle, a slight reduction in the numbers (-1.6%) could be noted between 2007 and 2008 due in particular to weak yields from artificial insemination, for which operations were momentarily interrupted because of a breakdown in nitrogen liquefiers and a halt in the activities of a project to repopulate the national herd in 2008. The use of improved breed stock seems to be more promising for successful repopulation, which is also true of natural matings, which have produced better results.

#### 4.1.4.2. Accompanying measures

##### *a. Strengthening measures for beneficiaries*

261. To ensure the continuity and significant impact of repopulation programs, precautions were taken for those who benefit from those programs. Thus, a precondition for the distribution of livestock is to build improved facilities to house them that meet acceptable standards. In 2008, about 10,676 stables, 21,806 goat shelters, 797 sheepcotes, 509 pigsties, and 15,481 poultry houses were improved. After these shelters are built, the operator must make fodder, concentrates, and mineral salts available in order to comply with the new permanent stabling system. This practice made it possible to take a census of 41,886 operators, totaling an area of 9,392.93 hectares of forage plants, 2,983.5 tons of concentrates, and 16,189 kilograms of mineral salts.

##### *Control and monitoring disease*

262. Efforts were made in controlling the principal epizootic diseases, epidemiological surveillance, and combating swine fever. For this purpose, meetings were organized for those in charge of projects, including a livestock repopulation component with strategies to limit this disease. Awareness campaigns for provincial leaders were also organized to encourage their effective involvement in the implementation of zoosanitary measures. Finally, a ban was placed on the importation of pigs from the DRC and Rwanda where the disease was reported.

263. In addition, vaccinations were organized to prevent disease. In effect, a project to prevent and control avian flu and strengthen the capabilities of veterinary services in Burundi over a period of two years was initiated to address the rapid spread of the virus in the domestic and wild bird population based on existing foci (uncontrolled movements, illegal trade flows of poultry, and their contaminated products).

264. Preventive actions were taken above all by vaccinating cattle against infectious nodular scleritis, blackleg, and rabies. The veterinary laboratory in Bujumbura had a total of 1,500 cases of blackleg, 110 cases of infectious nodular scleritis, and 255 cases of rabies. A total of 1,865 disease cases were recorded. The affected provinces were Cibitoke, Rutana, Muramvya, Muyinga, Kayanza, Ruyigi, Bururi, Mwaro, and Bujumbura. According to the results obtained, the province of Mwaro is the most affected by blackleg, Bururi is most affected by rabies, and Cibitoke is most affected by infectious nodular scleritis.

265. In addition, it should be noted that there are significant economic losses at the slaughterhouse during meat inspections. These are primarily caused by TBC, distomatosis, and cysticercosis. Programs to combat animal diseases must be carried out on a large scale in order to reduce these losses associated with failures to properly care for animals.

***c. Improvement of the legal and regulatory framework***

266. Three draft instruments have been developed. They involve (i) the draft decree on the practice of veterinary medicine, (ii) the draft decree on creation of the order of veterinarians, and (iii) the draft order on the practice of veterinary pharmacy. These three instruments primarily seek to improve and promote livestock in Burundi.

267. In the same context, completion of the Strategic Guidelines Document and implementation of its action plan will represent a very important stage for effective coordination of actions designed to promote livestock in Burundi.

**4.1.4.3. Actions to be taken**

268. It is important to emphasize that many slaughtered animals come from neighboring countries such as Tanzania, Rwanda, Uganda, and the DRC. There were 2,522 cattle, 8,006 goats, 2,522 sheep, and 825 pigs imported during 2008, with a value of more than FBu 92 million. This situation demonstrates the continuing inadequacy of the domestic supply of livestock products and necessitates the adoption of new measures to develop productive capacity and promote related industries, which notably offer new opportunities for investment in Burundi.

- (i) Operations to replenish livestock, particularly by intensifying repopulation programs in order to meet domestic demand and carrying out operational activities to remove the constraints associated with a restrictive sanitary environment.
- (ii) Promotion of the dairy industry by establishing modern dairies and dairy product processing plants and adoption of measures attractive to private investors.
- (iii) Promotion of the meat industry to meet domestic demand and gradual integration in the subregion's markets.
- (iv) Making manure available to increase agricultural productivity and increase the incomes of farmers and ranchers.

269. At the same time, the continuation and strengthening of existing livestock programs prove to be essential for the sustainable replenishment of livestock in Burundi. This involves the following activities in particular.

- (i) Development of livestock in Imbo.
- (ii) Epidemiological surveillance of avian flu.
- (iii) Pan-African Control of Epizootics (PACE)
- (iv) Rehabilitation of solid livestock techniques.

- (v) Rehabilitation of Breeding Center
- (vi) Rehabilitation and Equipping of the Veterinary Laboratory
- (vii) Repopulation of the National Livestock
- (viii) Establishment of veterinary pharmacies.

#### 4.1.5. Development of fishing and revitalization of fish farming and beekeeping

270. The production of fish in 2008 increased by more than 50 percent. Production amounted to 18,764 tons compared to 11,388 tons in 2007. This improvement in production can be attributed to the growth in fishing capacity, particularly the introduction of new ships, increasing from 129 in 2001 to 410 in 2008. It is also appropriate to note the efforts made in combating water hyacinth, good security conditions, the establishment of measures for beach control by the environmental police, and the use of fishing gear in compliance with regulations.

**Table 9: Burundi Fisheries Production (tons)**

| Year             | 2000     | 2001     | 2002     | 2003     | 2004     | 2005    | 2006     | 2007     | 2008     |
|------------------|----------|----------|----------|----------|----------|---------|----------|----------|----------|
| Regular          | 458.1    | 1,062.0  | 987.0    | 677.7    | 605.1    | 758.0   | 1,036.4  | 926.2    | 800.2    |
| Simple artisanal | 9,928.3  | 5,375.6  | 7,416.7  | 6,929.7  | 7,072.2  | 3,982.3 | 8,076.0  | 6,691.0  | 1,872.7  |
| Appolo artisanal | 6,437.2  | 3,635.0  | 5,634.2  | 5,807.8  | 5,611.7  | 4,721.7 | 4,773.4  | 3,697.3  | 4,313.7  |
| Industrial       | 55.2     | 96.7     | 138.4    | 292.5    | 225.8    | 204.2   | 257.7    | 74.2     | 11,777.4 |
| Total            | 16,878.8 | 10,169.3 | 14,176.3 | 13,707.7 | 13,514.8 | 9,666.2 | 14,143.5 | 11,388.7 | 18,764.0 |

*Source: Annual Report of the Ministry of Agriculture and Livestock, Year 2008.*

271. It is important to note the increase in industrial fishing and the concomitant decline in artisanal fishing. This trend is due to the modernization of fishing equipment, replacing the traditional gear used on Lake Tanganyika.

272. A framework survey on the northern lakes associated with a biological and limnological sample was carried out in 2008 to define the boats and engines used to take appropriate measures of fish and monitor changes in fish catches. The biological sample determined the effort needed for each species and its contribution to the total catch while the limnological sample determined the type of suspended plankton organisms. However, the lack of scientific equipment to successfully complete these activities is still a major handicap.

273. Fish farming is beginning to be developed by fish farming associations. In 2008, there were 649 ponds, 478 of which were seeded with young Nile tilapia. National fish farming production is estimated to be 3,294 kilograms. Fish farming is most developed in the provinces of Cibitoke, Bubanza, Kirundo, and Karusi. Other provinces have ponds but they are not seeded. To compensate for the nutritional imbalance often seen in the country, fish farmers should be trained in locations suitable for fish farming, with particular emphasis on the maintenance of fish ponds to prevent the proliferation of mosquitoes and thus minimize

the risks of propagating malaria in these areas. For this purpose, there are plans to set up five intensive fish farms.

274. With respect to beekeeping, support from the development partners has allowed the emergence of associations and their activities are beginning to bear fruit. It is important that this new niche be given greater support so as to diversify access to income-generating opportunities for rural households that could thus profit from the high demand already perceptible in the cities.

#### **4.1.6. Strengthening institutional capabilities**

275. HIPCI funds allocated to MINAGRIE/DGPAAE in 2008 allowed the Monitoring and Evaluation Directorate (DSE) to monitor performance and evaluate the effects of all projects supported by these funds.

276. In order to improve the management of agricultural and livestock development programs, the government has established three important instruments: (i) the national agricultural strategy (SAN), (ii) the national food security program (PNSA), and (iii) a monitoring and evaluation performance system (SSE). The purpose of the SSE is to allow regular monitoring of progress made in implementing the SAN and evaluation of its effects on the population.

277. The National Agricultural Strategy (SAN) developed in 2008 covers the period from 2008 to 2015 and revolves around four priority strategic axes: (i) sustainable growth of productivity and agricultural production, (ii) promotion of industries and agribusiness, (iii) support for the professionalization of producers and the development of private initiatives, (iv) strengthening of management capabilities and development in the agricultural sector. The national food security program (PNSA) approved in 2008 seeks to establish a framework for consistency and integration of actions to be taken by the different technical ministries so as to fully realize the four dimensions of food security, i.e., availability, stability of agricultural production, economic and geographic accessibility, and optimal utilization of foods.

278. In the context of strengthening the capabilities of instruction and training structures operating in the vicinity of farmers, 816 agricultural monitors were hired as compared to 1,000 in 2007 and 287 in 2006. To mitigate the impact of drought, training modules were developed and used to train 716 monitors in the provinces of Bururi, Makamba, Rutana, and Mwaro.

279. Agricultural professionalization is an area being tested in Burundi. In 2008, six training workshops were conducted to establish an action plan for professional agricultural organizations (OPA) and their support structures as well as governmental agricultural extension services. In 2008, the goal was to reach ten model operators per “census hill” who were capable of having three composting pits that could produce four to five tons of manure for composting in order to compensate for breakdowns in the supply of chemical fertilizers. At the same time, capacity-building programs were conducted for (i) communal farmers on

fertilization techniques, production systems, packaging and preservation of potato, bean, corn, and rice seeds, (ii) staff and technicians as well as seed multiplier groups, and (iii) ITAB trainees.

## **4.2. Environmental protection and land management**

### **4.2.1. Environmental protection**

280. Actions taken to protect and improve the environment seek to achieve three objectives: (i) strengthening of the institutional and technical capabilities of the environmental services; (ii) promotion of the national policy on natural resources management, and (iii) promotion of the use of natural resources and environmental sanitation.

#### **4.2.1.1. Strengthening the institutional and technical capabilities of the environmental services**

281. The strengthening of institutional and technical capabilities focuses on continuing activities to standardize provisions to promote coordinated interventions to effectively protect the environment. Actions now being taken in this context are (i) completion and adoption of regulatory language on strengthening and harmonizing the legal framework for the use of natural resources and (ii) implementation of international conventions on the environment that have been ratified by Burundi.

282. In the context of monitoring and implementing international conventions, programs and projects on rational environmental management were started and seminars and workshops were organized for stakeholders.

#### **4.2.1.2. Promotion of national policy on natural resource management**

283. In the context of the national policy on natural resource management, the government has initiated a series of activities focusing primarily on providing information and training for all stakeholders on the rational management of natural resources, with meetings, on-site visits, and radio broadcast messages on environmental protection. Measures were taken for this purpose, particularly the management of both natural and artificial forests and environmental surveillance through the granting of permits to cut down trees and environmental compliance statements for transporters and exploiters of mining and quarry products. This resulted in (i) the issuance of 85 authorizations to exploit quarries and mines; (ii) issuance of 407 transport authorizations, (iii) rejection of five applications, and (iv) fines collected from violators.

284. In addition, a preliminary document on Burundi's country environmental profile (CEP) was disseminated in addition to four scientific bulletins published by the INECN on protected areas. It should also be noted that this institution maintains environmental surveillance over 157,000 hectares distributed in parks and protected reserves throughout the country. In the context of its policy on environmental protection and soil protection, the



government, with support from its development partners, has continued to conduct its program on planting eucalyptus, contour farming, brushfire awareness, and reforestation.

285. Specifically, the government plans to more visibly consider the consequences of climate change, the impact of which on the population's lifestyle calls for limitations for which suitable solutions must be sought. The recommendations for this purpose are to (i) give concrete expression to the commitments arising from Burundi's ratification of the international convention on climate change, particularly by preparing a national statement determining the status of greenhouse gases, (ii) develop an action and adaptation plan to counteract the effects on vulnerable groups, and (iii) define an investment program to respond to the consequences of climate change.

#### **4.2.1.3. Promoting the sustainable use of natural resources and environmental sanitation**

286. In the area of promoting the sustainable use of natural resources and environmental sanitation, actions taken in 2008 targeted the production and planting of forest and agroforest plants to reestablish plant cover and watershed management, thus allowing for increased fertility of arable land.

287. The year 2008 saw the completion of the 2007–2008 forestry campaign and the launch of the 2008–2009 forestry campaign, particularly with the production of forest, agroforest, and fruit plants in nurseries and the planting of those plants. Thus, of the projected 57 million plants in 2008, 51 million were produced and planted. The plantations maintained cover an area of 6,845 hectares, while 307.4 kilometers of firewalls were opened or maintained. About 2,888 hectares of marsh were managed during 2008, primarily in the provinces of Karusi, Gitega, Kayanza, Ngozi, Makamba, and Bujumbura Rural.

288. Despite new procedures for the exploitation of private forest areas, unauthorized felling of trees is pointed to in several localities for the construction of social projects such as schools, bridges, and housing by the Batwa. Illegal cutting was observed at some sites and an area of 5,677 hectares was ravaged by brushfires. In addition, in the context of protecting watersheds and restoring the fertility of land, contour terraces about 1,464 kilometers long were established during 2008.

#### **4.2.2. Land management**

289. With more than 90 percent of economic activity concentrated in the agricultural sector, land management has become a crucial issue urgently requiring the definition of a land management policy consistent with sustainable development.

290. The principal challenges to be overcome in this sector are (i) promoting planned and rational land use, particularly by revising land use and ownership regulation, restructuring and modernizing the offices in charge of land use management, decentralizing land use management, taking inventory of properties, and resettling the landless and returnees; (ii) preserving and maintaining the productivity of land; (iii) preventing and managing land

disputes; (iv) alleviating demographic pressure on land; and (v) strengthening institutional capabilities. Burundi has already begun the process to acquire the principal regulatory and technical tools it needs for rational and sustainable land use management. This involves (i) the national land use policy document and (ii) revision of the 1986 land use code. Some technical tools for land use management are also available, *inter alia*, the provincial land use schemes of the provinces of Bubanza, Kirundo, Muyinga, and Ngozi.

291. However, some important tools for sustainable land use management are still lacking, namely the provincial land use management schemes for the remaining 13 provinces, the land management code, and the code on expropriation for public use.

### 4.3. Development of trade and industry

292. The promotion of trade and industry plays a pivotal role in supporting growth, particularly through the creation of activities that generate employment and income.

#### 4.3.1. Promoting trade

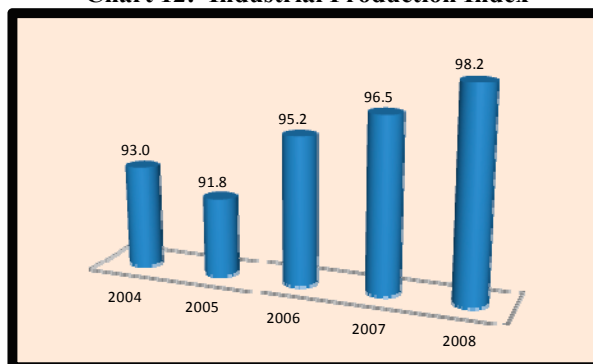
293. Trade's contribution to GDP formation is still relatively low, amounting to only 4.4 percent in 2008. In order to improve the legal framework for commercial activities, studies were initiated in 2008 on the revision and application of commercial and corporate codes. The final report is expected to be issued in 2009.

294. In upcoming years, trade activities should expand greatly and benefit from increased competitiveness thanks to the policy of the government, which has resolutely chosen to liberalize the national economy, encourage competition, and gradually disengage from the productive sectors. Burundi's membership in the East African Community, now in effect, opens up new markets for products manufactured in the country.

#### 4.3.2. Developing industry

295. Industrial production continued to develop as appears to be confirmed by the trajectory of the industrial production index even though the textile sector is no longer producing since the shutdown of government-owned COTEBU.

**Chart 12: Industrial Production Index**



Source: Monthly Bulletin of the BRB, December 2008.

296. However, it should be noted that the trend shown in the industrial production index continues to be highly dependent on the food industries, wherein the production of sugar and beverages is preponderant.

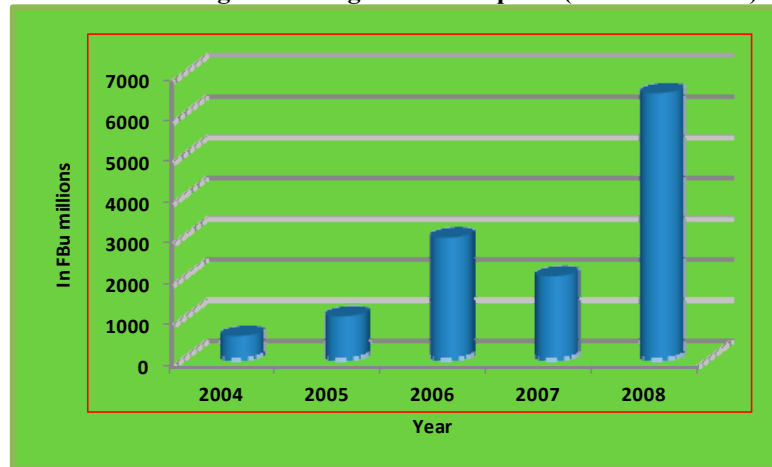
297. During the period under review, some actions were taken to encourage private operators. The process of implementing the Integrated Framework for promoting trade is continued and given concrete form through (i) financing of the RUGOFARM project for the purchase of a machine for the essential oils distillery and (ii) performance of the fruit and vegetable drying project with the DIMAC company's purchase of new equipment. It is important to note the preparations for phase II of the Integrated Framework project, which will allow for the launch of new activities in 2009.

298. In the context of promoting micro and small rural enterprises, mention should be made of the project on "promoting small and microenterprise to consolidate the peace." During the course of 2009, this project allowed the identification of beneficiaries and needs and helped to finance a series of expositions for rural microenterprises.

299. The development of industries producing local construction materials has also been somewhat renewed. Thus, a private entrepreneur opened a cement plant Cibitoke. The rehabilitation of SOSUMO with the replacement of machines and equipment was an important step toward stabilizing local sugar production. This program will be strengthened by expanding the activities of this company in terms of surface area as well as the equipment's productive capacity. In addition, the government proceeded to strengthen quality control structures, providing support to the Burundi Standardization Office (BBN) by equipping an office and setting up a metrology and chemistry laboratory. Finally, although the government has put the finishing touches on the revision of the investment code and the law on the investment code was promulgated in September 2008, this code is still not applicable since it is not yet harmonized with the tax code.

#### **4.4. Rational exploitation of mines and quarries**

300. Mining represents significant potential growth that should be developed by strengthening mining research activities and paying needed attention to increased development of national production, which still involves small-scale miners. About 2,000 households live off the income from small-scale exploitation of mining resources. The impact of mining activities is reflected in foreign currency contributions, as shown by the development of exports in the following chart.

**Chart 13: Change in Mining Product Exports (Millions of FBu)**

Source: *Monthly Bulletin of the BRB, December 2008*

301. Private investors are increasingly interested in mining activities. During 2008 this renewed interest took the form of (i) the agreement by six agencies to market gold, three in Bujumbura (for purchase and export) and another three in Cibitoke, Muyinga, and Ruyigi (for exploitation), (ii) three permit applications for hydrocarbon exploration and five permit applications for mineral exploration under review, and (iii) 600 permits granted to exploit quarries and 1,709 transport authorizations.

302. [sic] The government's action to promote mining activity has also involved (i) awareness, information, and training of small-scale miners, the population, administrators, and police (with an estimated awareness rate of 80% for the provinces of Cibitoke, Muyinga, and Kirundo), (ii) the reorganization and approval of three small-scale miner associations as agents for exploiting wolframite and gold, (iii) the inventory of pilot sites at Kirundo and Muyinga and (iv) geological mapping with veins identified and inventories taken at sites in Marangara, Vumbi, and Kirundo.

303. Along these same lines, there are plans (i) to proceed with revision of the mining code (ii) to update the taxes on quarry products, and (iii) adapt the petroleum code to the current environment.

#### **4.5. Promotion of tourism and crafts**

304. The tourism sector is still underdeveloped. Its contribution to GDP formation is 3 percent and its contribution to job creation is 2.4 percent. The number of tourists visiting Burundi went from 29,000 to 191,833 between 2000 and 2005 before increasing to 192,186 tourists in 2007.

305. To promote the restoration of security, it is anticipated that tourism activities could be revitalized in order to make existing potential profitable and to profit from Burundi's membership in the East African Community. Efforts to promote tourism basically involved (i) preparing a national development plan for the tourism sector, (ii) launching "Burunditour," which will act as tour operator, (iii) building up the capabilities of the

National Tourism Office (ONT) with computer equipment, and (iv) identifying lucrative prospects. In the short term, the exploitation of the American market thanks to the AGOA Act (African Growth Opportunity Act) will merit very particular attention.

#### **4.6. Increased job and income opportunities for the poor**

##### **4.6.1. Credit and microcredit for low-income populations**

###### **a. Characteristics of the demand**

306. Although the results from the survey on the population's need for credit and the potential use thereof by the most disadvantaged are limited, there is no doubt that there is strong demand for credit in Burundi households.

307. According to the results from the 1-2-3- survey (2007) on the informal sector, conducted in the four urban centers (Bujumbura Mairie, Gitega, Kirundo, and Makamba), formal microcredit provides little benefit for small and microenterprise. In effect, only 31 percent of their managers could discuss microcredit, 11 percent are actually well informed on the subject, 1.1 percent have applied for it, and 0.5 percent have benefited from this type of credit. Still according to the same survey, the major obstacles to access to credit by operators in the informal sector involve overly complicated procedures (33%), interest rates that are too high (17.2%), or onerous guarantees (16%).

308. In rural areas, there is no equivalent survey to provide information on the demand for credit, but the low rate of equipment in households leads one to think that improved access to credit would ensure a significant increase in productivity, once the tools of production and means of transport were within the reach of potential starters of microenterprises. However, the ability to provide guarantees remains an issue. Thus, these households could not satisfy the conditions (for example, guarantee/security/mortgage) usually required to gain access to formal credit.

309. However, there is a potential solution to this problem of a guarantee, which is to use land to secure a loan. Almost all Burundi farmers do have significant capital, but the absence of private property titles and legal security deprives them of the ability to mortgage this capital.

310. The table that illustrates the results of a rural household survey conducted in 2008 by the World Food Programme (WFP) indicates that rural households have very few assets. These households would thus not be able to meet the conditions (for example, guarantee/security/mortgage) usually required to gain access to formal credit.

**Table 10: Equipment Rate of Rural Households**

|                |       |               |       |
|----------------|-------|---------------|-------|
| Sewing machine | 1.16  | Fishing gear  | 0.57  |
| Canoe          | 1.09  | Hoe           | 97.44 |
| Radio          | 38.09 | Axe           | 47.12 |
| Bicycle        | 16.10 | Sickle        | 27.23 |
| Motorcycle     | 0.55  | Pruning knife | 32.52 |
| Vehicle        | 0.15  | Machete       | 62.51 |
| Mill           | 1.42  |               |       |

*Source: 2008 WFP Survey*

311. According to the same rural survey, about 75 percent of households already have access to credit, but basically through family (61%) and commercial lenders (47%). Given that less than 8 percent of annual expenses are allocated to credit, the credit market seems to be clearly underdeveloped and unable to respond to the needs of the most disadvantaged populations.

#### **b. Characteristics of the supply**

312. The supply in the area of microcredit is relatively limited. The Network of Microfinance Institutions (RIM), which brings together 16 of the 21 institutions authorized by the BRB, covered only 400,000 clients at the end of 2008, or 5 percent of the population, among them barely 100,000 borrowers. Total debt as of the end of December 2008 was FBU 28.7 billion, or 2.2 percent of GDP. The microfinance sector suffers from the lack of a national policy accompanied by an appropriate action plan. Microfinance institutions (MFIs) primarily utilize savings deposits to fund their credit lines. As a result, they are exposed to high risks and thus lend at prohibitive rates against sizeable guarantees, to populations that are traditionally solvent like civil servants and salaried employees in the formal sector in rural areas. With average credit per borrower of FBU 295,637, the target of these MFIs is a salaried employee who wants to invest in his home, rather than a farmer wishing to diversify his production or his income-generating activities.

313. Although the levels of supply and demand are still low, the activities of the MFIs are experiencing favorable development with lending in 2008 at a level 50 percent higher than in 2007 and a 73 percent increase in savings. The table below shows the evolution of the MFIs between 2007 and 2008.

**Table 11: Change in Some Key Microfinance Sector Figures**

| <b>Variables</b>                            | <b>12/31/04</b> | <b>12/31/05</b> | <b>12/31/06</b> | <b>12/31/07</b> | <b>12/31/08</b> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Clients or members                          | 272,340         | 311,094         | 365,074         | 309,945         | 403,897         |
| Number of loans granted (FBu billions)      | 9.6             | 8.7             | 14.2            | 20.6            | 30.8            |
| Borrowers                                   | 52,955          | 63,051          | 115,997         | 112,422         | 104,021         |
| Average credit (in FBu)                     | 181,000         | 138,050         | 122,178         | 183,437         | 295,637         |
| Cumulative savings collected (FBu billions) | No data         | 12.1            | 13.4            | 17.7            | 30.5            |
| Total credit (FBu billions)                 | No data         | 13.9            | 14.2            | 18.9            | 28.7            |
| Number of points of service                 |                 |                 |                 | 160             | 177             |
| Number of employees                         | 352             | 449             | 449             | 636             | 809             |

*Source: RIM, 2008*

314. While the MIFs currently respond to real demand for credit on the part of a certain layer of the population, much remains to be done to adapt the supply of credit to the demand from rural households and informal workers and to transform microfinance in Burundi into a true instrument of development.

### **c. Financing of MFIs**

315. As already pointed out, microfinance operations are still not part of a clearly defined national policy. On the government side, the Rural Microcredit Fund alone has capital of FBu 5.3 billion, 1.3 billion of which was allocated in 2008 as subsidies, with the rest coming from an initial endowment of 1.5 billion received in 2002, which has yielded a return over six years, with average annual earnings of 17.8 percent. Without any other financial support and financial autonomy as a rule, the FMCR has long demanded a high interest rate, together with a bank guarantee that makes the cost of credit prohibitive.

316. As a result, until 2006, a large part of its capital was sitting idle in commercial banks. A change in strategy caused this rate to fall to 10 percent. Only two MFIs benefited from credit in 2008, for a total of FBu 437.5 million. A new reduction in the interest rate, to 8 percent at the start of 2009, caused a real revival of credit in this institution. Accordingly, with higher subsidies, it would be conceivable to further lower the rates and reach a larger number of credit-worthy beneficiaries.

317. At the same time, the establishment of a Guarantee Fund would allow the MFIs to offer credit to less fortunate borrowers who do not have their own guarantees. Moreover, the involvement of local authorities in the establishment and control of MFIs at the communal level is necessary to the proper operation of microfinance and would make it possible to avoid the cases of dysfunction seen here and there in the country.

### **d. Mobilizing commercial credit**

318. The volume of credit to the private sector is trending upward and highly concentrated in commercial activities, with a share of 60 percent in 2008, and a modest share for the industrial sector (2%). Credit allocated to the agricultural sector is generally a function of the importance of coffee production.

**Table 12: Distribution of Loans by Sectors of Activity**

|                                    | 2006    | % Share | 2007    | % Share | 2008    | % Share | % of GDP |
|------------------------------------|---------|---------|---------|---------|---------|---------|----------|
| Agriculture and related activities | 22,143  | 11      | 8,587   | 4       | 27,544  | 10      | 44       |
| Industrial activities              | 1,976   | 1       | 3,666   | 2       | 5,431   | 2       | 11       |
| Buildings and public works         | 9,826   | 5       | 6,325   | 3       | 10,251  | 4       | 3        |
| Commerce                           | 132,261 | 67      | 144,118 | 70      | 158,295 | 60      | 12       |
| Miscellaneous services             | 30,350  | 15      | 23,880  | 21      | 61,907  | 24      | 12       |
| Total                              | 196,556 |         | 206,576 |         | 263,428 |         |          |

Source: BRB

319. In general terms, access to the traditional system of credit is difficult due to the unequal supply of financial services associated in particular with (i) a very high level of interest, (ii) the absence of real guarantees required by banks and the difficulty of producing them, (iii) the rarity of long-term funds, and (iv) the lack of truly creditworthy demand.

#### 4.6.2. Promoting highly labor-intensive public works

320. The goal is to contribute to the peace process and reconstruction of Burundi through the creation of employment, clearly taking women and young people into account. With the support of the development partners, two important projects were launched.

321. **The PTPCE:** After the execution of several community projects focusing on promoting employment (paving, markets, slaughterhouses), the project consolidated the mechanisms for appropriation by the beneficiaries, putting in place consultative private management systems to guarantee the sustainability of the works developed. The experience gained and the interest shown by the beneficiaries led to the preliminary evaluation of 117 new activities with advance payment in order to establish a portfolio for possible funding.

322. **The PMRSE:** A multisectoral project was successfully put in place for successful reinsertion of disadvantaged socioeconomic groups. Paving work in the communes of Bwiza and Buyenzi covered 9.2 kilometers; the 13 primary schools planned were built and seven out of eight health centers planned were developed, eight subprojects on income-generating activities of seven associations were selected and approved, and a subproject for environmental restoration of cobblestone quarry sites in the context of road paving work was completed. In order to put HLI projects into operation and enhance their sustainability, there are plans to finalize programs that guarantee (i) training of CDC members on better integration of the population dimension in communal development plans and (ii) raising awareness of HIV/AIDS in and around project sites.



### 4.6.3. Promoting employment

#### 4.6.3.1. Employment in rural areas

323. According to the 1-2-3 survey conducted in four of the country's cities, the salaried employment rate is 58.7 percent (69% and 49% for men and women, respectively). Employment in urban areas is marked by the preponderance of services (52.5%), followed by trade (20.2%), the primary sector (14.1%), and finally employment in the industrial sector (10.5%).

**Table 13: Distribution of Employed Urban Population by Sector (2008)**

| Sector                     | Distrib. (%) | Ave. age | Men (%) | Women (%) | Native (%) | Migrant (%) | Education (years) | Experience (years) |
|----------------------------|--------------|----------|---------|-----------|------------|-------------|-------------------|--------------------|
| Civil service              | 10.3         | 39.7     | 50.2    | 49.8      | 34.3       | 65.7        | 14.1              | 9.3                |
| Public companies           | 7.5          | 42.2     | 67.6    | 32.4      | 39.3       | 60.7        | 13.6              | 9.7                |
| Formal private companies   | 3.1          | 35.6     | 63.4    | 36.6      | 41.5       | 58.5        | 8.8               | 8.2                |
| Informal private companies | 75.3         | 32.7     | 56.0    | 44.0      | 50.5       | 49.5        | 6.1               | 7.4                |
| Community ventures         | 3.8          | 37.8     | 67.5    | 32.5      | 49.7       | 50.3        | 11.3              | 5.8                |
| Total                      | 100.0        | 34.4     | 57.0    | 43.0      | 47.7       | 52.3        | 8.0               | 7.7                |

Source: ISTEEDU, 1-2-3 Survey, 2008

324. The informal private sector is the principal provider of employment with a share of more than 75 percent, following by civil service with 10.3 percent, and public companies with 7.5 percent. The country's economy is so deteriorated that associations and NGOs provide more employment than the formal private sector. To ensure continuity of employment and develop opportunities for young people, it is precisely this sector that will have to be developed significantly, by formalizing informal enterprises and encouraging entrepreneurship.

325. In the four cities considered in the survey (Bujumbura, Gitega, Kirundo, and Makamba), in 2007 the informal sector generated total sales of FBu 5.2 billion, 2.4 billion in trade and 1.8 in industry, and employed 117,332 workers, 35.7 percent in self-employment, 52.7 percent in small businesses (fewer than 6 salaried employees), and 11.6 percent in large businesses (from 6 to 50 salaried employees). Close to 82 percent of these jobs were considered permanent. The average monthly salary calculated based on data for the month preceding the survey was FBu 17,000.

326. In terms of the composition of the workforce, women represent only 32 percent on average, but 55 percent in trade and less than 25 percent in industry, services, and the primary sector. Children working in urban areas is not a widespread phenomenon. The informal sector generally shows (i) a gradual expansion of activities, (ii) limited access to financing, (iii) insufficient social protection, and (iv) limited competitiveness. The average hourly salary was FBu 95.1, with significant disparities by region and category. It was lower in Bujumbura (90.1) than in Kirundo (92.8), Gitega (270.8), or Makamba (317.5), which might seem surprising but is probably due to the limited number of salaried jobs in these latter provinces. Hourly salary was basically dependent on educational level in Bujumbura, while experience and age seem to be more important in the other provinces.

#### 4.6.3.2. Employment in rural areas

327. According to the survey conducted by the WFP in 2008, agriculture is still the primary activity for 77.2 percent of rural households, and is practiced as subsistence farming for 92.7 percent of those households. However, only 21.2 percent of households are engaged in commercial agriculture and half of households resort to daily manual work to supplement their incomes.

328. Thus, agriculture contributes to 61.2 percent of household living standards, compared to nearly 20 percent for daily work. Other supplemental activities of rural households include small-scale trade, production of fermented beverages, and livestock.

**Table 14: Economic Activities in Rural Areas**

| Province            | Agriculture (subsistence) | Daily work | Agriculture for sale | Small-scale trade | Brewing | Livestock |
|---------------------|---------------------------|------------|----------------------|-------------------|---------|-----------|
| Bubanza (%)         | 88.3                      | 69.8       | 7.9                  | 9.3               | 1.9     | 3.1       |
| Bujumbura Rural (%) | 79.6                      | 54.2       | 21.7                 | 19.5              | 3.8     | 0.5       |
| Bururi (%)          | 93.7                      | 42.8       | 43.2                 | 19.6              | 2.6     | 0.5       |
| Cankuzo (%)         | 91.7                      | 56.7       | 20.7                 | 11.1              | 0.3     | 3.2       |
| Cibitoke (%)        | 90.4                      | 52.1       | 14.6                 | 14.2              | 8.7     | 2.1       |
| Gitega (%)          | 91.3                      | 45.3       | 8.2                  | 10.6              | 12.3    | 3.1       |
| Karusi (%)          | 97.3                      | 44.4       | 8.3                  | 8.6               | 3.3     | 2.3       |
| Kayanza (%)         | 93.0                      | 55.1       | 42.8                 | 5.8               | 12.1    | 3.7       |
| Kirundo (%)         | 95.5                      | 63.0       | 9.3                  | 7.8               | 2.6     | 5.3       |
| Makamba (%)         | 97.9                      | 48.8       | 29.6                 | 16.2              | 0.8     | 8.0       |
| Muramvya (%)        | 95.1                      | 42.4       | 38.5                 | 2.6               | 10.2    | 14.7      |
| Muyinga (%)         | 97.3                      | 42.5       | 12.7                 | 7.9               | 5.4     | 9.4       |
| Mwaro (%)           | 97.7                      | 41.8       | 24.9                 | 10.3              | 17.3    | 3.4       |
| Ngozi (%)           | 90.9                      | 38.6       | 28.9                 | 6.2               | 13.9    | 5.4       |
| Rutana (%)          | 88.1                      | 45.2       | 23.3                 | 19.1              | 1.8     | 9.2       |
| Ruyigi (%)          | 100.0                     | 70.8       | 4.5                  | 13.7              | 5.9     | 2.5       |
| TOTAL               | 92.7                      | 50.4       | 21.2                 | 11.2              | 6.9     | 5.2       |

Source: CFSVA 2008

#### 4.6.3.3. Unemployment

329. As defined by the International Labour Office, unemployment was 12.2 percent in Bujumbura, 8.2 percent in Kitega, 6 percent in Kirundo, and 3.7 percent in Makamba. However, these rates mask serious underemployment among the active population. By expanding the definition of unemployment as ISTEEDU does to include those not looking for work under current conditions, these rates are 17 percent in Bujumbura, 12.5 percent in Gitega, 7.9 percent in Kirundo, and 4.3 percent in Makamba. Except for the city of Kirundo, the unemployment rate for women is from three to nine percentage points higher than for men. Thus, many women are kept out of the unemployment market due to limitations imposed by their situation (household work, maternity, discrimination in hiring, limited qualifications, and pay for jobs offered).

#### **4.6.4. Promoting youth, sports, and culture**

##### **4.6.4.1. Youth training**

330. With the goal of promoting responsible youth, who are the engine of peace, reconciliation, and sustainable development, training is provided for young people at youth centers set up in all of the country's communes. In addition to the 35 existing centers, the government plans to make all youth centers truly attractive hubs for education, training, and incentives for the comprehensive development of young people.

331. In 2008, specific actions taken for the economic inclusion of young people involved (i) the financing of projects under CONFEJES, (ii) training for 20 young people in the manufacture of sport jerseys by CONFEJES, (iii) the opening of a professional training center, as well as (iv) training in entrepreneurship for youth center leaders in all the provinces.

332. With respect to promoting the community youth movement [*Mouvement Associatif des Jeunes*], actions focused on (i) training in leadership techniques in the youth centers in the southern coordination area, (ii) establishment of bodies of the National Youth Council of Burundi, (iii) preparation of a Youth Center Management Guide, and (iv) adoption by the Council of Ministers of a draft decree on the organization, operations, and management of youth centers.

333. Short-term objectives relate to completing work on drawing up the National Policy on Burundi Youth, presiding over the work of the 32<sup>nd</sup> Ministerial Session of CONFEJES, the feasibility study on creating a Cooperative for the Development of Burundi Youth, carrying out youth projects in the context of the "Crop Fields" program, creation of a National Volunteers Center of Burundi, building the capabilities of the National Youth Council, as well as providing youth centers with new equipment.

##### **4.6.4.2. Promoting sports**

334. Elite sports were marked by intensive sports activities nationally as well as participation in several international competitions. Particular emphasis was placed on training courses, seminars, and congresses for sports managers and technical staff of the federations. Popular sports experienced positive growth thanks to the leadership of corporate sports such as walkers clubs or inter-ministry tournaments. Rehabilitation work was done on the sports facilities of Bujumbura and other centers to be rehabilitated later were explored. In addition, sports equipment was distributed to the sports associations and federations (basketball, volleyball, football, handball, and tennis). The large sports organizations should also be mentioned, including the First Peace Marathon of Burundi and organization of the 4<sup>th</sup> Peace Torch event.

335. During 2009, priority actions in the area of sports seek to support the national teams and champion clubs in their participation at regional and international competitions; provide support to the federations in seeking new talent, with particular emphasis on women's sports

and sports for the handicapped; to provide training for federation managers and staff in sports management and administration and sports medicine; to advertise and organize a Regional Summit on Doping in sports; to participate in the international congress of federation managers; to organize the fourth inter-ministry tournament; cross-border matches; to provide support to popular sports clubs and associations; to organize traditional games, the National Veterans championship, and the popular march; to rehabilitate sports facilities; and provide equipment to provincial sports teams.

#### **4.6.4.3. Promoting culture**

336. Activities to train and coordinate cultural groups in their musical presentations and to provide support to the productions of different artists and musicians intensified. The International Days for Museums, Maternal Languages, Music, and Intellectual Property held in 2007 were repeated in 2008. Note should also be made of participation in regional and international cultural events in China, Uganda, Rwanda, and South Africa; the organization of the annual National Culture Festival; support for the cultural initiatives of the Amahoro Iwacu, Inanga festivals; the WFP awards; the organization of Miss Burundi and Miss East Africa 2008; and finally the restoration of historic sites.

337. Looking ahead, organization of the National Exposition of Works of Art, support for cultural initiatives, celebration of International Days for Maternal Languages, Intellectual Property, Museums, and Music, participation in regional and international cultural events, inventory-taking and restoration of historic sites and monuments, continued restoration of the Living Museum of Bujumbura and the National Museum in Gitega, establishment of the Burundi Copyright Office, translation into Kurundi of the Copyright and Related Rights Law, as well as organization of the National Forum and the National Festival of Culture are particularly recommended.

#### **4.7. Development of the private sector**

338. Private investment will increasingly play a leading role in economic recovery, particularly through renewed productivity and competitiveness to address the new challenges arising from new competitive challenges presented by other members of the EAC.

339. For this purpose, the government has undertaken important reforms to create a new legal and regulatory framework to significantly and visibly improve the business climate. The areas covered by these reforms relate to the following aspects:

- **The investment code:** the new mechanism advocates freedom of establishment, the free transfer of capital and income, encouragement of the free zone system, establishment of a one-stop window, and elimination of the risks of nationalization and expropriation. The investment code was promulgated in September 2008.
- **The bankruptcy and composition law:** the law encourages good governance in company management, establishes mechanisms to prevent company difficulties by

protecting the interests of stakeholders for troubled companies). In 2008, activities were carried out to publicize this law.

- **Code on commerce and public and private companies:** these provisions are being revised and, thanks to the streamlining of procedures, allow and facilitate free enterprise and respect for international standards of business law.
- **Investment guide:** this instrument specifies, for potential operators, the various opportunities available for investment and the reformed legal framework in the area of business. This document is now being prepared.
- **Investment promotion agency:** implementation of this agency will foster national and foreign investors' confidence by ensuring adherence to the provisions of guarantees related to the free zone regime, as well as access to tax and customs advantages.
- **Framework for consultation between the public and private sectors:** the objective is to enhance the participation of parties involved in private sector promotion with respect to decision-making on policy and reforms to be implemented. The decree on the framework for consultation between the public and private sectors was promulgated in 2008.
- **The law on competition:** the content of this law, which emphasizes the necessary harmonization provisions within COMESA and the EAC, defines and punishes unfair business practices such as those that tend to distort competition.

340. Along with the design of these reforms, the reorganization of the Chamber of Commerce was started and the Provisional Office of the Federal Chamber of Commerce and Industry of Burundi was established. As shown in the matrix of indicators, the business climate has already improved noticeably and the number of business created, particularly corporations, is increasing.

341. In addition, in the context of improving the business environment, a study was conducted on the investment climate in Burundi. However, the observations of the technical committee in charge of monitoring research on the investment climate led to the formulation of an additional study that will produce a plan of priority actions to be taken in the short and medium term. A study on the vision and strategy for industrial and commercial development was analyzed during the workshop on April 8, 2008. The document continues to be used for the purpose of making relevant recommendations for implementation. Finally, the government's policy is to eliminate all payment arrears to the private sector.

## **4.8. Infrastructures supporting production**

### **4.8.1. Improving transportation infrastructure**

342. The primary objective in terms of road infrastructure is to ensure the elimination of the country's internal and external isolation, with a view to promoting trade and thus economic growth. During 2008, the government continued the road paving, rehabilitation and maintenance program. Asphalt work was done on the Gitega-Karusi-Muyinga road, over a distance of 104 kilometers, and the Kirundo-Gasenyi road, where the work begun in 2007 reached 85 percent completion level by the end of 2008. Additional bituminous concrete paving work and bypass work was done in the city of Kirunda starting in November 2008 and lasting for six months. In terms of rehabilitation, it should be noted that 49.9 kilometers were rehabilitated on Provincial Road 104: Muzinda-Rigazi-Muyebe-Musigati, and Communal Road 177: National Road 3-Mugere Dam, thanks to HIPC financing. In addition, with support from the FRN, the projects carried out involved manual road repairs over 1,039 kilometers of the paved roads network, stabilization of landslides and pipes, removal of rock piles and mechanized road maintenance over 123 kilometers. A total of 1,555 kilometers of roads have been maintained since 2002.

343. Rehabilitation work was also done on urban roads by asphaltting or paving. The start of a study on road safety [and accident] prevention is an important step toward improving traffic conditions in Burundi.

344. At this point, it is important to emphasize the limited degree of commitment to the 2008 road maintenance program of the Roads Authority (OdR), basically due to the limited mastery of the new Government Procurement Code in the area of procedures for awarding contracts. The same problem was seen with foreign-financed programs for which lengthy procedures extended the planned performance timeframes.

345. In the short and medium term, there are plans to (i) rehabilitate National Road 2 (Bugarama-Gitega), (ii) rehabilitate National Road 1 (Bujumbura-Bujarama- Kanyaru Haut), (iii) construct National Road 18 (Nyakararo-Mwaro-Gitega), (iv) construct two bridges over the Rumpungwe and Maraagarazi, and (v) continue the rehabilitation program on the secondary network and rural roads.

### **4.8.2. Communications and new information technologies infrastructure**

346. With respect to air transport, construction of the airport fence began and a project to construct a secondary runway is under study.

347. With respect to lake transport, 20,000 cubic meters out of 125,000 cubic meters of material were dredged and four out of five sunken ships were refloated. This work is hampered by plastic waste in the dredged material, coming from the storm drain that passes through the market in Buyenzi, as well as the limited amount of fill dirt. A project to construct storage warehouses at the port of Dar-es-Salam could not be carried out due to cost increases. Finally, the successful bidder responsible for installing markers on Lake

Tanganyika did not perform the contract. Finally, three activities still remain among the sector's priorities for 2009, with the dredging of waterways and the mouth of the Ntampangwa and the construction of a fence at the port of Rumonge.

348. With respect to new information and communications technologies, a project to connect to a fiber optic cable via Rwanda and Tanzania will provide high speed access to the Internet.

349. In terms of access to the means of communications, there are 29,780 subscribers to fixed telephony, 4,172 to the Internet. The sector employs more than 1,100 salaried employees, with sales of FBU 43.4 billion and investments of 37.5 billion. However, the networks are close to being saturated and current capacity of 2,670,000 users is inadequate. It is estimated that the telephone system reaches 60 to 70 percent of the country.

350. The national ICT policy adopted in 2007 revolves around six objectives, namely (i) to promote capacity-building efforts, (ii) to improve the legal and regulatory environment, (iii) to develop basic infrastructures, (iv) to promote good governance, and (v) to promote and encourage private investment.

351. From this perspective, actions to be taken in the short and medium term relate to the following segments:

- (i) Equipping each establishment with multimedia rooms;
- (ii) Setting up a network of multimedia centers for training, documentation, and development of teaching materials;
- (iii) Reopening the National Telecommunications School;
- (iv) Setting up an ICT research center;
- (v) Equipping the university and existing institutions;
- (vi) Purchasing control equipment for the ARCT;
- (vii) Setting up a data collection and processing tools center on the sector;
- (viii) Modernizing and expanding the audiovisual network;
- (ix) Modernizing and improving national ICT network coverage;
- (x) Improving rural connectivity;
- (xi) Setting up a technology park;
- (xii) Increasing bandwidth;

- (xiii) Setting up Internet exchange points;
- (xiv) Participating in regional infrastructure projects;
- (xv) Setting up a modern computer facility linked to the national information network;
- (xvi) Setting up a website for each ministry and government agency, the Assembly and the Senate.
- (xvii) Connecting the networks of government offices.

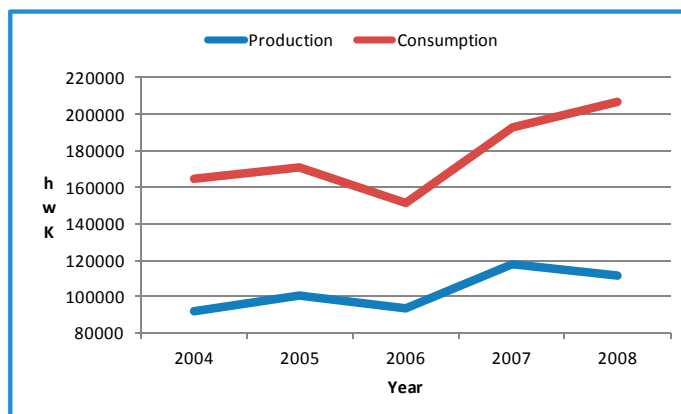
352. In the area of information, the CNC has undertaken to develop a strategic plan focusing primarily on (i) guaranteeing freedom of the press, (ii) good coverage of the electoral process by the media, (iii) institutional strengthening of the CNC, (iv) consolidation of the regulation and self-regulation system, and (v) strengthening professionalism in the media. The implementation of priority actions related to each of these objectives will allow the CNC to ensure control and a participatory framework for all media authorized in Burundi.

#### **4.8.3. Promoting energy**

353. Under current energy supply conditions, efforts still need to be made to achieve the objective of ensuring sustainable access to modern energy sources. The use of firewood still remains the primary means of meeting the energy needs of more than 94 percent of the population, thus exacerbating environmental damage and accelerating the destruction of forest species.

354. In terms of the electricity supply, national production fell from 117.5 MWh in 2007 to 111.8 MWh in 2008, while trends over the last five years show very weak growth. In contrast, consumption has continued to increase over the same period and showed a growth rate of 7 percent in 2008, increasing to 206.4 MWh, or 85 percent more than production. The chart below shows the comparative change in production and consumption of electrical energy.



**Chart 14: Change in Electrical Power Production and Consumption**

Source: REGIDESO

355. Although electricity represents only four percent of the country's energy balance and fewer than three percent of households are connected to electricity, Burundi cannot meet their needs. More than 45 percent of electrical energy needs were covered by imports in 2008 compared to 39 percent in 2007.

356. To respond to strong unsatisfied connection demand (very significant potential consumption), some (still very inadequate) actions were taken during 2008 to increase production, expand the electrical system, and proceed to connect new subscribers. The number of connections to the national network grew by 6.3 percent throughout the country, increasing from 38,069 to 40,513 subscribers. At the same time, 236 new subscribers were served in rural areas, thus bringing to 3,174 the total number of beneficiaries of the electrical system by the end of 2008. In the same context, eight health centers (Ruyaga, Mutumba, Gitaba, Buhinda, Maramvya, Muriza, Businde, and Nyange) were connected to the system.

357. Oil, a product basically used for lighting in rural areas, and fuel (gasoline and diesel) used for transport, have a direct impact on household consumption. Thus, the government has decided to set up a new price setting mechanism, based on the principle of automatic adjustment to changes in world prices, without thereby having a dramatic effect on tax revenues. A study on the petroleum sector was initiated for this purpose and should make it possible to formulate a strategy on appropriate tax policy in this area.

358. In the context of the policy to promote new and renewable energy, eight health centers and two community colleges in rural areas have been provided with electricity based on a photovoltaic solar system. In addition, the National Peat Office (ONATOUR) operates five (5) peat bog sites. According to its preliminary plan, annual production of peat was 7,490 tons compared to the 8,000 tons initially planned, or 93.6% of planned production. This production, which continues to be lower than the demand from the army (principal client), could be increased by boosting production at the Gisozi site, improved inventories of replacement parts, and purchasing a new carbonization unit.

359. In terms of the direct impact on improving the population's living conditions, which could be achieved by diversifying access to energy, the government plans to implement alternative energy, particularly for poor areas.

360. To address the recurring shortage in the area of electricity, the government plans to take the following actions:

- (i) Installing and operating a new thermal power station of at least 10 MW in the immediate future;
- (ii) Constructing hydroelectric stations in Kabu 16 (20 MW) (2-3 years) and Mpanda (10.4 MW) over the very short term;
- (iii) Constructing a power station on the Jiji site (Mulembwe, and Siguvyaye) to provide more power (more than 100 MW) and on the Ruvubu site (Mumwendo – 80 MW) over the short term (5 to 8 years);
- (iv) Constructing a community power station on the Ruzizi III (145 MW) and Ruzizi IV sites (265 MW) over the short term;
- (v) Developing micro power stations for rural electrification;
- (vi) Rehabilitating and expanding existing facilities (hydroelectric stations and water conveyance network);
- (vii) Rehabilitating or renovating related networks (poles and lines);
- (viii) Electrifying new centers in the country's interior and hanging new lines;
- (ix) Doubling the power of the stations at Nyemanga and Buhiga;
- (x) Building national stations (Kabu 16 (20 MW), Mpada (10.4 MW), Siguvyaye (100 MW), and community stations (Ruzizi III (145 MW), Rusizi IV (265 MW), Rusumo Falls (61 MW));
- (xi) Connecting the electrical systems of the Nile basin equatorial lakes countries (strengthening the CEPGL network connection: Burundi-DR Congo-Rwanda; Rwanda-Uganda-Kenya junction; Rwanda-Burundi-Tanzania connection via the Rusumo Falls project with the line going through Muyuinga to the Taba station.

#### **4.9. Regional integration**

361. Burundi belongs to six regional communities: (i) the East African Community (EAC); (ii) the Nile Basin Initiative (NBI); (iii) the Economic Community of the Great Lakes Countries (CEPGL); (iv) the Common Market for Eastern and Southern Africa; (v) the Economic Community of Central African States (CEEAC), and (vi) the International Conference on the Great Lakes Countries (CIRGL). The objectives of these different communities are complementary and interdependent. Burundi has taken the necessary steps so that programs agreed upon in each organization can be carried out in accordance with the principles expressed by the member states.

##### **4.9.1. East African Community (EAC)**

362. The EAC's objective is to establish among the member states a customs union, a common market, a monetary union, and a political federation.

363. During 2008, the establishment in July of a national committee to monitor the implementation of the protocol on the customs union and the creation in December of a national commission to monitor mechanisms to eliminate non-tariff barriers have allowed for Burundi's rapid admission to the customs union while the committee responsible for participating in the negotiations on the protocol for the EAC common market has already completed the mid-term report for submission to the Council of Ministers held in Zanzibar in the month of November. The establishment of a common market represents the second stage in the process of Burundi's incorporation within the EAC, which is expected to be completed by 2010.

364. With respect to the monetary union phase the deadline for which is 2012, preliminary technical consultations are in progress. For this purpose, experts from the Bank of the Republic of Burundi (BRB) are participating regularly in consultations and discussions on economic policy (convertibility of the capital account, revision of the formulation and conduct of monetary policy by the central banks, harmonization of national statistics, etc.), banking supervision, harmonization of payment systems, information technology, and financial markets, etc.

365. With regard to the political union, Burundi has completed national consultations on the political federation of the EAC countries in accordance with the recommendations of the EAC Secretariat. The report on these consultations was approved on November 28, 2009. Sectoral committees, managed at the sectoral ministry level, were created to ensure the monitoring of common projects and programs of the EAC member states in order to expand and strengthen cooperation among the states in the areas of policy, economics, social and cultural affairs, research, technology, defense and security, and legal and judicial affairs.

**Box 3: Impact of Entry into the EAC for Burundi**

A study conducted by GTZ that came out in May 2008 indicates the impact of entry into the EAC for Burundi. The impact of its entry into the customs union was thus estimated to be lost tax revenues of 1.7 percent and a resulting increase in the primary deficit of 5.2 percent. The benefits to consumers in terms of lower prices would potentially be significant, must depend on the pricing practices of importers.

The SWOT analysis conducted in the study points to the following possibilities: a downward trend in prices for consumer products; the opening up of a vast labor market; the potential arrival of investment capital; exchanges of economic and social ideas, experiences, and approaches; more institutional and university cooperation; stricter control of fraud and corruption; and exploitation of the privileged access of a francophone country to the ports of the DRC. Nonetheless, adjustments will have to be made to the productivity of Burundi companies to address the competition that neighboring countries would not fail to present.

366. The principal problem in the effective operation of the agencies of the Community relate to inadequate financial resources to ensure the management of all missions carried out in the EAC framework and by all the member countries, particularly Burundi.

#### **4.9.2. Nile Basin Initiative (NBI)**

367. The micro subsidies initiative has launched many activities that have brought to the fore the best practices that should guide effective environmental protection.

368. The major achievements to be underlined in this context relate to (i) the community conservation program supporting community interventions seeking to reduce cross-border environmental threats at a local level, (ii) microprojects supported with the amount of US\$25,000, and (iii) local organizations that have benefited from WFP financing amounting to US\$75,000 per NGO through the FFW program to consolidate their actions.

369. The areas affected by these interventions relate to soil management and conservation; the promotion of ecologically sustainable agriculture; managing water pollution; agroforestry; reforestation; management and protection of parks and natural reserves; and promotion of alternative energy sources (improved housing, biofuel, etc.).

370. The major challenges faced in this area involve the multiplicity of organizations that need financing and the limited ability of local organizations to formulate projects.

#### **4.9.3. The Economic Community of the Great Lakes Countries**

371. Programs to revive the CEPGL were identified in the area of democracy and good governance, investment, agriculture, food security, energy, infrastructures, communications, education, and research.

372. In the areas of democracy and good governance, priority projects at the community level were identified for instilling the culture of democracy and good governance in order to increase the number of citizens participating in the management of public affairs. This involves (i) the creation of an Observatory on Human Rights and Good Governance in the CEPGL countries; (ii) the project to create the community center to prevent and combat genocide, war crimes, and crimes against humanity; and (iii) the project to strengthen the capabilities of various agents in the area of democracy and good governance in the CEPGL states.

373. With respect to the agricultural sector and food security, five projects were developed in 2008. These relate to (i) updating the feasibility study on the regional seed project; (ii) the feasibility study on centers to support livestock for purposes of repopulation; (iii) the feasibility study for a chemical fertilizer storage and mixing project; (iv) updating the feasibility study on a regional agricultural machinery center; and (v) the feasibility study on a regional study on harvest storage.

374. Regarding the energy, infrastructure, and communication sector, in 2008 projects were proposed for financing.<sup>2</sup> This involves (i) the rehabilitation of groups 2 and 3 of the Ruzizi II Station (SINELAC); (ii) establishing a Ruzizi III community hydroelectric station on the Ruzizi river (iii) the Burundi-DRC-Rwanda connection with 110 V current; (iv) the Burundi-Rwanda connection, and (v) the reconstruction/rehabilitation of the Bukavu-Cyangugu Bridges on the Ruzizi river.

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<sup>2</sup> To CEPGL member states and the international community.

375. Education and research have also held the attention of the member states as seven priority community-level projects were proposed for a total cost of US\$500,000.<sup>3</sup> This involves (i) development of a policy to improve higher and university education in the CEPGL: status, constraints, and recommendations, (ii) study on the creation of a regional statistics institution for the CEPGL; (iii) study on the creation of a regional institute to train CEPGL veterinarians; (iv) study on setting up a top-ten type project in the CEPGL; (v) updating of the study on the “Polytechnical School of the Great Lakes” project; (vi) active participation of members CEPGL countries in the EAC knowledge management project; and (vii) documentation and scientific database for the CEPGL states.

376. The different constraints that the community faces include the inadequate financial resources of the three member states; inadequate assistance from the international community; delay in payment of country contributions; and difficulty planning over the medium and long term.

#### **4.9.4. Common Market for Eastern and Southern Africa**

377. With respect to COMESA, the protocol on introducing the customs union was signed in December 2008 but its implementation is planned for 2009. The next stages are the monetary union (single currency) and the establishment of an economic community planned for 2025.

#### **4.9.5. Economic Community of Central African States**

378. The strategic interventions planned for 2008 are being carried out. This involves (i) the project on conservation and sustainable management of the forest resources of Central Africa; (ii) the project on combating climate change in Central Africa; and (iii) the project on conservation and sustainable management of cross-border natural resources of Central Africa (fresh, sea, and coastal waters, biodiversity, fauna and flora). The study on connecting the electrical systems of the CEEAC member states planned for December 2008 has not been carried out as yet.

379. The various limitations that hamper the community’s effectiveness relate to (i) internal functional problems; (ii) action themes that develop slowly; (iii) measures to replenish the budget and ensure the maintenance of peace that must still take shape; and (iv) the absence of a real impact in the area of economic integration.

#### **4.9.6. International Conference on the Great Lakes Region**

380. The actions initiated in 2008 relate to (i) the food security program, with actions included in the framework of cooperation to reduce poverty; (ii) projects to revive the CEPGL and its specialized agencies for the period 2006-2010 and certification of natural resources for the period 2007-2011 in the context of harmonizing and strengthening

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<sup>3</sup> To CEPGL member states and the international community.

cooperation policies; and (iii) the northern corridor project in the context of developing regional infrastructures.

381. **In conclusion**, the different regional communities that Burundi has joined are of significant interest. However, the following shortcomings should be noted: these communities have similar programs and hence a problem of duplication and overlap; the problem of institutional instability preventing effective monitoring of the communities' affairs; and regional programs not in keeping with national budgets.

## Chapter 5: Development of human capital

### 5.1. Promoting education

#### 5.1.1. Primary and second education

382. Among the after-effects of the crisis is limited access to education for an entire generation of young people the most affected of whom include the displaced, orphans, street children, and former child soldiers. Added to these are the returnees, some of whom are without roots [*sans reference*].

##### a. Primary school

383. With the support of its Technical and Financial Partners (TFP), the government has made significant efforts to rebuild school facilities and expand access to primary education. These efforts are reflected in the following areas in particular:

**Eliminating school fees:** Primary school registration increased from 1.3 million in 2005 to 1.7 million in 2008, with a notable increase in registration for girls. An increase of 8 percent was recorded as compared to 2007.

**Increased numbers of classrooms and teachers:** The number of classrooms and teaching staff increased significantly. Thus, during the 2007–2008 period alone, 1,894 classrooms were built and 2,780 new primary school teachers were hired.

**Table 15: New Classrooms Built in 2008, on New Sites or as Extensions to Incomplete Primary Schools**

| Province         | Number of Classrooms Built |           |       |
|------------------|----------------------------|-----------|-------|
|                  | New Sites                  | Extension | Total |
| Bubanza          | 26                         | 55        | 81    |
| Bujumbura Mairie | 69                         | 0         | 69    |
| Bujumbura Rural  | 60                         | 76        | 136   |
| Bururi           | 61                         | 126       | 187   |
| Cankuzo          | 49                         | 0         | 49    |
| Cibitoke         | 40                         | 34        | 74    |
| Gitega           | 152                        | 0         | 152   |
| Karusi           | 120                        | 0         | 120   |
| Kayanza          | 114                        | 10        | 124   |
| Kirundo          | 111                        | 0         | 111   |
| Makamba          | 88                         | 9         | 97    |
| Muramvya         | 33                         | 16        | 49    |
| Muyinga          | 80                         | 0         | 80    |
| Mwaro            | 44                         | 0         | 44    |
| Ngozi            | 90                         | 97        | 187   |
| Rutana           | 15                         | 90        | 105   |
| Ruyigi           | 69                         | 0         | 69    |
| Total            | 1221                       | 513       | 1734  |

Source: Planning Office of the Ministry of Primary and Secondary Education

384. The available statistics show some efforts were actually made but progress is still pending for some provinces such as Cankuzo, Bujumbura Mairie, Muramvya, Ruyigi, and Mwaro.

**Educational materials made available.** The government has provided one manual for every two students in the first and second grade on Kurundi, French, mathematics, and environmental studies and one manual per student in Kirundi and French for students in third through sixth grade. All teachers now have appropriate teaching guides.

**Continuing education for teachers, school principals, and inspectors.** The training for unqualified teachers organized in 2008 affected 746 unqualified teachers as well as 2,104 school principals in primary schools and communal inspectors. Thus, the qualification of teachers by gender and by provinces has improved on the whole, since the majority of teachers in public primary school have the required degrees, with an average of 92.6 percent, and qualification rates surpassing 88 percent in all the provinces. Compared to the 2006-2007 school year, an increase of 3.9 percentage points could be seen since the rate when from 88.7 percent in 2006–2007 to 92.6 percent in 2007–2008.

**Improved working conditions for teachers.** In order to improve the quality of service and encourage the commitment of teachers, a teachers' housing fund was also instituted in 2008.

In addition, within the context of strengthening material conditions, 169 motorcycles were distributed to communal inspectors to improve school administration. Moreover, computer and copying equipment was distributed to the technical offices of the central administration and to the Provincial Directorates of Education.

**Mobilizing for increased community participation.** Through the communal administrations, the government of Burundi has raised community awareness on gathering local materials and building schools. In this context, inputs (cement, sheet metal, concrete reinforcement steel) were distributed to support community initiatives to build school facilities. In addition, a program to set up school management committees involving parents is being developed while the installation of school cafeterias continues to have positive effects on enrollment of the poorest children.

#### ***b. Secondary school***

385. The communes have mobilized to respond to the growing demand for post-primary education. In fact, communal high schools currently represent 82 percent of enrollment in secondary school, while public high schools enroll 10 percent of the students. It should also be noted that the government has provided significant support to the communes to build new communal high schools and 50 schools opened their doors in 2008. Alongside this support to the communes, the government has approved a budget of 1.8 million for construction, rehabilitation, and equipping of high schools for budget year 2008.



386. Sizeable contributions were also made by religious groups and NGOs for building high schools. In order to improve learning conditions and given the near absence of teaching material, the government plans to provide schoolbooks at the rate of one set for every two students.

#### 5.1.1.2. Impact of measures and challenges

387. With the consolidation of the peace process and the declaration of free education in 2005, the situation has gradually improved and the 2007–2008 school year showed a gross enrollment rate of 123.5 percent compared to 105.2 percent.

388. This rate is explained by the delayed schooling of many children who, for reasons of security, poverty, or the limited supply of educational services, were unable to enter primary school before free education was introduced and facilities were developed, starting in 2005.

**Table 16: Change in Gross Primary School Enrollment Rates by Province**

| Province         | 2003-2004   | 2004-2005   | 2005-2006    | 2006-2007    | 2007-2008    | 2008-2009    |
|------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Bubanza          | 70.5        | 71.2        | 86.6         | 95.2         | 108.9        | 117.2        |
| Bujumbura Mairie | 101.8       | 124.3       | 141.9        | 119.8        | 112.9        | 102.3        |
| Bujumbura Rural  | 92.3        | 86.9        | 95.6         | 116.6        | 127.3        | 131.2        |
| Bururi           | 112.5       | 108.3       | 122.2        | 140.9        | 141.3        | 162.1        |
| Cankuzo          | 75.8        | 74.9        | 97.5         | 79.8         | 130.3        | 137.0        |
| Cibitoke         | 77.2        | 74.6        | 91.9         | 101.7        | 122.6        | 129.5        |
| Gitega           | 93.8        | 88.9        | 106.6        | 112.0        | 134.9        | 138.1        |
| Karusi           | 78.9        | 83.2        | 100.1        | 104.5        | 129.7        | 135.2        |
| Kayanza          | 68.7        | 75.2        | 102.8        | 97.2         | 127.0        | 134.6        |
| Kirundo          | 70.3        | 63.9        | 88.8         | 86.7         | 103.4        | 110.1        |
| Makamba          | 78.7        | 82.6        | 101.2        | 114.3        | 135.2        | 152.1        |
| Muramvya         | 96.2        | 96.3        | 115.4        | 125.3        | 151.9        | 153.7        |
| Muyinga          | 57.8        | 56.4        | 74.7         | 85.7         | 96.0         | 105.5        |
| Mwaro            | 111.1       | 106.8       | 122.0        | 128.7        | 150.6        | 153.8        |
| Ngozi            | 58.3        | 57.1        | 86.4         | 91.5         | 117.7        | 122.1        |
| Rutana           | 85.3        | 90.9        | 117.8        | 96.3         | 123.3        | 133.4        |
| Ruyigi           | 63.5        | 80.1        | 105.8        | 101.4        | 117.6        | 127.2        |
| <b>Total</b>     | <b>81.0</b> | <b>81.6</b> | <b>101.3</b> | <b>105.2</b> | <b>123.5</b> | <b>130.4</b> |

*Source: Ministry of National Education*

389. However, there are still many challenges to be overcome and the needs in education are vast. There are far too few facilities: according to the 2007 PETS Survey, only two percent of public primary schools have libraries, only half of the schools have a teacher's office, one out of ten schools has a cafeteria, two out of one hundred schools have a pharmacy, less than five out of every hundred schools have a supply of electricity, two-thirds of schools have no access to a source of drinking water, 13 percent have no restroom. The student/seat ratio is 1.4 nationally.

390. The educational system is characterized by very deep provincial disparities, the practice of two half-day sessions [*double vacation*], with children attending only one of these sessions, is nearly universal. This explains the limited amount of time spent in school (600 hours/year in primary school). Teachers are poorly distributed between urban and rural

areas. In addition, initial teacher training does not take adequate account of recent scientific developments, while in-service training remains inadequate.

391. Absenteeism is a common practice, at about 25 percent according to the PETS survey. Despite efforts made to increase the capacity of teaching facilities, two constants require very specific attention to restore the effectiveness of Burundi's educational system.

392. The student/teacher ratio is 53 students nationally, meaning that one teacher teaches an average of 53 students. This ratio conceals disparities among the provinces as it varies from 33 to 76. Compared to the 2006–2007 year, this ratio fell by one point and improvements are to be noted in Bujumbura Mairie, Bujumbura Rural, Gitega, Karusi, Ngozi, and Ruyigi. The student/classroom ratio is 84 nationally. Compared to the 2006–2007 year, this ratio shows a slight improvement. However, the ratios seen in all the provinces exceed classroom capacity, normally a maximum of 50 students. This shows that the practice of two half-day sessions to offset insufficient space in primary education remains a reality throughout the country.

393. The combination of these factors has a negative effect on the internal performance of the educational system, with a very high grade repetition rate of up to 36.2 percent and a dropout rate of 5 percent for the 2007–2008 academic year in the primary schools.

394. The educational system is also characterized by gender disparity. Efforts have been made to correct this disparity.<sup>4</sup> The analysis of girl/boy parity shows that boys still receive more schooling than girls as there are 95 female students for every 100 male students. While parity may be less than 1 to 1, some progress has been made in education for girls in that the rate went from 0.93 in 2006–2007 to 0.95 in 2007–2008. This shows progress toward attaining equity in primary schooling, one of the millennium development objectives.

### **5.1.1.3. Gender and equity**

395. Despite efforts made to give Burundi girls access to school, an important step remains to be taken in terms of secondary and higher education. For the poorest and most vulnerable families struggling to survive, access to school is not sufficient to allow them the chance to attend school. In order to provide equal opportunities for all children, the government has launched a school cafeteria program with the WFP and has, in collaboration with UNICEF and some NGOs, periodically distributed school supplies and uniforms to target populations attending primary school. Remedial and refresher courses have been organized for repatriated children to facilitate their integration in the Burundi educational system.

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<sup>4</sup> Girls' access to education comes up against many problems related to opportunity cost, the dominant view of girls remaining at home, earlier marriage, and sexual violence/harassment, all of which continue to be major constraints.

#### **5.1.1.4. Future prospects of the primary and secondary education sector**

396. In order to overcome the challenges and promote an educational system that ensures quality education more responsive to Burundi's real development needs, the government has begun to develop the sectoral development plan for education, guaranteeing training that can sustainably improve the effectiveness of the educational system. This policy, now being finalized, revolves around five principal objectives that seek to (i) attain universal completion of primary school in 2015, (ii) control the flow of students beyond primary school, (iii) improve the quality and relevance of public education, (iv) guarantee an equitable educational system, and (v) ensure greater efficiency in the use of resources.

397. The technical and financial partners that have committed to working alongside the government to prepare the Sectoral Plan for Education and Training for All (IMOA-EPT) have decided to harmonize and coordinate their technical and financial support for this plan in order to better support its implementation. Thus, there will be a single plan for the education sector and a single coordinating unit for all technical and financial partners.

398. In the meanwhile, from the perspective of universal primary education, the government will emphasize three important aspects: (i) expansion of facilities and a guarantee of equitable access for all school-aged children, granting targeted support to poor families and responding to the needs of children who have not had the opportunity to complete primary school, (ii) increased effectiveness of schools by increasing time spent in school, providing qualified teachers, and teaching materials; and (iv) increased involvement of parents and communes.

399. Achieving the objective of universal primary education, which entails completion of primary school, requires great concentration of efforts on the first cycle of secondary education. It is very important to analyze ways and means to effectively address increasingly pressing demand in terms of secondary education. With respect to this imperative, the government is seeking to achieve three objectives focusing on (i) providing opportunities for access, including the equity policy, (ii) improving internal performance by reducing the grade repetition that significantly limits educational development, and (iii) increasing the quality and relevance of education by emphasizing a clear improvement in the content of apprenticeships from the perspective of increased integration in the regional and world economies.

#### **5.1.2. Career training, professional training, and literacy program**

400. As of the end of 2007, there were more than 2,601 people being trained at career and professional training centers. The table below summarizes the information available.

**Table 17: People in Training at Vocational Training Centers**

| Provincial Coordinating Office | 1 <sup>st</sup> Year |     | 2 <sup>nd</sup> Year |     | 3 <sup>rd</sup> Year |     | Total |
|--------------------------------|----------------------|-----|----------------------|-----|----------------------|-----|-------|
|                                | Women                | Men | Women                | Men | Women                | Men |       |
| Bujumbura Mairie               | 65                   | 18  | 51                   | 8   | 48                   | 11  | 201   |
| BUTERERE                       |                      |     |                      |     |                      |     | 373   |
| CFP KANYOSHA                   |                      |     |                      |     |                      |     | 323   |
| Bujumbura Rurale               | 47                   | 41  | 41                   | 48  | 20                   | 32  | 229   |
| Bubanza                        | 20                   | 24  | 2                    | 9   | 7                    | 10  | 72    |
| Cibitoki                       | 13                   | 5   | 7                    | 8   | 15                   | 17  | 65    |
| Kayanza                        | 14                   | 25  | 35                   | 28  | 10                   | 16  | 128   |
| Kirundo                        | 35                   | 34  | 3                    | 12  | 8                    | 5   | 77    |
| Muyinga                        | 24                   | 28  | 7                    | 12  | 8                    | 12  | 91    |
| Ngozi                          | 35                   | 54  | 9                    | 552 | 7                    | 9   | 166   |
| Gitega                         |                      |     |                      |     |                      |     |       |
| Karuzi                         | 30                   | 47  | 7                    | 6   | 1                    | 3   | 94    |
| Muramvya                       | 17                   | 9   | 11                   | 17  | 3                    | 6   | 63    |
| Mwaro                          | 18                   | 3   | 7                    | 3   | 9                    | 3   | 43    |
| Ruyigi                         |                      |     |                      |     |                      |     | 192   |
| Cankuzo                        |                      |     |                      |     |                      |     | 134   |
| Rutana                         | 31                   | 1   | 19                   | 11  | 25                   | 2   | 89    |
| Bururi                         | 34                   | 63  | 21                   | 37  | 22                   | 34  | 211   |
| Makamba                        | 22                   | 18  | 9                    | 5   | 3                    | 3   | 50    |
| TOTALS                         | 405                  | 370 | 229                  | 256 | 186                  | 163 | 2601  |

*Source: Ministry of Career Training, Professional Training, and Literacy*

401. The numbers of beneficiaries seems to continue to be low while geographic and gender disparities continue. However, the male/female ratio is favorable to women.

402. In terms of actions carried out in 2008, note should be made of the rehabilitation of one center as compared to the five that had been projected. On the other hand, 20 centers were equipped, four training curricula were developed, and 100 trainers were trained in technology and teaching techniques.

403. In the short term, there are plans to provide professional training to some 2,600 center registrants, to construct a Professional Training Center, to rehabilitate another five centers, and to equip 25 of them. In pedagogical terms, the recommendations are to complete the preparation of guides and booklets on pedagogical modules, to hire new trainers, and provide training on technology and teaching methods to 100 trainers, and ten trainers for academic advisers.

404. In the area of literacy, Burundi is among the countries with the highest illiteracy rate at 65.1 percent for women and 42.8 percent for men. The National Literacy Service provided literacy training to 9,168 women and 6,581 men in 2008 although there were significant regional disparities. The limited yield from literacy activities as compared to the vast need is due to the lack of logistical resources, limited involvement of stakeholders, the lack of

literacy teachers, not enough teaching materials for the teachers, and the lack of a follow-up policy upon completion of literacy programs.

**Table 18: Numbers of Newly Literate People**

| Province         | Number of People |       |
|------------------|------------------|-------|
|                  | Men              | Women |
| Bujumbura Mairie | 351              | 64    |
| Bujumbura Rurale | 70               | 58    |
| Bubanza          | 0                | 10    |
| Cibitoke         | 38               | 30    |
| Kayanza          | 1,000            | 675   |
| Kirundo          | 4,318            | 3,549 |
| Muyinga          | 671              | 566   |
| Ngozi            | 322              | 528   |
| Gitega           | 36               | 35    |
| Karuzi           | 984              | 838   |
| Muramvya         | 629              | 375   |
| Mwaro            | 210              | 101   |
| Ruyigi           |                  |       |
| Cankuzo          | 198              | 111   |
| Rutana           | 39               | 33    |
| Bururi           | 103              | 31    |
| Makamba          | 199              | 169   |
| TOTALS           | 9,168            | 6,851 |

*Source: Ministry of Career Training, Professional Training, and Literacy*

405. In order to move ahead on literacy, there are plans to develop a literacy policy, to provide the department in charge of literacy programs with sufficient human, material, and financial resources to implement the policy thus defined, to conduct an awareness campaign at all levels, to encourage the incorporation of the literacy component in communal development programs, and to ensure synergy among actions taken by the various participants in the area of literacy.

406. In terms of preschool education, 428 teachers were trained in preschool programs, while 105 awareness agents were trained on parent education. Private initiatives contribute to promoting preschool education, particularly in urban areas.

### **5.1.3. Higher education**

#### **5.1.3.1. Status and recent developments**

407. The effects of under-investment in higher education are felt in difficulties accessing information technology, limited scientific documentation, serious lack of laboratory equipment, and inadequate human resources. The uneven development of the number of teachers and students at the University of Burundi represents another aspect of the difficulties at this educational level in Burundi.

408. Since the beginning of this decade, there has been a spectacular increase in the number of students, increasing from 7,578 students in 2000-2001 to 18,366 in 2007-2008, or

an increase of more than 140 percent in eight years. These figures are also under-estimated, since many institutions do not officially publish their numbers. At the same time, the University of Burundi, which accounted for most students in the country (71.38%) in 2000-2001, has not kept up with the pace of incoming secondary school graduates, a pace that has accelerated over the last five years. Thus, the University of Burundi already experienced close to a 30 percent increase in its numbers in 2003-2004 but since then its numbers seem to have stabilized due to its limited capacity to accept more students.

409. Moreover, at a time when the number of students is increasing, the University of Burundi has a decreasing number of teachers, falling from 296 in 2000-2001 to 281 in 2007-2008, 127 of whom are qualified (doctoral level). Many qualified teachers have left Burundi in search of better working conditions. Others are hired by the country's private universities and institutes. In addition, the average age of the qualified teachers at the University (50 years old) points to difficulties for renewing the teaching corps over the medium term. The increase in the rate of grade repetition from 14 percent to 30 percent over the course of the period under consideration is only the consequence of this state of affairs.

410. Private higher education has grown very rapidly over the last five years, increasing from 5,984 students in 2003-2004 to 12,943 students in 2007-2008, or an increase of more than 100 percent. In addition to population growth, this development is explained by the vitality of private institutions. Unfortunately, some of them are more focused on profitability than teaching quality (qualifications/availability of professors). Study conditions (lack of teaching material) and the hiring level (few new hires are required to pass the government exam) should be improved. Gender parity is increasing in higher education, with a gender parity index of 0.48 in 2007-2008 as compared to 0.42 in 2000-2001. The University of Burundi is far from the ideal, with an index of only 0.23.

#### **5.1.3.2. Status of priority actions**

411. Action to construct and equip amphitheatres at the University of Burundi began in 2006-2007 with the construction of an amphitheatre at the IPA and the second is due to be completed at the IPA. Despite this effort, the capacity of the University of Burundi's facilities remains inadequate. In 2008, the ENS got a complex of facilities that includes classrooms, amphitheatres, meeting rooms, and offices.

412. With respect to the rehabilitation of classrooms, offices, and on-campus housing, only the Mutanga campus was rehabilitated in 2008. Some renovation work is continuing under the operating budget of the ROU. The ENS received new books as well as theodolites and binocular microscopes between 2006 and 2008. Almost all the pilot and monitoring structures of the program reform project (Bologne process) are in place. According to projections, the LMD degree system will be introduced at the University of Burundi starting in the 2009-2010 academic year.

413. Supplemental activities were also carried out with respect to institutional strengthening and operational support. On the institutional level, six studies were conducted on the general direction of higher education, private higher education institutions, the

University of Burundi; the University Works System, social services for students, and the assets of the University of Burundi; personnel in public higher education; and the training of general and technical secondary education teachers. A report produced by an international mission to evaluate higher education in Burundi was published. A study session to expand the examination of private higher education and a white paper on higher education were produced. Note should be made of the implementation of the mechanism to guide the reform of higher education with the goal of introducing the LMD system (*licenciature*, masters, doctorate), the establishment of preliminary drafts of models for the three years of the *licenciature* and the signing of Decree No. 100/12 of January 10, 2008 on the creation, organization, and operation of the National Commission on Higher Education.

414. In operational terms, particular note should be made of the equipping of four multipurpose data processing instruction rooms in the context of improving teaching conditions through the development and use of NICT (72 computers) and the organization of training in computer culture for University of Burundi employees and students; the purchase of 3,648 works to update documentary assets; the launch of the “syllabus” operation to support the preparation of pedagogical productions; the establishment of a study group to define fields and programs with a view to launching training on data processing in scientific management and the preparation of the scientific case for creating the “Sciences” center at the multidisciplinary doctoral school of the University of Burundi.

### **5.1.3.3. Actions to be taken in the short and medium term**

415. In order to put Burundi on the road to technological research and application, the government plans to create a National Commission on Science, Technology, and Research and a General Directorate of Science, Technology, and Research. In addition, in order to adapt university education to the needs of the labor market and its need for modernity, the government plans to carry out the following actions:

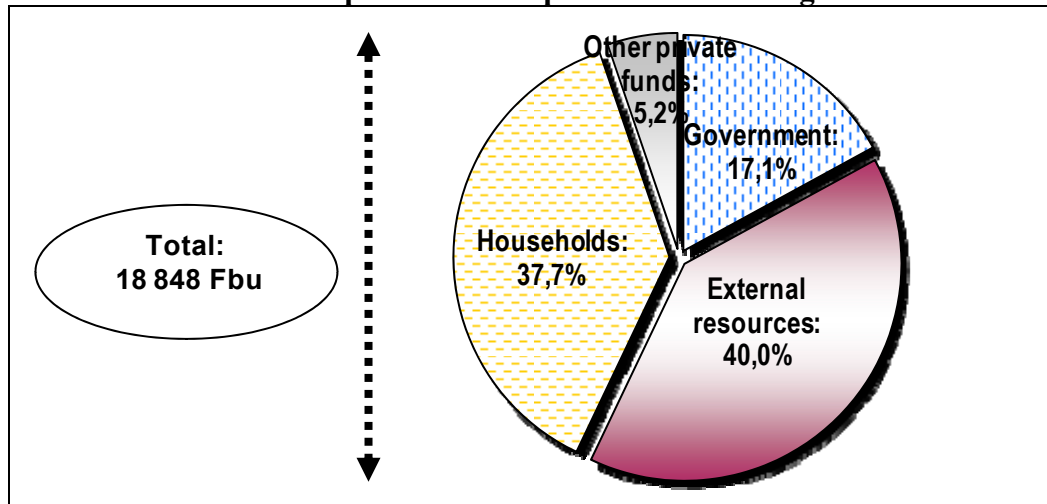
- (i) Study on the State examination, which could in future be required in order to gain access to higher education (both public and private);
- (ii) Preparation of a framework law on higher education in Burundi;
- (iii) Introduction of the LMD system and reorganization of higher education according to this scheme;
- (iv) Development of training and research facilities with particular attention given to reforming training facilities for secondary teachers;
- (v) Setting up a private higher education framework mechanism and supporting it;
- (vi) Establishment of a mechanism for restarting research;
- (vii) Review of missions, status, and operation of the University Works System;
- (viii) Determination of the current status of human resources and projected needs for 2015, considering the flow of students expected and the new organization of studies.

## 5.2. Improving access to healthcare

### 5.2.1. Constraints associated with costs to access healthcare that are still high

416. The 2007 National Health Accounts (NHA) show that per capita healthcare expenses in Burundi are FBu 18,848 (US\$18.00) per year. This is equal to 16.4 percent of annual per capita income. This amount seems quite low compared to the level of expenses recommended by the WHO's Macroeconomics and Health Committee, which is US\$34 per capita per year. The direct contribution made by households represents 37 percent of this amount, or FBu 7,102, or about 6 percent of per capita annual income.

**Chart 15: Per Capita Health Expenses and Funding Source**



Source: 2007 NHA

417. The study conducted in 2008 by the NGO Cordaid shows that health spending in the provinces studied represents an average of 7.7 percent of annual per capita income. This percentage is similar across the different socio-economic groups, from 9.7 percent for the "poorest" socioeconomic group to 7.4 percent for the "fortunate" groups. It increases to 8.9 percent (7.5% for the poorest group) in the provinces of Bubanza and Cankuzo (where Cordaid has been operating since 2006) and to 12.9 percent (17.1% for the poorest group) in the provinces of Karusi and Makamba (control provinces).

### 5.2.2. Progress made in executing programs and projects related to the NHDP/PRSF

418. The execution of activities recommended by the National Health Development Plan (2006-2010 NHDP) has allowed for the following achievements.

#### 5.2.2.1. Reduction of maternal and neonatal mortality rates

419. Childbirth in health care facilities went from 41 percent in 2007 to more than 55 percent in 2008, while 50 percent of the country's hospitals have received at least one authorization to respond effectively to obstetrical emergencies (caesarian sections, for example), noticeably reducing mortality and disabilities due to such emergencies. Checkups



for children under the age of five have increased from one visit per year in 2007 to 2 visits per year in 2008. During 2008, the referral and counter-referral system for obstetrical emergencies has been extended to other provinces such as Kirundo, Muramvya, Mwaro, Kayanza, Bururi, and Gitega.

#### **5.2.2.2. Reduction of the infant and child mortality rate**

420. The Expanded Program on Immunization has made it possible to conduct annual mother-child health campaigns as well as catch-up campaigns to bring the population's vaccination centers to the same level. Vaccine coverage reached 92 percent in 2008. According to provisional data from the 2008 census, this rate would likely increase to 101 percent.

#### **5.2.2.3. Reduction of the prevalence of transmissible diseases, deficiency diseases, and malnutrition**

421. The principal advances relate to the prevention and management of malaria, HIV/AIDS, and tuberculosis. Thus, to combat malaria, Burundi reached an agreement with the Global Fund in 2008 on funding over five years amounting to US\$33 million. Anti-malarial medications were made available in all healthcare facilities at subsidized prices.

422. The incidence of malaria fell to less than 25 percent, its lowest rate since 2004. Insecticide treated mosquito nets were distributed in all public health centers for all children who received the measles vaccine and women who visited healthcare facilities for prenatal care. According to PSI Burundi, the percentage of children under the age of five and pregnant women who sleep with an insecticide treated mosquito net increased from 7 percent to 32 percent and from 7 percent to 30 percent, respectively, between 2005 and 2007. With respect to combating tuberculosis, the government set itself the goal of reaching a tuberculosis detection rate of 50 percent and a cure rate of 85 percent for 2008. The results achieved at the end of 2008 are 47 percent for detection and 86 percent for cure, respectively. Finally, with respect to malnutrition, according to national nutrition surveys the percentage of children under the age of five with low weight and delayed growth fell from 39.2 percent to 35.2 percent and from 52.5 percent to 46 percent, respectively, between 2005 and 2007, following better medical follow-up of young children and the results of the government's nutrition program.

#### **5.2.2.4. Strengthening health sector performance by improving access to services and quality of care**

423. Actions were taken in the area of facilities, strengthening human resources, and provision of medication. The utilization rate of ambulatory care services, which represents the number of annual visits per capita, increased from 38 percent in 2005 to 79 percent in 2008 and demonstrates the expansion of access to health services for the population. **In the area of facilities**, note should be made of the biomedical equipment installed at 10 Health Centers and 23 hospitals, the electrification of eight health centers, with an additional 18 in progress, the maintenance of eight electrical generators in the Provincial Health Offices, the

installation of two generators at the Ministry of Public Health, and supplying water to three health centers. In addition, studies were conducted on the construction of two hospitals, nine health centers, and on rehabilitation. Data began to be collected regarding the condition of health facilities in the country's 17 health provinces with a view to their future rehabilitation. It is also interesting to note the construction of maintenance shops and routine maintenance of equipment (including biomedical, computer, and cartage equipment).

424. **With respect to human resources**, the findings are rather troublesome. In effect, despite the increase in health center visits, the number of health personnel has not increased, and their working conditions are more and more difficult. For all of Burundi, there are only 201 physicians, with 87 in the public sector and 114 in the private sector and NGOs. Of the 87 physicians in the public sector, 46 of them or 52 percent are administrators posted to Bujumbura and the provincial headquarters. In total, 90 percent of physicians work in urban areas. In addition, 27.34 percent of paramedical staff are in the capital. Finally, only 42.62 percent of medical technicians serve 90 percent of the population. In 2007, the gap between the number of medical personnel required by international standards and the number actually available was 1,282 individuals. Thus, medical personnel would have to increase by more than 340 percent to reasonably set up Burundi's health system with qualified human resources, understanding that the shortages are most serious in the specialties.

**Table 19: Human Resources Needs, 2007**

| Categories                         | According to Standard | Available | Needs | Required increase in staffing |
|------------------------------------|-----------------------|-----------|-------|-------------------------------|
| General physicians and specialists | 424                   | 96        | 328   | 341.7%                        |
| Senior technicians (nurses)        | 240                   | 214       | 26    | 12.2%                         |
| Medical technicians                | 1,281                 | 685       | 596   | 87.0%                         |
| Nursing assistants                 | 1,800                 | 832       | 1,282 | 116.4%                        |

*Source: Joint mission, 2008*

425. In the context of implementing the 2007-2009 Human Resources Action Plan, the following actions were taken in 2008: (i) start of the process of drawing up the human resources development policy and plans; (ii) reform of training in paramedical schools; (iii) training of physicians in surgical-obstetrical emergencies; (iv) introduction of incentive and retention mechanisms for personnel; and (v) launch of contractual approach in certain pilot provinces in the country.

426. **The supply of medications** is still subject to the prevailing and long-standing urgent situation. With the supply of medications becoming more and more important, many problems are exacerbated. These include shelf life (up to more than one year), supply not consistent with expressed needs, frequent breakdowns in inventory, the administrative burden of ordering procedures, and the waste of existing resources. Integrated logistics have been proposed with respect to these problems. This consists of gradually transferring supply tasks from health agencies to CAMEBU, to improved quality and regular transport with the purchase of a second truck equipped with cold storage, to the implementation of the new

public procurement code as well as targeting 20 essential medications for which regular supply will be a priority.

### 5.2.3. Implementation of reforms in the health system

427. Areas of progress as a result of the implementation of major reforms are all encouraging and relate to the following.

(i) **The establishment of health districts:** This reform began in 2007 for the purpose of decentralizing the administrative and technical management of the health sector. A district covers a well-defined population of about 150,000 inhabitants. When there are more than 250,000 inhabitants, the district is divided in two. Each health district includes a district hospital that is a first referral hospital. Health centers refer complex cases to the district level and the district level refers them to a higher level. In 2008, 35 out of 45 health districts were established and distributed throughout the country. The ten remaining districts should be established in 2009.

(ii) **Reform of the HIS:** Currently the health information system is not able to provide the data needed for decision-making by health professionals. The implementation of the HIS has run into several difficulties, among them the extreme “verticalization” of the health system’s organization, which gives preference to specific HIS for each program/illness. It was not possible to fully carry out this reform in 2008 and it will thus have to be continued in 2009.

(iii) **Free healthcare for children under the age of five and for childbirth:** During 2008, arrears from 2007 were paid off in addition to invoices reported up to June 2008; the rest will be paid in 2009. To deal with delays claimed by the provincial health offices, measures were taken to encourage them to report their invoices more promptly. Thus, late invoices are sent back and a special dispensation is required to process them.

(iv) **Introduction of performance-based financing (PBF):** At the national level, the goal is to harmonize PBF and the financing of free care. Regular follow-up was done on the results of the pilot PBF projects supported by the NGO, Health Net TPO, in the province of Gitega (Kubuye district) and the NGO Cordaid in the provinces of Bubanza and Cankuzo. In addition, there was increased coordination for the installation and implementation of new assistance projects based on PBF in the provinces of Ruyigi, Cankuzo, Karusi, and Rutana by Santé Plus and the provinces of Mwaro, Kayanza, Bururi (Bururi and Matana districts) and Gitega (Gitega, Mutaho, and Ryansoro) by RSS GAVI. Some resources were made available to support provinces that still do not have support from external partners and to ensure geographic equity in the distribution of funds.

428. The results of the PBF approach in the pilot provinces are very positive, as shown in the evaluation performed by Cordaid comparing the two pilot provinces with the two control provinces, and taking into account the initial inequities among them. It appears that of the 27 indicators used in the study, 22 favor the PBF system and none significantly favor the traditional “input” system. The government has thus decided to adopt this policy nationally

and to guarantee standardization of the various interventions in the provinces, with the support of partners in the sector.

429. The Sectoral Coordinating Office was strengthened while the MSP has continued to play a central role in the sectoral discussion on health, in order to move forward with the SWAp (sectoral approach) process and anticipate the signing of a pact, the purpose of which is to allow the country to accelerate the achievement of the MDGs by increasing the effectiveness of aid through increased partnership between the government and the partners in the context of the IHP+ initiative (International Health Partnership, an initiative that puts together several high-level partners including DFID, the World Bank, the WHO, and the United Nations and the governments of six pilot countries including Burundi). Annual joint missions between the government and its partners are the first phase in this process.

#### 5.2.4. Future prospects

430. In terms of planning, a 2009-2011 Medium Term Action Plan (MTAP) is being developed. The 2009-2011 MTEF estimating the financing available for this period is summarized in the following table.

**Table 20: Projected Expenditures in Health (US\$)**

|                 | 2009        | 2010        | 2011        |
|-----------------|-------------|-------------|-------------|
| General total   | 184,968,003 | 187,277,465 | 198,452,292 |
| Inhabitants     | 8,000,000   | 8,232,000   | 8,470,728   |
| Per capita/year | 23.12       | 22.75       | 23.43       |

*Source: 2009-2011 MTEF*

431. The projections indicate that the goal of increasing per capita spending is clearly indicated given that it must grow from US\$18 to US\$23. Nonetheless, significant financial efforts will be required to reach the amount recommended by the WHO. The government plans to prepare a new 2011-2015 NHDP in 2010, along with a MTEF for the same period.

### 5.3. Access to drinking water, hygiene, and sanitation

#### 5.3.1. Drinking water

432. The government's goal is ultimately to guarantee access to inexpensive drinking water for all strata of the population, particularly the poorest, by adopting appropriate measures, particularly to deal with the problems of (i) the disparity of water resources, (ii) health and recession, (iii) wasted water resources; and (iv) limited financing invested in water supply projects.

433. Water production in 2008 fell by 3.9 percent compared to the level achieved in 2007. The volume of water produced went from 38.9 cubic meters in 2007 to 37.4 cubic meters in 2008.

434. According to the latest representative data available on the national level and drawn from the 2005 MICS survey, 79.7 percent of the urban population and 63.4 percent of the rural population had access to an improved (potable) source of water. In addition, subject to quite different survey methodologies, it is possible to compare these rates at the provincial (rural) level, between 2005 and 2008, thanks to the data from the 2008 WFP survey, as shown in the table below.

435. This provides a positive, probably overestimated, view of progress made between these two dates, but indicates, nonetheless, that the population's access to potable water has expanded in recent years, with the notable exception of the province of Mwaro, thanks to the distribution of standpipes. However, due to issues with respect to following the international methodology for calculating the rate of potable water supply, in the context of the MDOs, the indicator appearing in the matrix in the annex uses data from the MICS survey only.

**Table 21: Supply of Improved Drinking Water Sources by Province (%)**

|                 | 2005 MICS | 2008 WFP |
|-----------------|-----------|----------|
| Bubanza         | 57.0      | 74.1     |
| Bujumbura Rural | 60.6      | 80.4     |
| Bururi          | 61.3      | 72.7     |
| Cankuzo         | 51.0      | 70.8     |
| Cibitoke        | 48.5      | 73.2     |
| Gitega          | 61.0      | 88.5     |
| Karusi          | 71.8      | 75.1     |
| Kayanza         | 73.1      | 91.4     |
| Kirundo         | 57.8      | 76.1     |
| Makamba         | 54.5      | 75.3     |
| Muramvya        | 78.9      | 92.3     |
| Muyinga         | 73.7      | 76.5     |
| Mwaro           | 89.1      | 88.9     |
| Ngozi           | 72.4      | 84.7     |
| Rutana          | 56.1      | 66.1     |
| Ruyigi          | 47.3      | 62.5     |
| Total           | 64.3      | 77.0     |

*Source: 2005 MICS and 2008 CFSVA Surveys*

436. During 2008, the number of subscribers went from 38,069 to 40,513 households, an increase of 6.3 percent between 2007 and 2008. In rural areas, 120 sources of water were fitted out in addition to other potable water supply projects in secondary centers (Kirundo, Cankuzo, Rutana, Ruyigi, Cibitoke, Kayanza, Karusi, and Gitega DWS). Water supply projects were also carried out by the Communal Water Authorities (RCEs) and the NGOs. In addition, a systematic national inventory was taken of hydraulic and sanitation facilities in order to update the data for the National Water Master Plan. Along the same lines, the government is planning integrated water management, including irrigation, transportation, and hydroelectric production in order to strengthen the bases for increased productivity and growth. From this perspective, while placing particular emphasis on maintaining a regular water supply, the dissemination of water management and conservation on slopes will be given high priority.

### **5.3.2. Sanitation**

#### **5.3.2.1. Status of waste management**

437. Waste management and sanitation in Burundi is facing significant limitations in terms of collection and treatment of urban waste as well as the removal and treatment of waste water. The treatment of household waste and other solid waste and sanitation is available only in the capital of Bujumbura.

438. The Municipal Technical Services (SETEMU) of Bujumbura have set up a system of weekly garbage collection using trucks. The volume of household waste generated in the city of Bujumbura is estimated at 137,085 cubic meters per year and should exceed 210,000 cubic meters by 2015. Uncollected household waste and solid waste that piles up is strewn throughout the city. The SETEMU collect only 20 percent of the waste produced in the city, disposed of at the municipal dump in Buterere. The operation of this dump allows for neither systematic compacting nor uniform coverage of waste. The dump is located in an unsealed sandy area, which means that ground water is contaminated.

439. The collection of industrial solid waste is not well organized in Bujumbura. Manufacturing companies can either collect and incinerate waste on their own land or collect and transport it to the municipal dump or an unlicensed dump in their vehicles. Average annual production of industrial waste in Bujumbura represents about 64,170 cubic meters.

440. There are four sewer systems constructed at different times. The center city and Ngagara system dates from 1959 while the Mutanga system was constructed in the 1970s. The new system was built in July 2000, along with the current purification plant that serves the new sections of the city. Other than this new system, the rest is dilapidated and should all be rehabilitated so that waste water can be collected and treated in an acceptable way.

441. The purification plant was built ten years ago but remains underused. The quantity of water produced throughout the city per year is estimated to be about 75 million cubic meters but the current sewer system's capacity to collect this water would be only 11 million cubic meters per year. Of this quantity of water collected, only one million cubic meters are treated

per year by the purification plant because some neighborhoods are not connected to the sewer system. The system used is biological lagooning. In the city of Bujumbura, only 38 percent of the area is connected to the public sewer system.

442. At the national level, according to the 2005 MICS survey, 47.6 percent of the urban population and 30.8 percent of the rural population has access to sound solid waste disposal facilities, or 31.7 percent nationally. Nonetheless, strong provincial disparities persist, as shown in Table 22 below. The availability of sound solid waste disposal facilities is thus four times higher in Muyinga than in Mwaro, Rutana, or Bururi.

**Table 22: Percentage of Population Using Healthy Solid Waste Disposal Facilities, by Province**

|                 |      |          |      |                  |             |
|-----------------|------|----------|------|------------------|-------------|
| Bubanza         | 42.0 | Karusi   | 17.2 | Mwaro            | 16.7        |
| Bujumbura Rural | 31.9 | Kayanza  | 38.9 | Ngozi            | 25.1        |
| Bururi          | 13.5 | Kirundo  | 54.1 | Rutana           | 14.1        |
| Cankuzo         | 20.3 | Makamba  | 36.3 | Ruyigi           | 21.0        |
| Cibitoke        | 28.7 | Muramvya | 36.3 | Bujumbura Mairie | 51.5        |
| Gitega          | 26.5 | Muyinga  | 63.3 | <b>Total</b>     | <b>31.7</b> |

*Source: 2005 MICS Survey*

443. On the institutional level, problems identified include (i) the absence of a national policy on hygiene and sanitation, (ii) the absence of a national land management master plan, including the master urban planning plans for the various cities in the country, and (iii) the lack of a lead institution in sanitation.

444. On the legislative and regulatory level, some codes such as the public health code and the hygiene code are obsolete while other codes such as the environmental code lack enforcement provisions. Burundi also suffers from the lack of provisions adapted to the national context.

445. At the technical level, the country faces particular problems such as (i) the inadequacy and disrepair of existing sanitation facilities, (ii) the inadequacy of appropriate logistical material, (iii) the lack of planning when conducting studies, and (iv) the lack of an updated database in the area of hygiene and sanitation.

446. Regarding international cooperation, sharing of experiences at the regional level is inadequate while common substantive projects at the regional and subregional level are also lacking.

447. In the area of capacity-building and research, the gaps noted are (i) limited education for the population on the subject of hygiene and sanitation, (ii) the lack of restrictive action to induce manufacturers to pre-treat their waste water before disposing of it; (iii) insufficient qualified human resources, and (iv) lack of opportunities for on the job training and research.

### **5.3.2.2. Recommended measures and actions**

448. In order to rehabilitate, develop, and expand the public solid waste and sanitation management system, recommended projects relate to (i) technical studies, (ii) development of the public dump and access routes, (iii) purchase of garbage transport equipment, (iv) construction of a sewer system in unconnected neighborhoods (Gihosha, Gikungu), (v) development of a purification plant south of Bujumbura in order to establish a program to support the construction of better latrines, and (vi) purchase of plowing equipment for the city and river management.

449. In addition, with the completion of the national policy on hygiene and sanitation, there are plans to conduct surveys on hygiene and sanitation and a study on standardization of latrine models in school settings nationwide. Specifically, projects are scheduled to rehabilitate sanitation facilities in targeted primary schools in Kirundo, Muyinga, Cankuzo, Ruyigi, Rutana, Bururi, Makamba, Bujumbura Rural, Karusi, and Gitega.



## **5.4. Promoting urban planning and housing**

### **5.4.1. Promoting urban planning**

450. Due to limited ability to produce lots in sufficient quantity and at prices consistent with the income of most citizens, anarchical and spontaneous land occupation has developed in peripheral urban areas. This situation leads to costly restructuring operations and limits the orderly expansion of urban conglomerates. In addition, despite the limit degree of urbanization, estimated at 7 percent, there continues to be a significance imbalance between the capital and the provincial urban centers, while rural centers are still not becoming true development hubs.

451. The strategies adopted by the government seek to (i) define and adopt its National Housing and Urban Planning policy, (ii) update the Urban Management and Planning Master Scheme (SDAU) and develop local management plans (PLA) for the city of Bujumbura and the cities in the interior, (iii) develop an Urban Planning and Construction code, and (iv) ensure rational management of urban areas and increase control over residential and construction sites.

452. During 2008, the government continued its program to make buildable land available by means of the following actions.

- (i) Expropriation of sites: This refers to compensation costs paid to facilitate the management of new sites and services (Kirama, Gasekebuye, Ruziba, Bwoya).
- (ii) Management and preparation of buildable land: this program refers to the city of Bujumbura (Kinindo, Kinamira IV, Sororezoll, Gasekebuye, Kabondo Oest, and Bwiza) and provincial centers such as Gitega, Makamba, Muyinga, Bubanza, Mwaro, and Buriri. A total of 2,443 lots will be available upon completion of the operation.
- (iii) Management studies: These studies seek to delimit some neighborhoods in Bujumbura and Bubanza.
- (iv) There are short- and medium-term plans to strengthen these activities in order to expand and diversify opportunities for access to lots.
- (v) Restructuring of new neighborhoods: This involves conducting preliminary technical studies with a view to establishing new lots and thus giving low-income populations access to recorded and viable lots.
- (vi) “Regional outpost” projects: This project refers to the provinces of Muyinga, Bubanza, Bururi, and Mwaro and aims to produce 2,000 lots for basically residential use.

### **5.4.2. Promoting housing**

453. In addition to the persistent imbalance between supply and demand for building lots, high residential construction costs and inadequate financing mechanisms are the major challenges to equitable promotion of housing. The housing shortage is estimated to be 13,000 dwellings per year and is the source of excessive rent increases. Housing developers face limitations related to (i) the lack of long-term resources, (ii) largely insolvent demand due to the population's limited income, (iii) an ineffective mortgage system, and (iv) the absence of a clear housing policy.

454. The alternatives recommended by the government to solve this thorny housing shortage issue involved (i) encouraging individual savings as a prerequisite to purchasing a lot, (ii) encouraging social welfare institutions, like the INSS and the MFP, and insurance companies to get involved in the housing sector, (iii) tax incentives for bankers and private developers, (iv) advocating for high-rise buildings, and (v) mobilizing external resources following methods suitable for housing promotion.

455. The recommended programs relate to (i) rebuilding the stock of 300,000 dwellings destroyed by war in rural areas, (ii) creating group associations in villages, (iii) restructuring the sanitation of certain neighborhoods where poor people live in the city of Bujumbura and in the secondary cities, (iv) raising the population's awareness regarding the use of local building materials, (v) raising awareness on establishing domestic savings to finance housing.

## **5.5. Support for vulnerable groups and promoting social security**

### **5.5.1. Support for vulnerable groups**

#### **5.5.1.1. Types of vulnerable groups**

##### *(i) Refugees*

456. Estimates of refugees living abroad include 55,000 in Tanzania and 450 in Rwanda at the end of 2008. Those who return to Burundi, particularly long-standing refugees from 1972, find it difficult to recover their old properties in that they are occupied by their former neighbors. They thus become "landless and rootless" (*sans terre and sans reference*) and their reintegration comes up against such serious problems that the situation has become explosive, particularly in the southern part of the country. In addition, returnees in the reintegration villages have no land to provide for their subsistence and the reintegration villages often lack social facilities nearby (school, health center, a water supply).

##### *(ii) The displaced*

457. Displaced persons, who number 116,407 as of 2005, still live miserably in sites that some of them would like to leave to return to their original hills, and seek help to return

there, particularly sheet metal to build or restore their homes and crops, while waiting for the first harvest.

(iii) *The repatriated*

458. The government has continued its policy of repatriating refugees and the number of repatriated persons reached 95,997 in 2008, compared to 41,718 in 2007, and a total of 492,148 since the end of the conflict.

459. These numbers are unevenly distributed in the country's provinces, as shown in the following table:

**Table 23: Numbers and Distribution of Repatriates as of Year-End 2008**

| PROVINCE         | YEARS  |        |         |        |        |        |        | TOTAL   |
|------------------|--------|--------|---------|--------|--------|--------|--------|---------|
|                  | 2002   | 2003   | 2004    | 2005   | 2006   | 2007   | 2008   |         |
| Bubanza          | 271    | 685    | 499     | 262    | 370    | 143    | 307    | 2,537   |
| Bujumbura Rural  | 911    | 1,775  | 695     | 593    | 703    | 430    | 692    | 5,799   |
| Bujumbura Mairie | 1,205  | 2,591  | 2,049   | 1,755  | 887    | 607    | 548    | 9,642   |
| Bururi           | 3,288  | 5,837  | 4,766   | 3,247  | 4,164  | 2,606  | 10,486 | 34,394  |
| Cankuzo          | 1,204  | 9,217  | 2,904   | 1,595  | 1,659  | 2,457  | 3,872  | 22,908  |
| Cibitoke         | 914    | 955    | 395     | 651    | 1,273  | 222    | 207    | 4,617   |
| Gitega           | 936    | 2,824  | 2,795   | 1,864  | 1,737  | 1,149  | 2,799  | 14,104  |
| Kirundo          | 6,431  | 4,182  | 6,155   | 4,373  | 2,163  | 2,573  | 4,522  | 30,399  |
| Karuzi           | 1,892  | 4,846  | 5,878   | 646    | 3,974  | 2,247  | 4,596  | 24,079  |
| Kayanza          | 372    | 780    | 1,032   | 8,244  | 765    | 324    | 738    | 12,255  |
| Makamba          | 4,838  | 21,453 | 14,450  | 17,651 | 11,821 | 8,038  | 30,858 | 109,109 |
| Muramvya         | 140    | 931    | 914     | 618    | 667    | 309    | 740    | 4,319   |
| Muyinga          | 10,933 | 11,983 | 12,825  | 15,921 | 6,232  | 8,286  | 13,745 | 79,925  |
| Mwaro            | 8      | 110    | 60      | 46     | 73     | 18     | 87     | 402     |
| Ngozi            | 2,032  | 1,779  | 2,691   | 2,707  | 1,583  | 1,142  | 6,455  | 13,795  |
| Rutana           | 3,782  | 5,381  | 8,920   | 4,138  | 3,686  | 5,074  | 6,455  | 37,436  |
| Ruyigi           | 6,466  | 14,862 | 314,112 | 7,745  | 6,366  | 6,093  | 13,484 | 86,428  |
| TOTAL            | 45,623 | 90,191 | 98,440  | 72,056 | 48,122 | 41,718 | 95,997 | 492,148 |
| HOUSEHOLDS       | 21,870 | 32,507 | 29,936  | 21,256 | 13,712 | 11,272 | 22,905 | 153,458 |

Source: Ministry of National Solidarity, Repatriation of Refugees, and Social Reintegration

(iv) *Other types of vulnerable persons*

460. Following the conflict, new types of vulnerabilities have emerged. This basically refers to street children and the war-disabled for whom socioeconomic reinsertion programs must be designed and implemented.

### 5.5.1.2. Future prospects

461. Many activities are planned to continue addressing the recurring problems of specific population categories. These involve (i) constructing and equipping a tricycle production workshop at the CNAR, (ii) rehabilitating the Jabe Socioprofessional Center, (iii) purchasing food and non-food provisions for the wounded and disaster victims; (iv) supporting training and reinsertion for former street children, (vi) socioeconomic reintegration of young people

no longer living on the street, and (vi) physical rehabilitation and socio-professional reinsertion of the handicapped.

462. There are also plans to purchase sheet metals, to support the voluntary return of people internally displaced from their original hills, to support income-generating activities for repatriated victims and displaced persons grouped in associations, and to purchase food and non-food items.

### **5.2.2. Promoting social security**

463. Social protection, a universal human rights issue, is the responsibility of the INSS, which manages the pensions and professional risk system, and also the responsibility of the MFP, which is responsible for sickness insurance.

464. The current population coverage rate under the social security systems remains very low. About 10 percent of the population enjoys the benefits managed under the existing social security regimes. In 2008, the government set up a coordinating structure responsible for promoting, monitoring, and controlling activities in this area. In addition, the process of setting up the National Pensions and Occupational Risks Office (ONPR), begun in 2006, has continued. For this purpose, a feasibility study was conducted by the SERVAC-ADECRI Consortium, which submitted the second version of the final report in February 2008. The ONPR will start up operations as soon as the regulatory provisions on creating this office are available.

465. Other activities were carried out to set up a sickness and maternity insurance agency for the informal sector. This refers to a feasibility study conducted by the CIERGAM Office, a technical assistance contract signed on October 30, 2008, and the steering committee's adoption of draft provisions of a law establishing this entity and the decree creating a management unit for this system (INAMA). It is in this context that a National Solidarity Fund is planned to cover all costs related to benefits for the poor and vulnerable. The November 2008 launch of the process to develop a national social protection policy is also an important effort in the area of promoting social security. The existing social security agencies continue to play their roles and their benefits have been increased somewhat as shown in the table below.

**Table 24: Change in the Number of People Receiving Benefits**

| System             | Pension type                | Number of beneficiaries |             | Rate of growth |
|--------------------|-----------------------------|-------------------------|-------------|----------------|
|                    |                             | Fiscal 2007             | Fiscal 2008 |                |
| Pensions           | Old age                     | 12,048                  | 13,356      | 10.86%         |
|                    | Disability                  | 451                     | 499         | 10.64%         |
|                    | Survivors'                  | 20,098                  | 21,095      | 4.96%          |
|                    | 1. widow and widowers       | 9,103                   | 9,577       | 5.21%          |
|                    | 2. orphans                  | 10,562                  | 11,065      | 4.76%          |
|                    | 3. ascendants               | 433                     | 453         | 4.62%          |
| <b>TOTAL</b>       |                             | 32,597                  | 34,950      | 7.22%          |
| Professional risks | <b>Disability income</b>    | 7,462                   | 7,818       | 4.77%          |
|                    | Widow or widowers allowance | 1,954                   | 1,980       | 1.33%          |
|                    | Orphans' allowance          | 3,579                   | 3,671       | 2.57%          |
|                    | Ascendants' allowance       | 7,451                   | 7,524       | 0.98%          |
| <b>TOTAL</b>       |                             | 21,222                  | 21,631      | 1.93%          |

Source: INSS, MPF

466. Despite the rate of increase posted for each benefit category, it is clear that the percentage of the population receiving benefits continues to be extremely low. This is because new initiatives to expand access to social security services to new social groups must be accelerated at the same time that performance needs to be improved within the existing structures.

467. In its policy focused on improving the population's living conditions, particularly among vulnerable groups, the government plans in the short and medium term to carry out programs to (i) establish a national social protection policy, (ii) set up a sickness insurance fund for the structured private sector, (iii) conduct feasibility studies on setting up mutual associations in health, and (iv) developing a national strategy on regular collection of social security contributions.

468. The government also plans to accelerate the implementation of the Social Security Code, focusing on (i) creating other social security lines (family allowances, maternity allowances), (ii) gradually extending existing benefits to the entire structured sector and the informal sector, and (iii) improving financial equilibria and the transparent management of social security agencies.

## 5.6. Gender advancement

### 5.6.1. Economic and legal inequality

469. Reducing gender disparities is one the major issues in the government's policy seeking increased equity in access to basic social services, to the factors of production, and to participation in decision-making bodies.

470. From an economic perspective, women are usually poorer than men, as confirmed by the results of recent surveys. Thus, data shown in the following table indicate that households headed by women are disproportionately represented among the lower wealth quintiles. This means that these households have on average fewer assets than those headed by men and their

living conditions are worse. With more difficult access to the factors of production, these households would thus be more prone to being stuck in a poverty trap, from which it would be difficult to escape without specific outside help.

**Table 25: Distribution of Households in Each Wealth Quintile, according to Gender of Head of Household**

| Urban areas | First quintile (the poorest) | Second | Third | Fourth | Fifth (the richest) | Average |
|-------------|------------------------------|--------|-------|--------|---------------------|---------|
| Male        | 66.1                         | 68.2   | 73.1  | 85.0   | 84.6                | 74.1    |
| Female      | 33.9                         | 31.8   | 26.9  | 15.0   | 15.4                | 25.9    |
| Rural areas | First quintile (the poorest) | Second | Third | Fourth | Fifth (the richest) | Average |
| Male        | 72.3                         | 78.6   | 79.8  | 88.8   | 90.5                | 82.0    |
| Female      | 27.7                         | 21.4   | 20.2  | 11.2   | 9.5                 | 18.0    |

Source: 2008 1-2-3 Survey in urban areas and 2008 WFP survey in rural areas

471. In terms of employment, according to the 1-2-3 Survey conducted in 2008, unemployment in urban areas is 13.5 percent among women, compared to 10.1 percent among men, using the restrictive definition of the ILO. According to the expanded definition of unemployment formulated by ISTEERBU, the rate would be 20.9 percent among women compared to 12.4 percent among men. In the urban informal sector, women represent only 32 percent of the labor force. With respect to the restricted category of salaried employees, the average salary for men is 50 percent higher than that for women, while the rate of salaried employment *sensu strictu* is 49 percent among women compared to 69 percent among men. While there is hiring parity in civil service, women nonetheless are under-represented in business, whether public, private, or corporate, formal or informal. All these elements point to significant areas of discrimination against women in the labor market. This is particularly detrimental to the 26 percent of urban households that are headed by women who must provide for their households with income that is systematically lower than that of men.<sup>5</sup>

### 5.6.2. Measures adopted

472. To address these problems, the National Gender Policy advocated by the government focuses on six priority areas: education, health, peace, combating poverty, human rights, and information.

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<sup>5</sup> In addition, even when a woman plays a major role in the family's finances based on agriculture, she does not have decision-making power regarding the use of the proceeds from the sale of the harvest. Moreover, she has only limited access to the factors of production such as land and inputs. Many economic studies, (e.g., Duflo and Udry, 2004) show that a woman's power to negotiate within the home increases in proportion to the amount of income she generates on her own account and that she tends to favor expenses that benefit the entire household and the children in particular (food, health, and education).

473. The major objectives targeted in the context of this policy relate to two important aspects: (a) promoting gender balance through advocacy, increasing the productive potential, professional skills, and managerial skills of women, as well as eliminating all forms of violence, particularly sexual violence, to promote their integration in the decision-making process and in development and (b) making strategies available to mobilize financing for and implement programs in favor of women. Progress made in terms of gender advocacy is visible in certain sectors of the country's socioeconomic life such as health and education. In addition, specific targeted actions have been taken to promote women and are primarily reflected in the following achievements:

- **Development of a National Strategy to combat gender-based violence (GBV)**, which has been ratified.
- **Preparation and copying of teaching materials without gender stereotypes.** Action was taken to strengthen the gender skills of those who design primary school programs. A document containing gender-related proposals to be incorporated in primary school programs was also developed.
- **Strengthening the skills of the CDFs for effective implementation of programs and good coordination of actions to promote gender.** The introduction of and support for CDFs continue with the hiring of personnel needed in the CDFs and the multipurpose center at Gitega. The CDFs of Muramvya and Ngozi were given nine motorcycles and self-assessment meetings were held with community leaders.
- **Strengthening the role of woman as the pillar of peace and for the promotion of good governance.** Awareness and training sessions were conducted through community and sectoral consultations to develop the national strategy against GBV, the content of which validated community consultations on consolidating the peace, the "DELTA" social transformation approach, training on preventing and managing conflict, negotiating techniques, women's leadership, gender promotion, life skills, combating AIDS, unemployment, and poverty, producing radio and television broadcasts, organizing a workshop to exchange experiences in the comprehensive care of victims, development of a project to combat VAWG, the participation of 129 community leaders from the provinces of Ngozi and Muramvya in awareness sessions on combating VAWG, preparation of a training document on gender counseling and guidance for the victims of VAWG, conducting a 16-day activism campaign against VAWG and an exchange and discussion session among OPJs, police captains, and social workers on combating VAWG, and the participation of 20 women victims of sexual violence in the theatre awareness project with support from the Jaz project.
- **Other capacity-building activities** were carried out, particularly through (a) the duplication of 110 radio cassettes on the 2007 public speaking contest, (b) retraining of 182 community workers on gender, rights in marriage, management of income-generating microprojects, individual acceptance, and (c) counseling for 722 women seeking psychosocial, material, financial, or legal help. In order to make available the existing legal and regulatory texts for promoting and protecting women's rights,

associations and hill chiefs from the provinces of Ngozi, Muramvya, Mwaro, Kirundo, Bujumbura Mairie attended awareness sessions on the personal and family code and on VAWG.

- **Surveys and studies for input to the gender database.** Some documents and studies were produced, including a standardized tool for collecting data on VAWG, a study on gender relations in the dynamic of disputes in Burundi, a study on women's perceptions regarding security, and a document on women's priorities.
- **Training for elected officials at all levels to increase their political participation in decision-making** a project was developed to mobilize women in decision-making.
- **Development of appropriate technologies and a system of social organization to lighten women's work.** A survey was conducted on the involvement of salaried women in parental education and a training session was held on processing and preserving food products for associations in the city of Bujumbura.
- **Strengthening the economic and political power of women** follow-up visits were made to associations financed with IGAs. Note should also be made of the 155 women representing women's associations for monitoring microloans and the organization of 38 on-site visits in the communes of Bujumbura Mairie to train women's associations receiving microloans. A training session was conducted on the concept of accounting and bookkeeping for associations in Bujumbura Mairie. An exchange of experiences among 24 microloan associations was organized. In addition, a project was carried out with respect to the socioeconomic reinsertion of women with multiple partners. In the context of strengthening women's political participation, Resolution 1325 was evaluated (production of an alternative report) and a national action plan was drawn up to implement that resolution.
- **Improving women's access to the factors of production and the management of resources deriving from them.** A day of reflection was organized on the cultural barriers to the emancipation of Burundi women. In the context of a program to improve women's knowledge of new information technologies, a cyber café was set up and related services were made available (training and meeting rooms).
- **Promoting an environment to give girls access to school and encourage them to remain in school.** Actions carried out in this context basically seek to strengthen skills and awareness. For this purpose, three documents on school regulations to encourage students who are mothers to return to school were developed and approved. Sixty-one secondary school principals and regional inspectors from Muramvya and Kayanza were given training on gender, counseling, and guidance and the UNGEI clubs of the provinces of Muramvya, Kayanza, Ngozi, and Kirundo benefitted from follow-up sessions. In addition, 110 cassette radios were distributed and gender and equity clubs were set up in five pilot schools in Bujumbura Mairie. In addition, the draft "Policy on the education of girls in Burundi" was reviewed and



- implemented, while the pilot project to combat sexual exploitation and other abuses in school settings was carried out in the province of Bubanza.
- **Promulgating a law severely punishing sexual violence** a press conference was held on the penal code, advocating the adoption of the new penal code containing provisions punishing violence against women, and follow-up actions were organized, such as seminars, discussions, and media coverage on sexual violence.
  - **Preparing the codes on inheritance, matrimonial regimes, and bequests** a draft law on inheritance, matrimonial regimes, and bequests was prepared. The procedures for its adoption must be accelerated.
  - **Establishment of a specialized structure within the judiciary to properly handle the victims of violence.** OPJs responsible for handling VAWG were installed and trained.
  - **Translation, simplification, and dissemination of the provisions of existing laws and codes for the purpose of protecting women's rights** in this context, note should be made of the Kirundi translation and duplication of 1,000 copies of the Maputo protocol (Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa) and the workshop to publicize the protocol and advocate for its ratification.
  - **Creation and/or reinforcement of structures to provide shelter and comprehensive care for the victims of sexual violence.** The Cancuzo CDF received medical kits and fuel in the context of assistance provided to the victims of sexual violence, while 2,175 victims of sexual violence from Bujumbura Mairie were given shelter and trained.
  - **Handling of gender in the reinsertion and reintegration of war victims and other vulnerable groups** 250 vulnerable women were identified and 250 kits were distributed, 120 women's associations were monitored, and 120 micro-projects were developed on their behalf and given financing. The structuring of 40 new associations and the creation of two new association networks also appear on the balance sheet of actions advocating for women.
  - **Increased access to land ownership for girls** a day of reflection was held on the inheritance of girls.

### 5.6.3. Actions to be taken in the short term

- (i) Set up CDFs in Bubanza and Makamba to increase activities to combat sexual violence;
- (ii) Strengthen activities on women's autonomy in that the violence they suffer derives from their economic dependence;

- (iii) Conduct an evaluation of the implementation of the national gender policy with a view to measuring the degree that gender is taken into account in all the ministries;
- (iv) Create an APFB outpost in the interior of the country;
- (v) Continue actions to implement Resolution 1325;
- (vi) Set up the national strategy to combat gender-based violence;
- (vii) Mobilize funds to construct a shelter for women victims of violence in the context of implementing programs based on the MDOs;
- (viii) Build a shared workshop at the women's shelter in Burundi;
- (ix) Set up a unit responsible for preparing national and international reports.

## Chapter 6: Combating HIV/AIDS

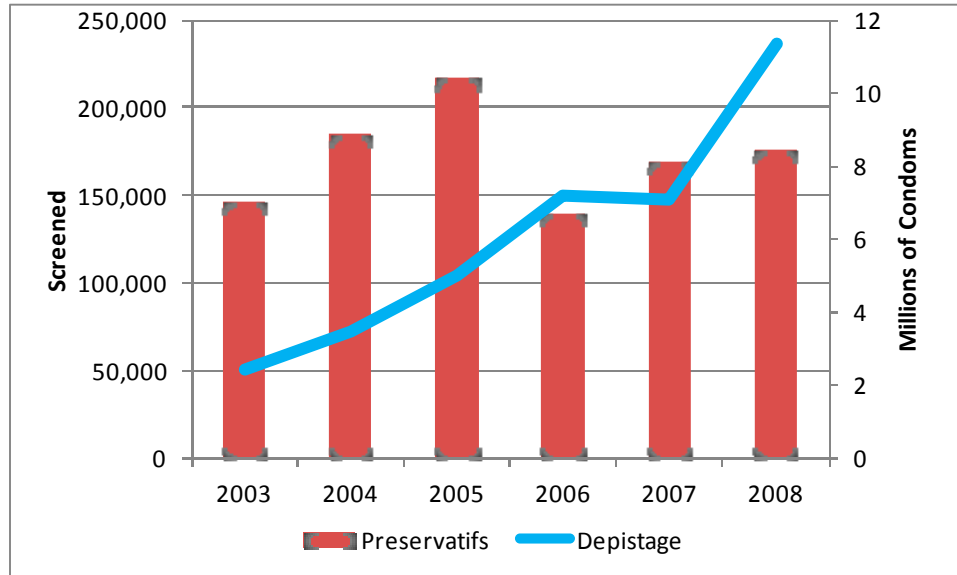
### 6.1. Analysis of the problem

474. According to the results of the combined survey monitoring behavior with respect to HIV/AIDS/STDs and estimating the seroprevalence of HIV/AIDS conducted in 2007 and published in 2008, the seroprevalence rate was 2.97 percent at the national level, but shows significant differences depending on setting, sex, and age. In terms of the general population (aged 18 and up), the overall rate of seroprevalence is 2.82 percent in rural areas, 4.41 percent in semi-urban areas, and 4.5 percent in urban areas. Regarding the active population (15–49 years of age and up), this rate varies as follows: 3.3 percent in rural areas, 5.97 percent in semi-urban areas, and 6.46 percent in urban areas.

### 6.2. Status of actions initiated in the context of combating HIV/AIDS

475. During 2008, government action focused on four primary areas through the execution of specific programs in each area. It should be noted that the programs initiated in this regard have already borne fruit, since the rate of prevalence seems to have declined between the 2002 and 2007 surveys, above all with respect to stabilizing the number of AIDS orphans, which increased by 43 percent between 2000 and 2005, but by less than 4 percent between 2005 and 2008, according to CNLS estimates.

476. **The first series of activities targets the reduction of sexual transmission of HIV and other STDs.** For this purpose, achievements to be noted include (i) the establishment of 34 subprojects for at-risk groups (young people, women with multiple partners, and widows), (ii) the distribution of 8.5 million condoms, including 83,446 female condoms, (iii) equipping of 256 screening centers; (iv) screening of 236,988 cases, 9,824 of which proved positive, or a rate of 4.2 percent; and (v) treatment of 33,781 cases. At the end of 2008, the CDV network extended to all the provinces and numbered 266, with 149 in urban areas and 191 in rural areas.

**Chart 16: Change in Number of Condoms Distributed and Seropositives Screened**

Source: Ministry to Combat HIV/AIDS

477. The distribution level of condoms, one of the ways to prevent HIV/AIDS, declined somewhat starting in 2005, even though the pace **seems to have picked up**. In contrast, noticeable progress was seen in terms of screening. In fact, reagent inventory breakdowns were avoided at the beginning of 2008 while at the same time the number of sites increased by 49.4 percent.

478. The awareness of voluntary screening developed during World AIDS Day in 2007 continues to produce positive effects.

479. Nonetheless, since 2003, it should be noted that only 760,638 people have been screened out of a total number of inhabitants of 8,038,618, or a rate of 9.5 percent of people who know their serum status. However, for the immediate future, it is advisable to place greater emphasis on the screening of high-risk and vulnerable populations.

480. Actions focusing on reducing the transmission of HIV through blood showed some progress through (i) completion of construction work on the CNTS, with the process of purchasing CNTS equipment now in progress, (ii) testing of 20,248 blood bags (100% of the target), yielding 72 seropositives, or 0.36 percent, and (iii) preventing transmission following exposure to HIV in 364 people.

481. Finally, **complementary actions designed** to prevent the transmission of HIV from mother to child were also carried out as (i) 260 nurses were given training on infant feeding while (ii) 1,483 new pregnant mothers who were seropositive and 1,299 newborns were given prophylactic ARV treatment.

482. The second series of activities seeks to improve the well-being and quality of life of PLHIV and persons affected by HIV/AIDS. **The results achieved in this context basically**

**relate to providing treatment, facilitating access to medications, and caring for PLHIV. Relevant actions to be mentioned cover three important aspects.**

483. Prophylaxis, diagnosis, and treatment of OIs and continuum of care have allowed (i) the training of 264 healthcare providers (ii) the support of 43,099 PLHIV by providing home care, and (iii) the treatment of 38,934 OI cases. Improved access to antiretrovirals has resulted in (i) 46 subprojects financed, (ii) accreditation of 22 ARV sites, and (iii) treatment of 14,343 PLHIV. Psychological and nutritional care was provided to people living with HIV/AIDS in order to improve compliance with treatment, thanks to (i) the training of 50 providers, (ii) nutritional support for 13,932, and (iii) psychosocial care for 72,780 PLHIV.

484. The third series of activities seeks to reduce poverty and other determinants of vulnerability to HIV. This involves a multisectoral program initiated for persons made vulnerable by HIV/AIDS. The interventions to be noted basically related to three areas:

485. Income-generating activities for those economically affected by HIV/AIDS. For this purpose, 28 IGA subprojects were launched for 4,804 PLHIV, and 424 PLHIV were reinserted in socioprofessional activities.

486. Caring for orphans and children made vulnerable (OVCs) by HIV/AIDS. Progress noted relates to (i) financing of 27 IGAs for families sheltering OVCs; (ii) school materials provided for 90,908 OVCs; (iii) medical care for 33,831 beneficiaries, (iv) psychosocial care for 43,507 OVCs, and (v) the provision of nutritional supplements to 8,005 OVCs.

487. Promotion of the human rights of people living with HIV/AIDS and other vulnerable groups. These actions relate to (i) drafting of implementation language now being completed; (ii) legal aid for 399 people (PLHIV and OVCs), and (iii) the establishment of a structure offering legal assistance to PLHIV (ODPIA+), persons affected, and vulnerable groups (OVC, victims of sexual violence, etc.).

488. **The fourth series of activities seeks to increase the performance of the Information System for rational guidance of activities to combat HIV/AIDS.** Actions carried out in this context relate to (i) monitoring of resistance to ARV in progress at the CMC in Buyenzi (555 patients have already enrolled compared out of a projected 520); (ii) start-up of eight STD/HIV/AIDS sentinel sites, and (iii) conduct of a combined survey on seroprevalence and social-behavior monitoring available.

489. **At the same time, the success of all programs to combat HIV/AIDS is contingent upon the establishment of a suitable and effective system of coordination.** The measures adopted for this purpose have made it possible to improve coordination of the decentralized multi-sectoral reform and to provide the necessary support for implementing 17 provincial action plans. The improved partnership with donors has also made it possible to strengthen resource mobilization mechanisms. Thus, 61 percent of the resources needed were mobilized, a MAP II financing agreement was signed, and a financing proposal for submission to the Global Fund was prepared and forwarded to the GFATM.

### **6.3. Future prospects**

490. The prevalence of HIV/AIDS remains potentially great and calls for rigorous actions in the area of prevention and comprehensive care. In this respect, actions to combat the HIV/AIDS pandemic will seek to mobilize all actors and establish synergy of action in order to limit its spread and ensure that care is provided for those infected by and affected by this scourge. By acting in this way, the hope is that everyone will become invested in achieving the national vision as expressed in the national strategic plan to combat AIDS for the period 2007–2011.

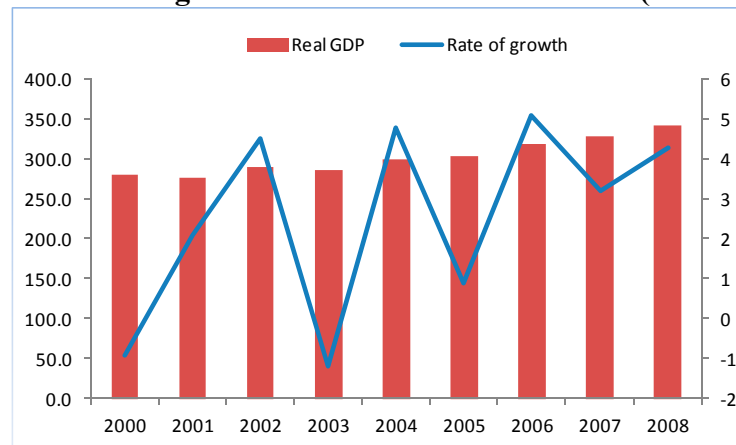
## Chapter 7: Macroeconomic performance

### 7.1. Real sector

#### 7.1.1. Recent developments

491. Although fluctuating, real GDP growth has remained relatively satisfactory over the last three years. The average annual rate is 4.42 percent while it was only 2.17 percent over the period from 2000 to 2005. As in the past, the trend continues to be associated with agricultural development, particularly coffee production. The chart below traces the trend and pace of increases in real GDP over the period from 2000 to 2008.

**Chart 17: Change in Real GDP and Growth Rate (2000–2008)**



*Source: Ministry of Planning and Reconstruction*

492. [sic] Nominal GDP went from FBU 860.9 billion in 2005 to FBU 1,378.5 billion in 2008, or an increase of 60.1 percent over three years, in nominal terms, but only 13.9 percent in real terms. This represents average annual growth of 4.4 percent, slightly higher than the population growth rate, currently estimated at 2.3 percent per year (average annual rate between the 1990 and 2008 censuses). At the average monthly FBU to the dollar exchange rate in 2008, annual per capita income in Burundi is about FBU 171,483, or the equivalent of US\$144.20, or 40 cents a day per person.

493. Although living conditions based on this income level are below those seen in the countries of the subregion (Rwanda, Tanzania, Kenya, and Uganda), note should be made of a slight improvement compared to the preceding year when per capita income was estimated to be US\$124.5. This increase in per capita income in current dollars is due to appreciation in the effective real FBU exchange rate.

## 7.1.2. Evaluation of performance achieved by the PRSF in 2008

### 7.1.2.1. Structure of the Burundi economy

494. The following table shows trends in the structure of the Burundi economy between 2006 and 2008 by broad sectors. The data shows a somewhat uneven change in the principal components and demonstrates the ongoing predominance of the primary sector.

**Table 26: Change in Real GDP by Economic Sector (2006–2008)**

| 1996 FBu billions                          | 2006<br>(actual) | 2007<br>(actual) | 2008<br>(actual) | 2008/2007<br>(% growth) |
|--|------------------|------------------|------------------|-------------------------|
| <b>Primary sector</b>                      | 143.7            | 143.9            | 149.9            | 4.2                     |
| - Food agriculture                         | 112.3            | 117.0            | 120.1            | 2.6                     |
| - Export agriculture                       | 9.1              | 3.7              | 5.5              | 48.6                    |
| - Livestock                                | 17.6             | 18.3             | 19.2             | 4.9                     |
| - Forest                                   | 3.4              | 3.6              | 3.8              | 4.4                     |
| - Fishing                                  | 1.2              | 1.2              | 1.3              | 7.2                     |
| <b>Secondary sector</b>                    | 48.7             | 51.6             | 54.3             | 5.2                     |
| -Industries                                | 20.1             | 21.0             | 22.1             | 5.2                     |
| - Agricultural industries                  | 2.0              | 2.2              | 2.3              | 4.5                     |
| - Food industries                          | 11.0             | 11.5             | 12.1             | 5.2                     |
| - Textile industries, leather and basketry | 2.1              | 2.1              | 2.2              | 4.8                     |
| - Other industries                         | 5.0              | 5.2              | 5.5              | 5.8                     |
| - Artisanal industry                       | 10.7             | 11.1             | 11.5             | 3.6                     |
| - Construction                             | 15.6             | 16.7             | 17.9             | 7.2                     |
| - Mines and energy                         | 2.3              | 2.8              | 2.8              | 0.0                     |
| <b>Tertiary sector</b>                     | 104.6            | 112.0            | 117.7            | 5.1                     |
| - Civil service                            | 67.7             | 72.1             | 75.7             | 5.0                     |
| - Transportation and communications        | 14.1             | 15.3             | 16.1             | 5.2                     |
| - Trade                                    | 13.4             | 14.5             | 15.3             | 5.5                     |
| - Other private services                   | 9.4              | 10.1             | 10.6             | 5.0                     |
| <b>GDP at factor costs</b>                 | 297.0            | 307.5            | 321.9            | 4.7                     |
| <b>Indirect taxes (minus subsidies)</b>    | 21.2             | 22.0             | 22.4             | 2.0                     |
| <b>Real GDP (1996 prices)</b>              | 318.2            | 329.4            | 344.3            | 4.5                     |

Source: PRSF and Ministry of Planning

495. While the real value of production in the primary sector was stagnant in 2007, it increased by 4.2 percent in 2008, representing significant improvement, basically due to renewed coffee production. It is unfortunate that food production did not show a growth rate comparable to 2007. It increased by only 2.6 percent, barely above demographic growth. Inadequate harvests only aggravated the local effects of price increases for agricultural products on the international markets.

496. The global increase in prices for agricultural products and transportation has naturally had a negative effect on the secondary and tertiary sectors, where operational and supply costs have increased. Given the primary place of food goods in the household breadbasket, household consumption was notably affected by reduced demand for non-food goods, thus limiting growth in the secondary and tertiary sectors.



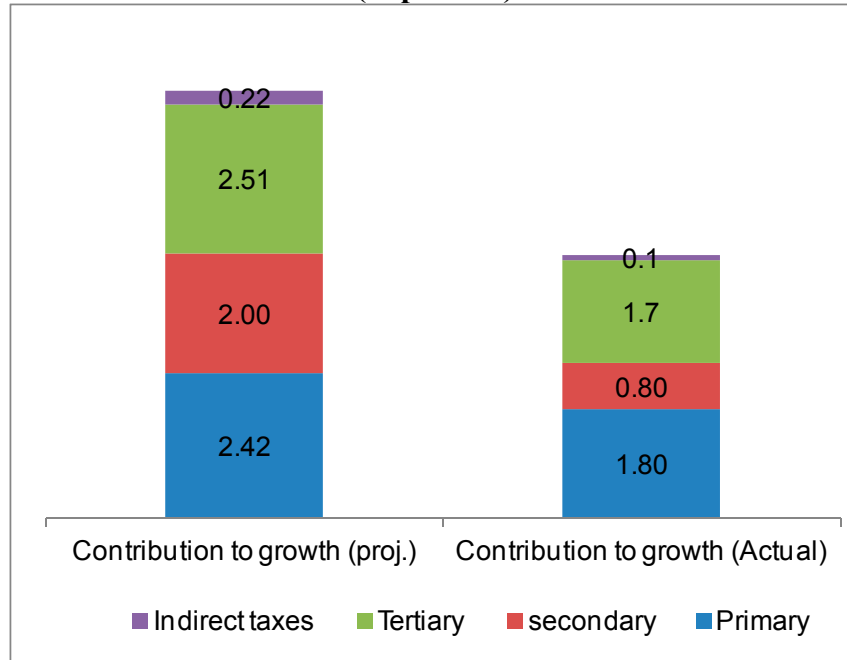
497. While nominal GDP increased by 30 percent, this is because importers did not pass on in their sales the reduction in prices for some products imported during the second quarter of 2008, thus increasing their margins but not their production. As a result, 2008 was a weaker growth year than expected in the secondary sector, estimated at 5.2 percent, while it was 5.9 percent in 2007. This situation is also the result of limited investment to develop the sector. Construction and industry brought growth in the secondary sector, supported by potentially significant needs. The tertiary sector showed a slight decline in growth, from 7 percent to 5 percent. However, this continues to be sustained by the multiplication of development projects in the current post-conflict reconstruction context.

#### **7.1.2.2. Progress made in comparison with PRSF projections**

498. In 2008 Burundi achieved a growth rate of 4.5 percent compared to the 7.1 percent projected by the PRSF. The following chart shows each sector's projected and actual contribution to GDP for 2008. It is clear that the primary and tertiary sectors continue to be the real engines of growth, even though their results are lower than the levels initially anticipated, while the secondary sector shows very little development. In effect, the primary and tertiary sectors' contribution to GDP growth represents only 3.6 percent of an overall rate of 4.5 percent, with the remaining 0.9 percent represented by secondary sector contributions (0.8%) and indirect taxes (0.1%).

499. While the rate of growth projected in the PRSF is far from being achieved, this is primarily due to low yields in the primary sector, which has thus not had the anticipated knock-on effect on the other sectors. In effect, agriculture represents more than 40 percent of GDP and employs nearly 80 percent of the population, and it is only through the creation of an agricultural surplus that rural household consumption and investment could increase and thus stimulate growth in processing and trade activities. The PRSF projections were thus probably too optimistic with respect to the results that the primary sector, particularly agriculture, could achieve, given the level of investment made. Nonetheless, the investments planned in the SAN action plan should over the medium term make a growth rate attainable that would allow for effectively combating poverty.

**Chart 18: Contribution to GDP Growth by Principal Sectors of the Economy (in percent)**



*Source: PRSF and Ministry of Planning*

500. However, economic performance in 2008 with respect to the achievement of PRSF objectives should not be under-estimated. On the one hand, 2008 saw a certain resurgence of growth compared to 2007, when it declined, with a growth rate of 3.6 percent compared to the 5.1 percent rate recorded for 2006. On the other hand, investment activities were delayed due to delays in the disbursement of funds expected with the execution of the programs recommended for 2008.

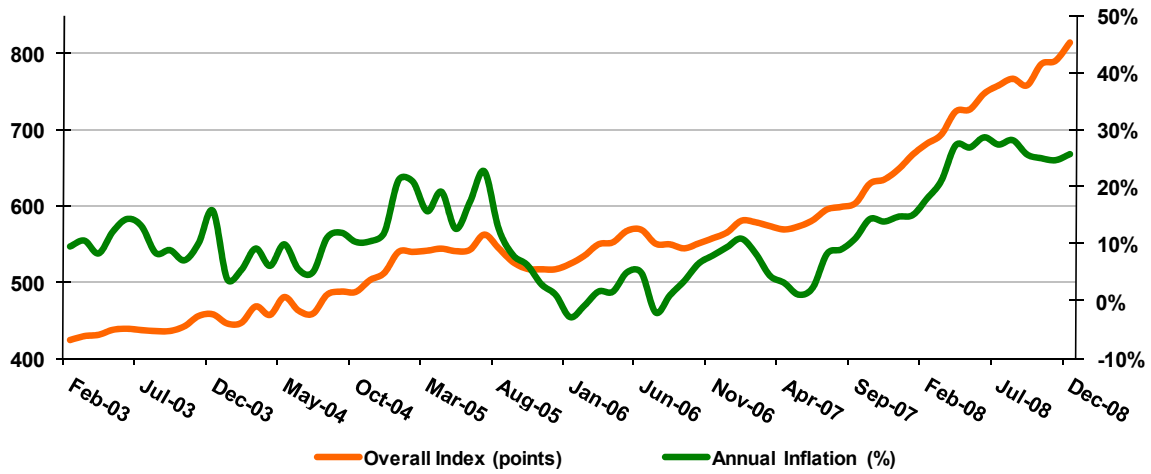
## **7.2. Inflation in Burundi in 2008**

### **7.2.1. General profile**

501. Inflation in Burundi, measured in terms of the change in the consumer price index in Burundi, increased significantly in 2008, going from less than 15 percent to 25.65 percent year-on-year, with a peak of 28.62 percent in June. With respect to monthly price increases, the most notable months were January (2.96%), April (4.3%), October (3.68%), and December (3.34%).

502. Compared to earlier years, inflation in Burundi in recent months has not only returned to but has exceeded the levels prior to 2005. The consumer price index has doubled since 2003, but most of this increase occurred over the last two years.

**Chart 19: Consumer Price Index and Inflation, 2003–2008**



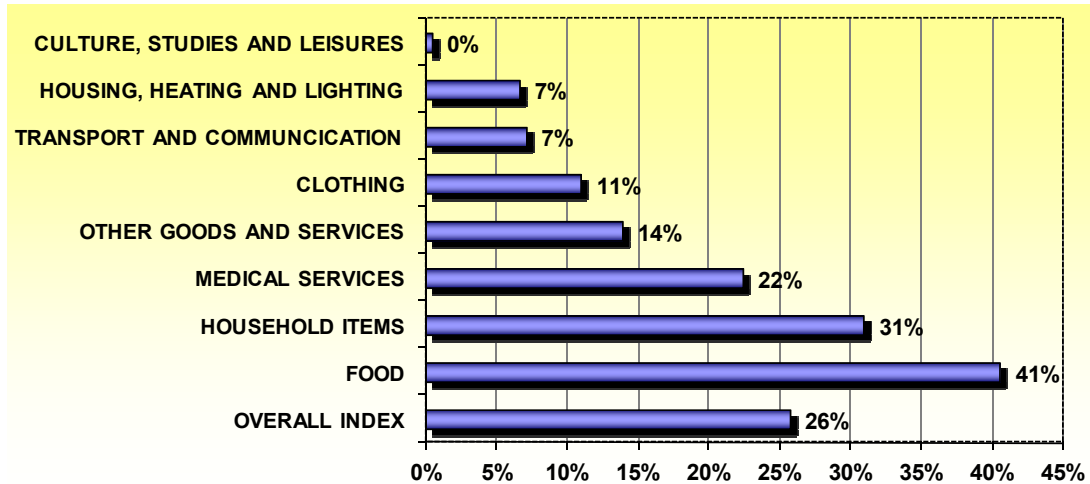
Source: ISTEERBU

503. The inflationary pressures already felt in 2006 continued and grew worse up to December 2008, when the price index reached 814.3 points, while it increased only to 565 points in December 2006, or an increase of 44.1 percent over two years, thus reflecting an increase in the cost of living, with much more serious repercussions for particularly vulnerable groups.

**7.2.2. Relative share of principal products in the composition of the price index**

504. The breakdown of the 2008 price index shows that it was pushed upward primarily by the headings “Food,” “Household Items,” and “Medical Services.”

**Chart 20: Breakdown of Increases within Consumer Price Index in 2008**



Source: ISTEERBU

505. In reality, an analysis of the principal components' share of the CPI shows that "Food" is the component that has a decisive influence on the general pace of prices. In effect, with a 41 percent increase in prices and more than a 50% share of the CPI, this component accounts for more than three-fourths of the increase in the general index in 2008. In addition, it should be noted that this share is increasing since the weightings remain unchanged while the price indices vary at different rates. The "Food" component thus represents 58 percent of the CPI in December 2008 compared to 52 percent in January of the same year.

506. The increase in the "Household Items" component is highly affected by the price of household soap and bath soap. The price for household soap increased from FBu 100 to FBu 175 between November and December. The price of bath soap increased from FBu 450 to FBu 650 between July and September. Finally, the upward trend in the "Medical Services" component is based essentially on an increase from FBu 3,310.8 to 3,690 in the average price for **three medical tests** (stool, thick blood smear, chest x-ray) between March and April, an increase from FBu 7,000 to FBu 8,000 in the price for a private medical visit between June and July, and an increase from FBu 5,487.5 to FBu 6,740 in the average price for **five medications** (Phosphalugel, Vermox, Fasigyn, Bactrim syrup, and quinine) between October and November. These increases require readjustments in the government's priorities in order to ensure the success of its policy to facilitate the population's access to basic healthcare and treatments.

507. The increase in prices for raw materials that preceded the international economy's slide into the financial crisis did not fail to have negative repercussions on the level of prices in Burundi. In effect, significant increases in prices for imported foodstuffs, the repercussions of increased petroleum prices on production and transportation costs, and the depreciation of the FBu against the U.S. dollar only amplified the effect that world price increases had on consumer prices in Burundi.

508. The decline in prices for petroleum products at the end of 2008 did not have an immediate and comprehensive impact on consumers, allowing importers to increase their margins, and thus the added value of their commercial activities. Thus, nominal GDP increased significantly and the GDP deflator was estimated at 24.4 percent.

### 7.2.3. Future prospects

509. Due to its pronounced isolation, the repercussions of the explosion in prices seems to have been particularly deep in Burundi. This is shown in the following table, which makes a comparison between the case of Burundi and that of the sub-Saharan African countries in general and the Community of East African States in particular.

**Table 27: International Comparisons of Annual Inflation Figures in 2008**

| Year-on year inflation | EAC Countries |        |        |          |        | Sub-Saharan Africa | World |
|------------------------|---------------|--------|--------|----------|--------|--------------------|-------|
|                        | Burundi       | Kenya  | Rwanda | Tanzania | Uganda |                    |       |
|                        | 25.65%        | 27.72% | 22.32% | 13.50%   | 14.20% | 13.3%              | 5.9%  |

Source: On-line data from central banks or national statistics institutes and the IMF World Economic Outlook

510. Only Kenya, which has had serious political problems that led to economic disturbances in the production cycle and the tourism sector, had inflation higher than Burundi. Compared to its neighbors, Burundi has had additional complications such as poor harvests and drought in the northern provinces.

511. While the price index breakdowns are very useful for closely tracking inflation, it is important to recall that the breadbasket of goods used in calculating the composite index and the weights assigned to each product have not been revised since 1990, while there were disruptions in production methods and consumption during the war and with the recent increase in prices. Thus, there is an urgent need to conduct a survey on the basis of which to reevaluate these weights.

512. In addition, the only composite index now available is the one for Bujumbura, although ISTEERU gathers price data for the whole country. The perception of changes in the cost of living in Burundi would be clearly better if price indices were defined at the provincial level. The idea would be to define a breadbasket of goods and services considered essential for a Burundi household and compare the price of this same breadbasket in each of the country's 17 provinces.

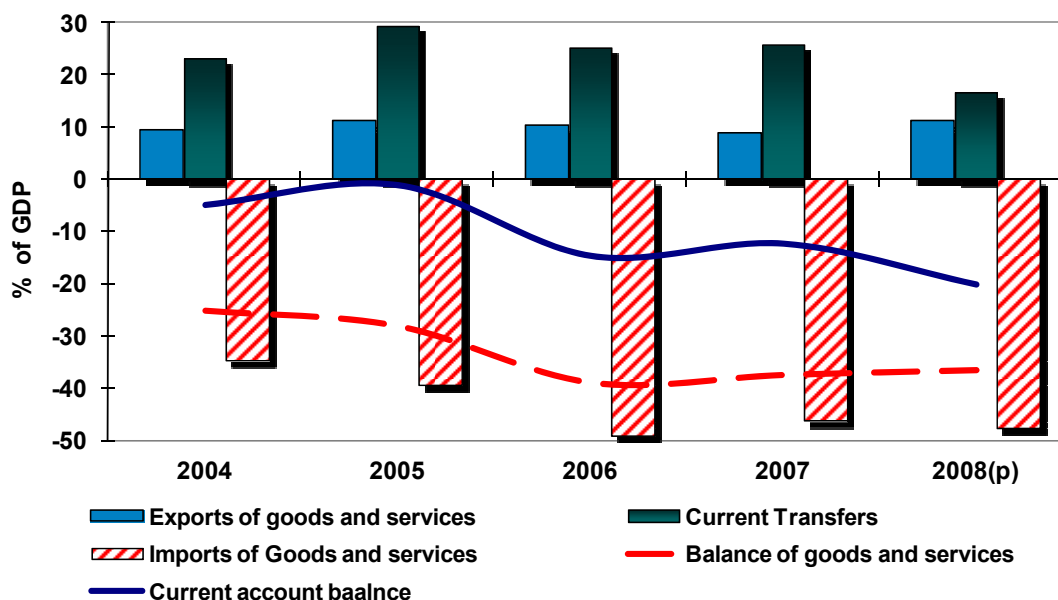
513. Over the medium term, it is anticipated that annual inflation will be gradually reduced, from 9 percent in 2009 to about 5.5 percent in 2012. These projections are based on following a prudent monetary policy that seeks to control inflationary expectations.

### **7.3. The external sector**

514. As in the preceding year, the current account balance was highly negative in 2008, thus confirming the difficult financing issues that Burundi must still confront. While the balance of trade sank by FBu 42.5 billion, going from a negative 242 to a negative 284.5 billion, this trend only tracked that of nominal GDP, increasing significantly in the grip of inflation exceeding 25 percent at the end of December. As a percentage of GDP, the (negative) goods and services balance grew only slightly worse, going from 38.9 percent to 40.4 percent.

515. While it was ultimately possible to reduce the current account deficit from 15.7 percent to 13.5 percent, this is thanks to a significant increase in current transfers from US\$240 million to US\$308 million, or 26.6 percent of GDP.

516. This reflects the Burundi economy's strong dependence on budgetary support and other unrequited transfers to support its necessarily high level of imports in a period of economic reconstruction and increasing with growth in the GDP. Although these are expected to decline over the course of the next few years, that should not exacerbate the current account balance, due to the anticipated reduction in costs for imports, particularly petroleum products, which account for one-fourth of the country's imports.

**Chart 21: Change in the Current Account Balance, 2005–2008, as a percent of GDP**

Source: Research Department, BRB

517. The current account deficit was financed in part by increased investments, short-term commercial loans, the use of IMF loans, and above all drawings, that is, long-term, often concessional loans intended to finance productive investments. The BRB's official reserves grew by more than US\$90 million, following budgetary supports disbursed at the end of the year and specific balance of payments supports from the IMF. At the end of 2008, these represented 6.6 months of imports, compared to 3.9 months a year earlier, improving Burundi's ability to deal with the macroeconomic shocks caused by the international economic and financial crisis.

#### 7.4. Monetary and financial sector

518. The monetary policy advocated by the Central Bank is intended to support the government's efforts to ensure macroeconomic stability and support growth programs. In this context, it is recommended that the rate of growth in the money supply be markedly lower than that of nominal GDP in order to contain negative repercussions resulting from international price fluctuations.

519. It is with this same objective that the Central Bank's financing of budgetary deficits should be gradually reduced to zero. To support the achievement of these objectives, monetary management initiatives begun within the framework of the first PRGF are being consolidated and consolidated with the implementation of the reforms introduced when the second program was adopted. These measures basically involve monetary and exchange policy.

#### 7.4.1. Achievement of quantitative objectives

520. The following table traces the development of the principal monetary aggregates and shows a general increase in their principal components well above that planned under the macroeconomic framework of the PRSF, due to the general increase in prices that significantly increased nominal FBU values and difficulties in financing budgetary expenses.

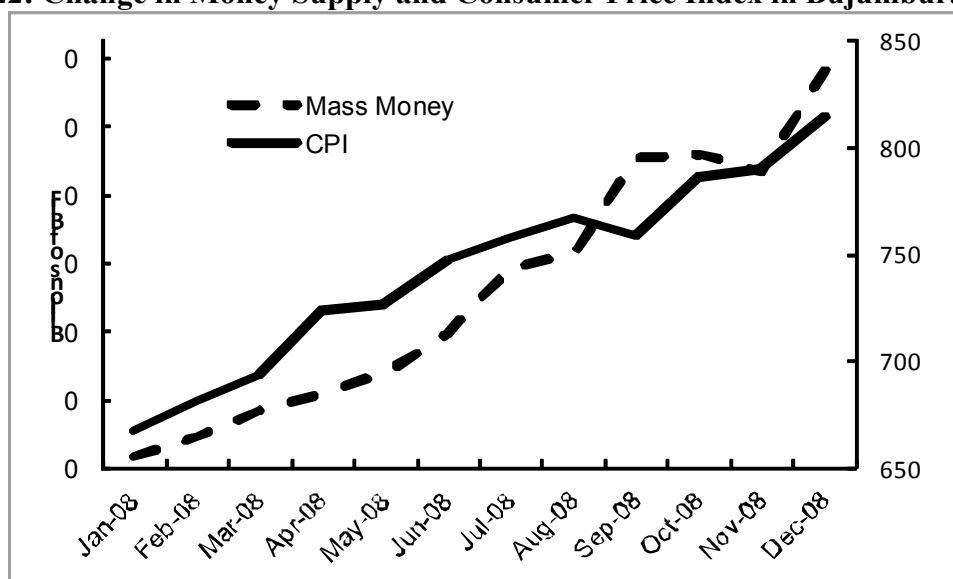
**Table 28: Monetary Situation (billions of FBU)**

| Headings                   | 2005         | 2006         | 2007         | 2008         | 2007/2008    |             |
|----------------------------|--------------|--------------|--------------|--------------|--------------|-------------|
|                            |              |              |              |              | Δ            | %           |
| <b>Monetary situation</b>  |              |              |              |              |              |             |
| <b>Net foreign assets</b>  | <b>70.3</b>  | <b>74.6</b>  | <b>109.1</b> | <b>181.4</b> | <b>72.3</b>  | <b>66.3</b> |
| Central Bank               | 48.8         | 41.5         | 75.6         | 139.4        | 63.8         | 84.4        |
| Commercial banks           | 21.5         | 33.1         | 33.5         | 42.0         | 8.5          | 25.4        |
| <b>Net domestic assets</b> | <b>227.5</b> | <b>277.7</b> | <b>298.6</b> | <b>369.0</b> | <b>70.4</b>  | <b>23.6</b> |
| Domestic credit            | 277.9        | 354.3        | 374.0        | 436.2        | 62.2         | 16.6        |
| Credit to the government   | 121.1        | 158.1        | 157.4        | 176.5        | 19.1         | 12.1        |
| Credit to the economy      | 156.8        | 196.2        | 216.6        | 259.7        | 43.1         | 19.9        |
| Other items                | -50.4        | -76.6        | -75.4        | -67.2        | 8.2          | -10.9       |
| <b>Money supply</b>        |              |              |              |              |              |             |
| <b>M3</b>                  | <b>297.9</b> | <b>352.2</b> | <b>407.8</b> | <b>550.4</b> | <b>142.6</b> | <b>35.0</b> |
| Foreign currency deposits  | 40.2         | 52.3         | 77.7         | 107.3        | 29.6         | 38.1        |
| <b>M2</b>                  | <b>257.7</b> | <b>299.9</b> | <b>330.1</b> | <b>443.1</b> | <b>113.0</b> | <b>34.2</b> |
| Currency in circulation    | 67.9         | 68.4         | 84.2         | 112.6        | 28.4         | 33.7        |
| Domestic currency deposits | 189.8        | 231.5        | 245.9        | 330.5        | 84.6         | 34.4        |
| <b>Central Bank</b>        |              |              |              |              |              |             |
| <b>Net foreign assets</b>  |              | <b>41.5</b>  | <b>75.6</b>  | <b>139.4</b> | <b>63.8</b>  | <b>84.4</b> |
| <b>Net domestic assets</b> |              | <b>65.0</b>  | <b>49.4</b>  | <b>17.0</b>  | <b>-32.4</b> | <b>65.6</b> |
| Domestic loans             |              | 165.3        | 138.8        | 114.1        | -24.7        | 17.8        |
| Credit to the government   |              | 161.4        | 134.7        | 120.8        | -13.9        | 10.3        |
| Credit to the economy      |              | 3.9          | 3.2          | -6.6         | -9.8         | 306.3       |
| Other net entries          |              | -100.2       | -89.4        | -97.2        | -7.8         | 8.7         |
| <b>Monetary base</b>       |              | <b>106.5</b> | <b>125.0</b> | <b>156.4</b> | <b>31.4</b>  | <b>25.1</b> |

Source: Research Department, BRB

521. With respect to the **money supply**, the increase posted was due to significant increases in deposits with commercial banks, amounting to nearly FBU 210 billion, or 50 percent of the growth in 2008. Money in circulation increased by “only” 33.7 percent. The rate of growth in the money supply (M2) increased by 10 percent and 34 percent in 2007 and 2009, respectively, in line with growth in domestic assets in the financial sector but exceeding growth in nominal GDP in 2008, which amounted to 30 percent, thus feeding inflation.

522. The chart below shows the comparative change in the money supply and the consumer price index in 2008.

**Chart 22: Change in Money Supply and Consumer Price Index in Bujumbura in 2008**

Source: BRB and ISTEERU

523. Looking at the change in the money supply (M2), which increased by 34.2 percent between December 2007 and December 2008, while real GDP growth did not exceed 4.5 percent and nominal GDP growth did not exceed 30 percent, it is important to note that monetary policy has not had the anticipated effect on controlling inflation. The M2/GDP ratio increased from 32.6 percent in 2007 to 37.7 percent in 2008, which is high for an economy with limited monetization as in Burundi. By way of comparison, this ratio was 17.9 percent in Rwanda.

524. It is true that the BRB has only a limited number of instruments for conducting its monetary policy, acting primarily on the amounts of money injected in the economy. Burundi's economy makes little use of domestic credit as most of its investments are made using foreign grants or loans. There is no interbank credit market. The use of indirect monetary policy instruments to control the creation of money and thus price increases under these circumstances is very limited. The BRB's key rate remained stable at 10.1 percent and there is no secondary market for treasury bills, which would allow the BRB to reestablish liquidity by buying back securities on the market.

525. In this context, delays in the disbursement of budgetary supports had repercussions in the economy, increasing net credit from the BRB to the Treasury by FBU 26.7 billion, or an increase of 19.8 percent for the year. When the supports were finally disbursed, the BRB's net foreign assets increased by nearly FBU 62 billion in 2008, under the effect of foreign currency inflows. However, it took until 2009 for all the funds to be actually paid from the Treasury's account and for the State's indebtedness to decline significantly. In the meantime, an increase in the BRB's foreign currency reserves without a parallel increase in claims on the State could be seen, which had the effect of excessively increasing the money supply at the end of 2008. This phenomenon could explain in part the persistence of a high inflation rate at the end of 2008, while raw materials prices had already begun to fall to international levels.



526. Net foreign assets also increased very significantly between 2007 and 2008, climbing 60 percent during the course of this period. Following this development, official exchange reserves were replenished and at the end of December 2008 represent coverage of 6.6 months of imports, compared to the equivalent of 3.9 months in the same period in the preceding year.

**Box 4: Macroeconomic Impact of Official Development Assistance**

The money supply (M3) consists of net domestic assets, in the form of credit to the government and credit to the economy (the private sector), as well as net foreign assets, 77 percent of which are held by the BRB. When the flow of Official Development Assistance (ODA) reaches Burundi, it has the effect of increasing net foreign currency assets of the BRB by the same amount as credit to the government declines, while the FBU counterpart of the assistance is paid from the single Treasury account or a project account. The macroeconomic impact of ODA and the related effects then depend on how it is used in the country. Several scenarios are possible:

- (i) The assistance is used to finance imports (e.g., capital goods for investment in infrastructure, technical expertise, emergency food aid, vehicles): the government purchases foreign currency with its counterpart; the effects in monetary terms as well as in terms of the balance of payments are neutral.
- (ii) The assistance is used to finance domestic goods and services: credit to the government returns to the level it had before the assistance was paid, but the BRB's reserves do not decline by an equal amount since the expenses are incurred in FBUs. The BRB then has two options:
- It can sell these additional reserves on the exchange market, the effect of which will be appreciation in the FBU. This effect is well known as the “Dutch syndrome” affecting a country with a high surplus trade balance or one that is highly dependent on foreign assistance. Since appreciation of the domestic currency reduces the cost of imports, national demand can be met and inflation contained.
  - It can authorize an increase in the money supply which, under the effect of additional domestic demand due to the use of assistance and a context of limited supply, will have the effect of increasing inflation. It should be noted that if the State reduces its fiscal deficit in this way, the inflationary phenomenon works to the detriment of the private sector and savers, and thus private investment. If the financial markets were sufficiently developed, the BRB could alternatively sell treasury bonds to the private sector to absorb excess liquidity and contain inflation. Finally, this mechanism is nearly identical to a simple policy of budgetary financing through money creation, which does not *a priori* require foreign support and thus represents a poor use of ODA resources.

In the case of Burundi, although its high negative trade balance may not be fully offset by external transfers, the effective real rate of exchange increased by 15.5 percent in the second half of 2008 and the country could thus be the victim of the Dutch syndrome. In effect, it is not ruled out that the ODA disbursed late in 2008 may have been used to purchase or reimburse for domestic goods and services and that it thus exerted additional pressure on domestic demand. To limit an inflation rate that was already excessive, the BRB would then be forced to sell part of its cumulative reserves, causing a real appreciation in Burundi currency.

To avoid this type of macroeconomic risk, ODA should preferably be allocated to infrastructure development that requires the importation of capital goods. These expenditures should also be contingent upon the effective disbursement of the assistance. An in-depth study on the subject would give the authorities better control of the risks associated with the expansion of international aid to Burundi. It would be particularly useful for the monetary authorities to know the composition in imports of government expenditures and to have a precise schedule of aid disbursements, on condition that it be honored.

An additional problem arises with the existence of multiple accounts opened at the commercial banks to finance projects, accounts that are managed by the government or by donors. When there are disbursement problems, these amounts are uselessly idle and the effect is to encourage the banks to increase their loans to the private sector and encourage inflation. In addition, in comparison with aid paid directly from the government's account at the BRB, this situation increases the State's indebtedness and the domestic debt burden and deprives the BRB of additional income that would increase the State's revenues. The amount of these undisbursed funds continues to increase: project deposits with the commercial banks were FBU 22.5 billion in December 2008, compared to FBU 8.5 billion a year earlier.

## 7.4.2. Implementing the reforms

### 7.4.2.1. Indirect instruments of monetary management

#### 7.4.2.1.1. Liquidity auction

527. The Central Bank continued the program started in 2007 with respect to regulating liquidities in the banking system. It thus proceeded with 18 weekly operations to address

liquidity through liquidity auctions and three interventions to help banks with cash flow problems.

528. The use of the marginal loan facility was preferred by some institutions in that this opportunity applied to 87 cases during the course of 2008. The persistence of such a practice indicates a flaw in the interbank market in that the rates used in this facility vary from 11.04 percent to 11.18 percent, while the rates used in the case of liquidity auctions was 10 percent.

#### **7.4.2.1.2. Required reserves**

529. In conjunction with liquidity auction mechanisms, the Central Bank has strengthened the principle of required reserves to regulate banking system liquidity. The required reserves ratio was kept at 3 percent while their yield remained at 0.5 percent. The required foreign currency reserve ratio was reduced by 7 percent to 3 percent, the yield being 0.3 percent for the U.S. dollar and 0.2 percent for the euro.

#### **7.4.2.1.3. Interest rate**

530. Financial markets are still not developed in Burundi and the recent introduction of treasury bonds as the basis for term compensation on national liquidities is not entirely operational. Maturities under one year are systematically preferred; securities with two- and five-year terms have not found takers, because of the absence of a secondary market that would allow resale and the persistent mistrust regarding risks associated with these public debt securities.

531. In addition, in the absence of a functional bond market, the banks generally use the Central Bank for their loans and to deposit their excess liquidity. In this context, the refinancing rate has remained remarkably stable, at 10.12 percent in January to 10.08 percent in December 2008. This nominal fixed rate remains much lower than inflation at the more than 25 percent rate that prevailed in 2008. In real terms then, in 2008 the BRB loaned money and paid interest on excess liquidity at a negative rate.

532. In conjunction with the failure to index interest rates to inflation, there remains a wide spread between the rates the banks apply to the loans they grant and those applied as interest on deposits.

**Table 29: Average Lending and Borrowing Interest Rates  
Used by Commercial Banks in 2008**

| %           | Creditors | Debtors |
|-------------|-----------|---------|
| Short term  | 7.43      | 17.19   |
| Medium term | 7.35      | 16.64   |
| Long term   | 5.48      | 17.18   |

*Source: Monthly Bulletin of the BRB, January 2009*

533. While lending rates are lower than the BRB's key rate, the average loan rate is much higher than the refinancing rate with the BRB.

534. Note should also be made of the lower return on long-term deposits that, nonetheless, are by nature more subject to future economic risks than short-term deposits, and should thus earn higher returns. Burundi savers are clearly encouraged to deposit their savings in foreign currency accounts, on which the rate of return net of inflation is much more attractive. This phenomenon not only causes the balance of payments deficit to fall but also contributes indirectly to countering the effects of the Dutch syndrome by putting downward pressure on domestic currency.

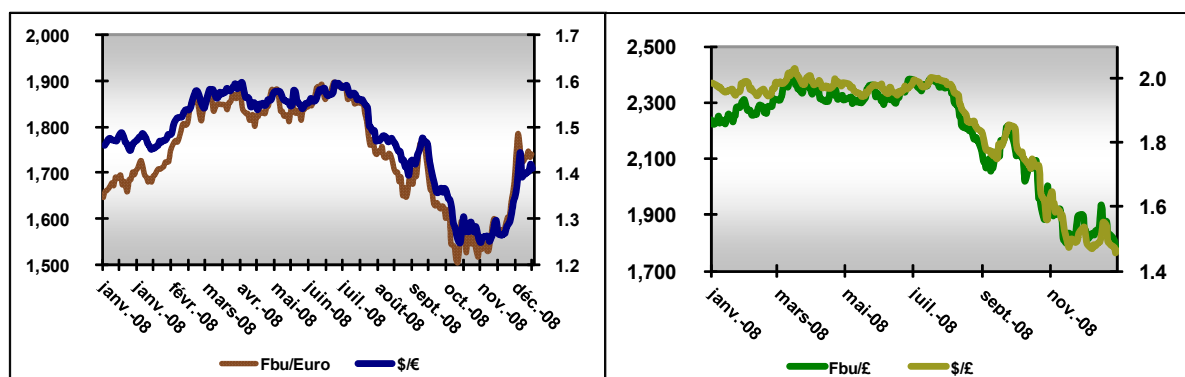
#### 7.4.2.2. Exchange rate

535. The rate of exchange for the Burundi franc is traditionally compared to the U.S. dollar, which is the reference currency for the country and for the entire region. In 2008, the FBu again depreciated nominally against the dollar, by 8.5 percent, with the average exchange rate going from 1,137.91 in December 2007 to 1,234.53 in December 2008. This depreciation was 5 percent in 2007 and thus seems to be accelerating. This phenomenon is explained primarily by the increase in the dollar as against most international currencies in the second half of 2008 and by the inflation differential between Burundi and the United States.

536. On the other hand, despite the current account deficit, the real effective rate of exchange appreciated by 18.2 percent in 2008, essentially during the second half (15.5%), the customary period for the disbursement of budgetary supports and development program funds. These disbursements represent substantial foreign exchange inflows for the country and are thus the likely source of this appreciation (see Box 4: The Economic Impact of Official Development Assistance).

537. Since the dollar is the principal foreign currency used by Burundi in its commercial transactions and as a reserve currency, the Burundi franc has followed the development of the dollar against other currencies, as shown in the two charts below for the euro and pound sterling.

**Chart 23: Change in Burundi Franc and US Dollar as against Pound Sterling and Euro**



Source: Research Department, BRB and [www.oanda.com](http://www.oanda.com)

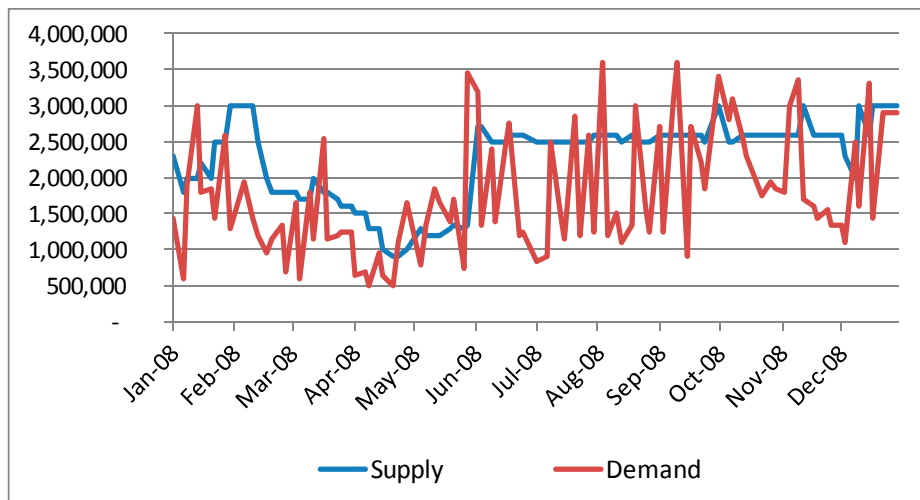
538. Overall, the euro exchange rate was at the same level at the end of the year as at the beginning, after varying sharply over the course of the year. The pound sterling was strongly affected by the financial crisis and depreciated by nearly 20 percent against the Fbu, and against most international currencies.

#### 7.4.2.3. The foreign exchange auction market in 2008

539. The Bank of the Republic of Burundi continued to organize the foreign exchange auction market (MED – *Marché aux enchères de devises*) on a weekly basis. It uses this mechanism to provide commercial banks and foreign exchange agents a transparent and equitable platform for the purchase of U.S. dollars. Close to US\$185 million were sold in this way during 2008, or about US\$1.9 million per auction. The BRB was able to offer enough exchange to satisfy the agents, limiting the activity of the parallel market and the exchange rate prevailing there.

540. This objective was largely achieved to the extent that the amounts offered by the BRB on the MED were US\$620,000 higher than the average demand per auction and the Fbu/US\$ exchange rate on the parallel market almost never exceeded the official rate by more than 2 percent (1.28% on average). The following chart shows that the BRB's responsiveness made it possible to respond to demand for foreign exchange from the commercial banks and exchange houses.

**Chart 24: Supply and Demand for US\$ on the MED in 2008**



Source: MED, BRB

541. As of the end of December 2008, the BRB no longer publishes the amount offered and the minimum rate. Offerings will now respond to a target objective of net own foreign reserves at the Bank of the Republic of Burundi. This means adjusting the foreign exchange offered more closely to the demand, in order to further divert foreign exchange activities on the parallel market to the official market. This new strategy is to be credited for the growth of the BRB's foreign exchange reserves and the stability of the Fbu/US\$ exchange rate since

the beginning of 2009. Later, the BRB will also cede the monopoly on the sale of foreign exchange and will participate on the foreign exchange market just like a commercial bank.

#### **7.4.2.4. Strengthening governance**

542. With 2008, new measures were taken to consolidate the leading role assigned to the Central Bank in guiding the new monetary policy, further improving transparency in the management of public funds and strengthening risk assessment mechanisms. From this perspective, significant progress was made, thanks in particular to (i) the promulgation of new by-laws governing the Central Bank and giving it much greater independence, (ii) the conduct of internal and external audits, (iii) the implementation of financial safeguards, and (iv) improved banking supervision mechanisms.

543. Finally, a study on the financial sector and an already available preliminary report will make it possible to define the strengths and weaknesses of the current banking system, to diagnose its deficiencies, and devise a strategy to develop the financial sector. The establishment of a chart of accounts adapted to microfinance institutions and more sustained control of their activities are among the priorities of the Central Bank.

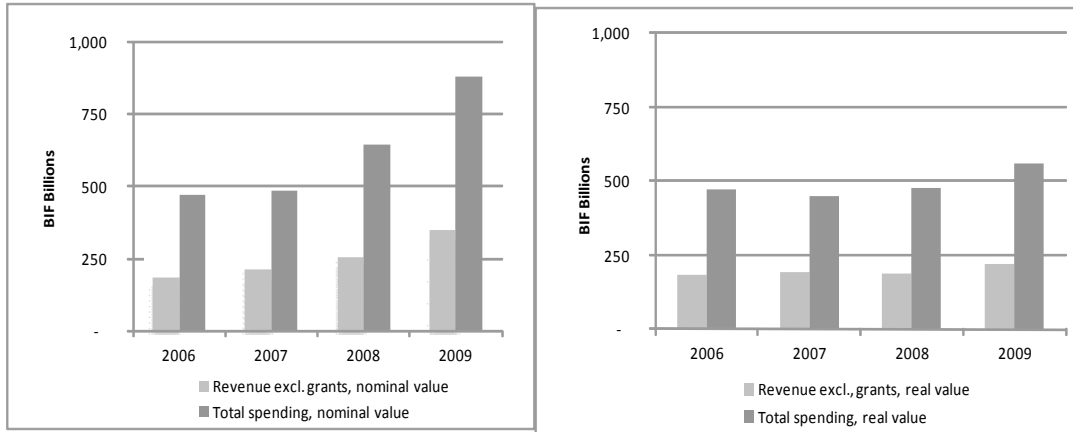
### **7.5. Budgetary framework**

#### **7.5.1. General revenue and expenditure trend**

544. Since 2006 when the PRSF was adopted, total government revenues and expenditures have not ceased to grow, although at a different pace. Thus, revenues that in nominal terms increased to FBu 178.8 billion in 2006 reached FBu 256.7 billion in 2008. Over the same period, current expenditures varied from 221.5 billion to 354.5 billion, while total expenditures during the same period went from 361.4 to 608 billion.

545. The comparative development of these two aspects of the budget show a persistent and increasing deficit, a situation that is characteristic of a country that is emerging from a long-term crisis and for which the support of partners is crucial to finance economic recovery and poverty reduction programs.

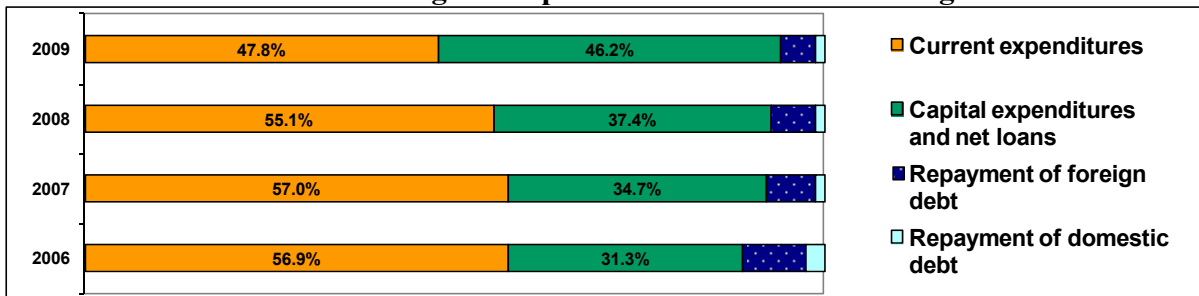
**Chart 25: Comparison of 2006–2008 Budgets, Nominal Value vs. Real Value**



Source: Budget Acts, 2006 revised, 2007, 2008 revised and 2009, and 1<sup>st</sup> PRGF, 2008–2012

546. However, in real terms, the increases are more moderate, particularly in terms of the inflation levels that marked 2007 and 2008 above all. The inflation rate increased to 14.7 percent and 25.7 percent, respectively, in 2007 and 2008. Moreover, it is important to note positive changes in terms of resource allocation. In effect, from one year to the next, with support from its partners, the government has made increased efforts in terms of capital expenditures, thus giving increased priority to investments compared to operating costs. The recent change in the respective weights of current expenditures and capital expenditures confirms this trend as illustrated in the following chart.

**Chart 26: Change in Expenditures in 2006–2009 Budgets**



Source: Budget Acts, 2006 revised, 2007, 2008 revised, and 2009

547. Capital expenditures, which represented 31.3 percent of the budget in 2006, have increased continuously, reaching 37.4 percent in 2008. It should be noted that this development is more pronounced in 2009, as the percentage allocated to capital expenditure increased to 46 percent of the total, due to a large extent to the concomitant reduction in funds that used to be allocated to repay foreign and domestic debt.

## 7.5.2. Principal results of the 2008 budget

### 7.5.2.1. Mobilization of domestic resources

548. Even though government revenues for fiscal year 2008 generally showed an appreciable increase compared to budgetary projections, they nonetheless show varied development in terms of the major components as well as mixed results.

**Table 30: Change in Domestic Resources (billions of FBu)**

|                                | 2005         | 2006         | 2007         | 2008         |
|--------------------------------|--------------|--------------|--------------|--------------|
| <b>Total domestic revenues</b> | <b>172.1</b> | <b>178.8</b> | <b>197.6</b> | <b>256.7</b> |
| <b>Tax revenues</b>            | <b>158.9</b> | <b>163.4</b> | <b>182.6</b> | <b>229.8</b> |
| Income tax                     | 41.8         | 45.9         | 53.5         | 65.0         |
| Tax on goods and services      | 78.3         | 83.9         | 92.3         | 121.8        |
| Tax on foreign trade           | 38.4         | 29.7         | 33.7         | 40.8         |
| <b>Other tax proceeds</b>      | <b>0.3</b>   | <b>3.9</b>   | <b>3.1</b>   | <b>2.2</b>   |
| Non-tax revenues               | 13.2         | 15.4         | 15.0         | 26.9         |

*Source: Ministry of Finance*

549. In total, tax and non-tax revenues amounted to FBu 256.7 billion, or an increase of 2.1 billion compared to budget projections, but FBu 6.1 billion compared to the revised projections. This result is primarily due to good performance posted in terms of income taxes, for which collections were 7.8 percent higher than projected in the 2008 budget, and 6.9 percent higher than the figure projected later in the context of the PRGF program.

550. This is also true of “non-tax revenues” whose contribution to the budget amounted to FBu 26.9 billion while the most recent projections anticipated FBu 18.4 billion, or an improvement of FBu 8.5 billion.

551. In contrast, performance was poor in terms of taxes on goods and services and on foreign trade which showed negative spreads of 5.8 percent and a 2.2 percent, respectively, as compared to expectations. These spreads suggest a more in-depth analysis as well as possible areas of dysfunction in the units concerned in terms of the reliability of projections.

552. From this perspective, it is essential to reevaluate the fiscal measures adopted to increase the performance of the units responsible for collecting State revenues, particularly through an in-depth analysis of the reasons for their weak performance. The principal reforms ordered for this purpose should basically involve expanding the tax base, reducing the number of exemptions, identifying all taxpayers, including the informal sector, and making the compensation of local personnel working for international organizations subject to tax.

553. In order to strengthen the level of public revenues, there are plans, for 2009, to procure new license plates and improve the recovery of arrears. In the short term, it is anticipated that setting up the National Revenues office may help to consolidate this progress.

### 7.5.2.2. Execution of expenditures

554. Overall, expenditures and net loans showed increased costs compared to the projected amounts. In terms of current expenditures, funds actually released amount to 354.5 billion compared to projections of 339.1 billion, or overspending of 15 billion.

555. To a large extent this situation can be attributed to increased compensation payments (education, health, and justice). Investment expenses also increased significantly thanks to a budget that increased by 55 percent. The financial support of TFPs, which doubled in two years, proved to be essential to achieving these investment levels.

**Table 31: Change in Government Expenditure (billions of FBU)**

|   | 2005         | 2006         | 2007         | 2008         |
|---|--------------|--------------|--------------|--------------|
| <b>Expenditures and net loans</b>               | <b>316.4</b> | <b>361.0</b> | <b>470.9</b> | <b>608.0</b> |
| <b>Current expenditures</b>                     | <b>200.6</b> | <b>221.5</b> | <b>261.2</b> | <b>354.5</b> |
| Salaries  | 72.6         | 93.9         | 114.0        | 154.7        |
| <i>Health</i>                                   | 1.8          | 2.8          | 3.8          | 6.7          |
| <i>Education</i>                                | 26.5         | 41.0         | 53.2         | 55.1         |
| <i>Army</i>                                     | 24.0         | 22.9         | 28.0         | 29.4         |
| <i>Police</i>                                   | 6.7          | 15.1         | 18.2         | 19.8         |
| <b>Special programs financed with resources</b> | <b>33.2</b>  | <b>23.5</b>  | <b>12.2</b>  | <b>45.2</b>  |
| Demobilization                                  | 8.7          | 23.5         | 12.2         | 45.2         |
| Election  | 24.5         | 0.0          | 0.0          | 0.0          |
| <b>Equipment and net loan expenditures</b>      | <b>82.6</b>  | <b>116.0</b> | <b>134.5</b> | <b>208.3</b> |
| Using domestic funds                            | 19.5         | 35.3         | 28.9         | 46.5         |
| Using foreign funds                             | 64.5         | 81.5         | 105.9        | 162.6        |

*Source: Ministry of Finance*

556. The demobilization program showed a net improvement in disbursements. In effect, while the funds disbursed for 2007 were only FBU 12.2 billion, the funds used for 2008 amounted to 45.2 billion. This improvement is due in large part to the restructuring of the DDR program and better follow-up.

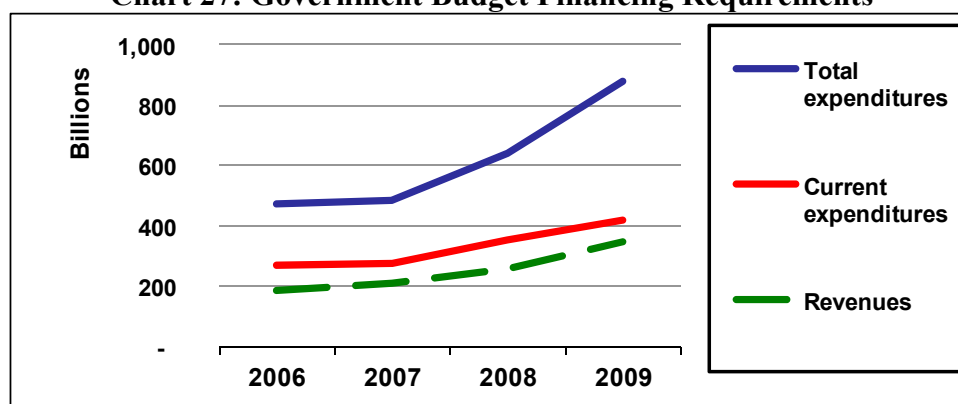
557. However, management difficulties caused a delay in replenishing the funds the government needs not only to carry out the objectives initially planned, but also to take into account new commitments attendant upon the imperative to demobilize and integrate elements of the FNL.

### 7.5.3. Increased need for external supports

558. In total, the financing gaps relating to budget year 2009 amount to FBU 366.8 billion, thus confirming the structural weakness of domestic resources vis-à-vis the increased requirements of economic recovery and the start-up of basic social services.

559. In effect, as illustrated in the chart below, domestic revenues have consistently been less than the government's current expenditures.



**Chart 27: Government Budget Financing Requirements**

Source: Budget Acts, 2006 revised, 2007, 2008 revised, and 2009, SIGEFI

560. First, note should be made of the State's difficulties in financing its current expenditures, given that the primary balance has been negative from one year to the next since 2006. This deficit is even greater when capital expenditures are taken into account and has continued to increase since 2006. The financing needs thus created were covered by three funding sources, whose external supports are far from being the most significant.

**Table 32: 2006–2008 Budget Funding Arrangements (Fbu billions)**

|   | 2005         | 2006         | 2007         | 2008         |
|---|--------------|--------------|--------------|--------------|
| <b>Financing</b>  | <b>165.2</b> | <b>199.8</b> | <b>237.7</b> | <b>366.8</b> |
| <b>Foreign grants</b>                                   | <b>100.8</b> | <b>169.0</b> | <b>221.5</b> | <b>345.2</b> |
| Budgetary grants  | 40.0         | 67.6         | 87.4         | 134.8        |
| HIPC  | 8.0          | 36.7         | 40.7         | 41.1         |
| Project grants  | 19.7         | 41.2         | 81.1         | 124.1        |
| Special programs  | 33.2         | 23.5         | 12.2         | 45.2         |
| <b>Domestic debt</b>                                    | <b>8.5</b>   | <b>21.3</b>  | <b>25.4</b>  | <b>19.0</b>  |
| Banking sector  | 14.5         | 37.0         | -0.7         | 19.0         |
| BRB   |              |              |              | -14.0        |
| Commercial banks  |              |              |              | 33.0         |
| Transition to the BRB accounts                          | 0.0          | -16.9        | 16.9         | 0.0          |
| Non-banking sector                                      | -6.0         | 1.2          | 9.2          | 0.0          |
| <b>Residual financing requirement and errors and...</b> | <b>-10.6</b> | <b>-3.9</b>  | <b>-5.4</b>  | <b>-4.5</b>  |

Source: Ministry of Finance

### 7.5.3.1. Support from development partners

561. Foreign supports essentially related to budgetary assistance and projects grants, representing FBU 135 billion and FBU 124 billion, respectively. The funds released thanks to the new opportunities offered by the HIPC Initiative increased to 41.1 billion in 2006. The two forms of assistance exceeded projections, by FBU 0.2 billion and 5.2 billion, respectively.

### 7.5.3.2. Proceeds from the privatization program

562. The privatization process was able to contribute about FBu 0.2 billion to the budget, compared to an anticipated figure of FBu 1.7 billion. The contribution of this program to government revenues is therefore almost nil.

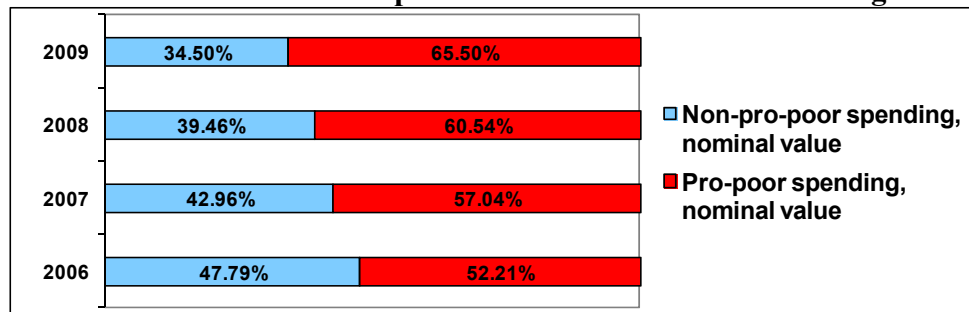
### 7.5.3.3. Domestic financing

563. Domestic indebtedness increasingly involved the banking sector, for which the year-end balance was 19 billion, with commercial banks in first place with 33 billion. Government loans with these banks could deprive the private sector of financing sources (crowding out effect). The State should thus limit its use of loans from the private financial sector. Nonetheless, the expenses associated with repayment of arrears on the domestic debt increased to FBu 18.6 billion during the course of 2008.

### 7.5.4. Degree of consistency between expenses and the priorities of the PRSF

564. The percentage of pro-poor expenses in the budget increased noticeably from one year to the next. This change is illustrated in Chart 28, which shows that pro-poor spending, which represented 52.21 percent in 2006, increased to 60.54 percent in 2008. In nominal terms, pro-poor spending increased to FBu 389.1 billion in the 2008 budget, while this amount equaled FBu 277.1 billion in 2007, representing an increase of FBu 112 billion or 40.4 percent.

**Chart 28: Pro-Poor Expenditures in the Government Budget**



*Source: Budget Acts, 2006 revised, 2007, 2008 revised, and 2009*

565. This increase in budget percentages allocated to the social sectors gives concrete expression to the political will of the government that, with the support of its development partners, emphasizes the development of human capital as the foundation of growth.

### 7.5.5. Change in relative budgets allocated to priority sectors

566. There is a downward trend in spending for general services and defense, except for an increase in 2007; a trend toward stabilization of spending on public safety and the judicial system, although declining slightly in 2008; and a trend toward increased spending in the social sectors. There is a downward trend in spending for general services and defense, except for an increase in 2007; a trend toward stabilization of spending on public safety and

the judicial system, although declining slightly in 2008; and a trend toward increased spending in the social sectors.[sic]

**Table 33: Budgetary Allocations to Priority Sectors**

| Spending by domain:                            | 2006            |             | 2007            |             | 2008            |             |
|--|-----------------|-------------|-----------------|-------------|-----------------|-------------|
|  | In FBu billions | As a %      | In FBu billions | As a %      | In FBu billions | As a %      |
| <b>General services of government agencies</b> | <b>176.8</b>    | <b>37.6</b> | <b>165.8</b>    | <b>34.1</b> | <b>178.0</b>    | <b>27.7</b> |
| <b>Economic affairs</b>                        | <b>58.3</b>     | <b>12.4</b> | <b>74.5</b>     | <b>15.3</b> | <b>141.2</b>    | <b>22.0</b> |
| <i>Agriculture</i>                             | 25.1            | 5.3         | 22.5            | 4.6         | 44.5            | 6.9         |
| <i>Electricity</i>                             | 3.9             | 0.8         | 3.2             | 0.7         | 4.0             | 0.6         |
| <i>Road transportation</i>                     | 21.7            | 4.6         | 38.1            | 7.8         | 75.8            | 11.8        |
| <b>Defense</b>                                 | <b>72.9</b>     | <b>15.5</b> | <b>93.2</b>     | <b>19.2</b> | <b>104.5</b>    | <b>16.3</b> |
| <b>Education</b>                               | <b>79.4</b>     | <b>16.9</b> | <b>80.9</b>     | <b>16.7</b> | <b>103.7</b>    | <b>16.1</b> |
| <i>Primary education</i>                       | 45.8            | 9.7         | 43.1            | 8.9         | 50.0            | 7.8         |
| <i>General secondary education</i>             | 14.8            | 3.1         | 15.9            | 3.3         | 18.8            | 2.9         |
| <i>Technical secondary education</i>           | 2.7             | 0.6         | 3.1             | 0.6         | 6.2             | 1.0         |
| <i>Higher education</i>                        | 2.2             | 0.5         | 2.1             | 0.4         | 2.3             | 0.4         |
| <i>Education-related services</i>              | 11.9            | 2.5         | 14.2            | 2.9         | 18.4            | 2.9         |
| <b>Order and public safety</b>                 | <b>35.6</b>     | <b>7.6</b>  | <b>42.6</b>     | <b>8.8</b>  | <b>49.4</b>     | <b>7.7</b>  |
| <i>Courts and prison administration</i>        | 6.2             | 1.3         | 8.6             | 1.8         | 9.8             | 1.5         |
| <b>Health</b>                                  | <b>36.5</b>     | <b>7.8</b>  | <b>18.2</b>     | <b>3.8</b>  | <b>36.4</b>     | <b>5.7</b>  |
| <i>Hospital services</i>                       | 5.6             | 1.2         | 7.6             | 1.6         | 19.1            | 3.0         |
| <i>Public health services</i>                  | 8.0             | 1.7         | 8.0             | 1.6         | 10.3            | 1.6         |
| <b>Social protection</b>                       | <b>5.4</b>      | <b>1.2</b>  | <b>3.2</b>      | <b>0.7</b>  | <b>11.9</b>     | <b>1.8</b>  |
| <b>Community housing and equipment</b>         | <b>3.9</b>      | <b>0.8</b>  | <b>5.5</b>      | <b>1.1</b>  | <b>11.8</b>     | <b>1.8</b>  |
| <i>Water supply</i>                            | 2.0             | 0.4         | 0.7             | 0.1         | 3.7             | 0.6         |
| <b>Environmental protection</b>                | <b>0.6</b>      | <b>0.1</b>  | <b>0.7</b>      | <b>0.1</b>  | <b>4.3</b>      | <b>0.7</b>  |
| <b>Leisure, culture, and religion</b>          | <b>1.0</b>      | <b>0.2</b>  | <b>1.3</b>      | <b>0.3</b>  | <b>1.5</b>      | <b>0.2</b>  |

567. The budget allocated to the economic affairs sector has increased continuously since 2006 with growth of 28 percent, 90 percent, and 66 percent in 2007, 2008, and 2009, respectively. Here the change in the budget clearly reflects the government's political choices, supported by its partners: development of the private sector and job opportunities is in effect the keystone of the process of development and the fight against economic poverty. Agriculture alone has absorbed more than one-third of investments in the productive apparatus, and its share is increasing. The breakdown of the budget envelope of FBu 141 billion allocated to economic affairs in 2008 shows that large areas relate to agricultural development and transportation facilities. The support of the technical and financial partners is significant: of the 44.5 billion devoted to agriculture, 33.5 billion comes from external donors; of the 75.8 billions devoted to road transport, 70.8 comes from foreign assistance.

568. The budget heading for Order and Public Safety, which includes Justice, demonstrates the priority given to the National Police of Burundi in particular, absorbing most of this budget of nearly FBu 50 billion in 2008. Funds allocated to the courts and prison administration increased by only FBu 500 million in 2008. Their budgets seem to have been stagnant since 2006, while the effective accessibility of the justice system for all Burundi's citizens would require sizeable investments.

569. An increase in the budget allocated to the education sector continues to be noted, growing by only 2 percent in 2007 but by 28 percent in 2008. More than half of this budget was devoted to primary education in 2006 and 2007 (58% and 53%, respectively) following the establishment of a measure of free primary education. However, the share of these expenses fell to 48 percent in 2008, in favor of expenses for secondary education, which increased by nearly a third in 2008. Technical education benefited in particular from a sharp increase in resources, while the budget for higher education tends to decrease relative to the total education sector budget, not being qualified to benefit from HIPC resources.

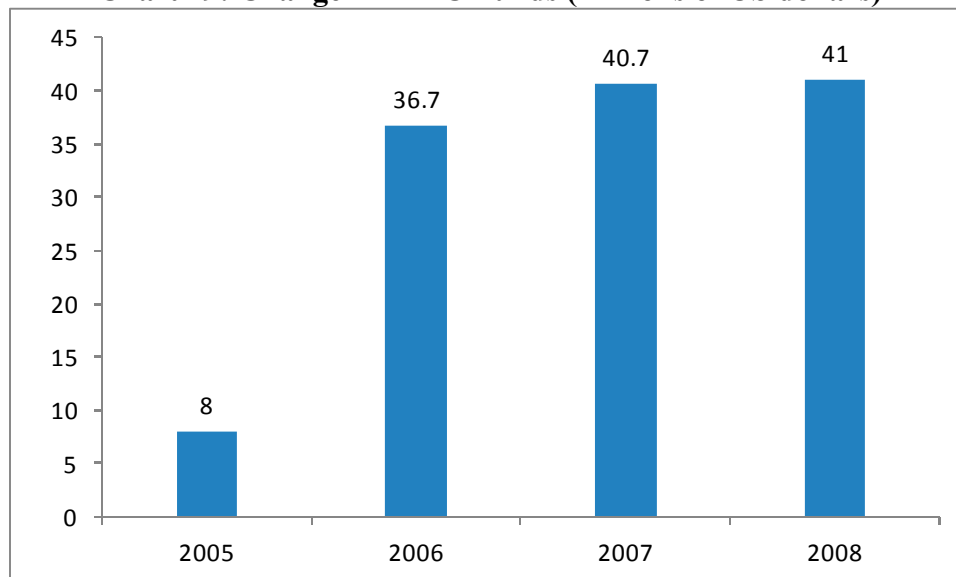
570. In contrast, the share of the budget allocated to the health sector declined sharply in 2007, falling from 36.5 billion to 18.2 billion, or 3.8 percent of the total budget. This percentage did, however, increase to 5.7 percent in 2008. Note should be made of the priority given to the cost of hospital services, services that are widely used following a measure providing free healthcare to pregnant women when giving birth and to children under the age of five, to the detriment of the public health services, for which the budget is stagnant.

### 7.5.6. Resources associated with the HIPC initiative and areas of collaboration

#### 7.5.6.1. Development of HIPC resources

571. Burundi benefited from debt relief after the initial negotiations with the member states of the Paris Club in 2004. The funds generated thanks to this process of debt remission have contributed greatly to the consolidation of the government's programs in the area of combating poverty.

**Chart 29: Change in HIPC Funds (millions of US dollars)**



*Source: Budget Acts, 2005–2008*

572. After the completion point is reached, additional funds will reinforce the government's policy to promote the social sectors. With this benchmark, measures designed to maintain the sustainability of the debt will continue and will in particular emphasize

compliance with concessionality criteria for all external loans. All external loans must now be at least 50 percent concessional. At the same time, the government continues to carefully monitor the risks of over-indebtedness and has started to put in place a debt strategy compatible with the budget framework.

### 7.5.6.2. Areas of concentration and pace of disbursement of HIPC funds

573. The priority sectors benefiting from HIPC funds are defined in the table that also describes the budget path. The social sectors, namely education, health, combating HIV/AIDS, and national solidarity alone account for 72 percent of the HIPC funds for fiscal year 2008. This percentage was 82 percent in 2006 and 70 percent in 2007. In this regard, commitment rates developed positively between 2006 and 2008, going from 38.2 percent to 93.7 percent between these two periods. It is clear that significant efforts were made to improve the execution of financial projects using HIPC funds. In addition, the commitment execution rates that were only 71.8 percent in 2007 increased to 94.3 percent in 2008.

**Table 34: Distribution of HIPC Initiative Loan through the Social Ministries, 2006-2008 (billions of FBU)**

| MINISTRY                                  | 2006  |             |                              | 2007  |             |                              | 2008  |             |                              |
|---|-------|-------------|------------------------------|-------|-------------|------------------------------|-------|-------------|------------------------------|
|   | Loans | Commitments | Commitments as a % of budget | Loans | Commitments | Commitments as a % of budget | Loans | Commitments | Commitments as a % of budget |
| <b>SOCIAL SERVICES</b>                    |       |             |                              |       |             |                              |       |             |                              |
| Min. of Educ.                             | 18.37 | 7.56        | 41.20                        | 9.74  | 9.69        | 99.60                        | 10    | 9.16        | 91.58                        |
| Min. of Health                            | 10.33 | 3.14        | 30.40                        | 7.7   | 7.38        | 95.90                        | 16.85 | 16.71       | 99.17                        |
| Natl. Solidarity                          | 0.25  | 0.16        | 64.00                        | 0.57  | 0.56        | 97.50                        | 3.24  | 3.13        | 96.53                        |
| Youth & Sports                            | 0.3   | 0.3         | 100.00                       | 0.5   | 0.5         | 99.60                        |       |             |                              |
| Combating AIDS                            | 3.6   | 0.54        | 15.00                        | 2.4   | 2.26        | 94.30                        | 3     | 2.89        | 96.21                        |
| S/T                                       | 32.85 | 11.7        | 35.62                        | 209   | 20.39       | 94.84                        | 33.09 | 31.88       | 96.35                        |
| <b>ECONOMIC SERVICES</b>                  |       |             |                              |       |             |                              |       |             |                              |
| Public works                              | 2.43  | 1.59        | 65.40                        | 1.75  | 1           | 57.10                        | 1.86  | 1.58        | 94.90                        |
| Agric.-livestock                          | 1.53  | 0.74        | 48.70                        | 3     | 2.85        | 94.90                        | 4.3   | 4.23        | 98.30                        |
| Energy & mines                            | 2.6   | 0.87        | 33.30                        | 3.17  | 1.08        | 34.10                        | 3.62  | 2.31        | 63.75                        |
| S/T                                       | 6.56  | 3.2         | 48.80                        | 7.92  | 4.93        | 62.25                        | 9.58  | 8.11        | 84.65                        |
| <b>GENERAL SERVICES</b>                   |       |             |                              |       |             |                              |       |             |                              |
| Justice                                   | 0.21  | 0.21        | 98.80                        | 0.8   | 0.13        | 16.30                        | 3     | 2.83        | 94.33                        |
| S/T                                       | 0.21  | 0.21        | 98.80                        | 0.8   | 0.13        | 16.30                        | 3     | 2.83        | 94.33                        |
| <b>TOTAL ALLOCATION OF HIPCI EXPENSES</b> |       |             |                              |       |             |                              |       |             |                              |
| <b>TOTAL</b>                              | 39.6  | 15.11       | 38.20                        | 29.6  | 24.89       | 84.08                        | 45.67 | 42.82       | 93.76                        |

### 7.6. Macroeconomic projections

574. Medium-term economic projections have generally had to be revised since the onset of the international and financial crisis, which will have negative repercussions on Burundi's economy. In effect, the price for coffee dropped and only began to recover in the second half of 2009. However, international demand should continue to be moderate over the medium term and it will take several years for the country to feel the effects of productivity gains that reform of the sector should engender. With the drought in the subregion, Kenyan tea production is in decline and international prices are increasing. Even though national production seems to be recovering, this crop does not yet have enough weight in Burundi's

trade balance to have a significant effect on growth. In addition, both public and private investments should decline due to tightened credit conditions, the economic difficulties that regional and multinational companies must face, and increased government deficits in the donor countries, which could lead to a decline in ODA. The growth assumptions have thus been revised downwards. Thus a rate of 3.2 percent is projected for 2009, 3.6 percent for 2010, and still lower than 5 percent in 2011 and 2012. This weak growth should, however, make it easy to achieve inflation goals, revised to 9.1 percent for 2009 and gradually falling to 5.5 percent in 2012.

**Table 35: 2009–2012 Economic Projections**

|   | 2008   | 2009     | 2010   | 2011   | 2012   |
|---|--------|----------|--------|--------|--------|
| Real growth (%)                                   | 4.5    | 3.2      | 3.6    | 4.2    | 4.8    |
| Inflation (%)                                     | 25.7   | 9.1      | 7.5    | 6.0    | 5.5    |
| Exports (US\$ millions)                           | 57.7   | 57.5     | 73.0   | 78.3   | 81.1   |
| (% of GDP)  | 5.3    | 4.1      | 5.0    | 5.2    | 5.0    |
| Imports (US\$ millions)                           | 342.2  | 231.8    | 270.6  | 303.3  | 331.0  |
| (% of GDP)  | 31.2   | 16.4     | 18.7   | 20.0   | 20.5   |
| Trade balance (US\$ millions)                     | -284.5 | -174.3   | -197.6 | -225.0 | -249.9 |
| (% of GDP)  | -25.9  | -12.3    | -13.7  | -14.8  | -15.5  |
| Current account<br>(excluding official transfers) | -155.9 | -134.6   | -153.7 | -206.0 | -236.3 |
|   | -372.0 | -333.6   | -350.2 | -380.8 | -397.9 |
| Capital account (US\$ millions)                   | 138.4  | 1,227.1  | 143.3  | 150.3  | 161.3  |
| Financial account (US\$ millions)                 | 175.7  | -1,227.3 | 12.2   | 42.6   | 61.3   |
| Government revenues (FBu billions)                | 256.7  | 308.1    | 352.1  | 402.8  | 449.3  |
| Expenditures and net loans (FBu billions)         | 608.0  | 789.6    | 861.3  | 873.3  | 951    |
| Overall balance (commitments based, FBu billions) | -351.3 | -481.5   | -509.2 | -470.5 | -501.7 |
| Nominal GDP (FBu billions)                        | 1,378  | 1,711    | 1,893  | 2,091  | 2,310  |
| Nominal GDP (US\$ millions)                       | 1,097  | 1,417    | 1,447  | 1,516  | 1,611  |
| FBu/US\$ exchange rate                            | 1,256  | 1,207    | 1,308  | 1,379  | 1,434  |

*Source: Second review, second PRGF, IMF, July 2009*

575. With the contraction in demand and in international trade, exports should remain weak and imports, highly dependent on petroleum prices, could fall, at least over the short term. They could increase if the recovery of growth in China and India were sufficient to push the price per barrel for oil up again. In any case, a worsening of the deficit in the current account balance can be expected, tied to a decrease in official transfers (ODA) and transfers from foreign emigrant workers.

576. The capital account will be affected by the concessional loans Burundi will draw on to ensure the rehabilitation of its infrastructure, while the financial account should benefit from an increase in direct foreign investments following the country's integration in the EAC, provided that the impact of the economic and financial crisis subsides in the subregion. Government revenues have been revised downward for 2009 and 2010, particularly due to low customs revenues. They should increase at a moderate pace over the next four years, thanks to the reforms undertaken to expand the tax base, reaching nearly FBu 450 billion in 2012. In contrast, expenditures have been revised upwards in order to address the harmful effects of the crisis for the most vulnerable populations. They will still represent more than twice the Burundi government's own revenues over the next four years. With an annual budget deficit expected to be close to half a billion dollars, Burundi will continue to be

highly dependent on external supports to carry out its development and poverty reduction policies.

### **7.7. The statistical system**

577. Burundi's statistical system continues to have the same weaknesses it had when the PRSF was being prepared given that coordination between the various data producing entities is still not operational and statistical coverage, production quality, and suitability for users' requirements are still limited. More specifically, the successive diagnoses of the statistical system have highlighted irregularity in the publication of current statistics and the lack of an effective data collection system at the central and local administrative level. The principal constraints faced by the statistical system are associated with the lack of human and financial resources that are essential to improving the processing, storage, analysis, and dissemination of statistical information.

578. To remedy this situation, there are plans to prepare a National Statistics Development Strategy in Burundi. Based on an in-depth diagnosis of the current statistical system, it should propose a five-year plan based on strategic axes, which will themselves be detailed in order to develop an action plan and a related budget. The project will be carried out by ISTEERBU in collaboration with the sectoral ministries and follow a participatory approach that includes statistics producers and users, including the TFPs. Once adapted, this strategy will be a required reference for all statistical activities.

579. In the meantime, some achievements relating to 2008 should be mentioned. This involves the conduct of the 1-2-3 survey on employment and household consumption in urban areas, in the cities of Bujumbura, Gitega, Kirundo, and Makamba, as well as the survey on food security and vulnerability of rural households, under the supervision of the WFP. In addition, consumer prices are being collected by ISTEERBU in most urban centers, and will soon be used to construct a national price index. Finally, the first class of statistician engineers has completed training and the best of them have been hired by the government and deployed to the principal statistical outposts at the central and provincial level.

580. In terms of the scope of human resources requirements, it is obvious that this single class is well below the demand in both government and the private sector. It is thus crucial to seek collaborative ways and means to ensure the continuity of the training system in the area of statistics just as for the other disciplines recognized by higher education in Burundi.

581. Finally, it is important that the procedures for ensuring participation in the IMF's GDDS be accelerated, particularly by updating the metadata required for this purpose.

## PRSF PERFORMANCE INDICATORS MATRIX

| Priority PRSF Actions   | Indicators   | MDO | 2000   | 2001  | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2010 Target |
|---|--|-----|--------|-------|--------|--------|--------|--------|--------|--------|--------|-------------|
| <b>AXIS 1. IMPROVE GOVERNANCE AND SECURITY</b>  |  |     |        |       |        |        |        |        |        |        |        |             |
| <b>1.1. Strengthen peace, national reconciliation and security</b>                                    |  |     |        |       |        |        |        |        |        |        |        |             |
| <b>1.1.2. Demobilization, disarmament and reintegration</b>   |  |     |        |       |        |        |        |        |        |        |        |             |
| Dismantle guardian of the peace groups and militant combatants  | Cumulative number of demobilized adults                                |     |        |       |        |        | 1,681  | 16,682 | 18,755 | 21,458 | 23,023 | 55,000      |
|   | Number of weapons surrendered or seized                                |     |        |       |        |        |        |        |        | 7,299  | 10,026 | 100,000     |
| Implementation of programs to support socioeconomic reintegration of the demobilized                  | Number of the demobilized benefiting from support programs             |     |        |       |        |        |        | 1,596  | 3,730  | 7,950  | 9,373  |             |
| <b>1.1.3. Professionalize the defense and security corps</b>  |  |     |        |       |        |        |        |        |        |        |        |             |
| Civilian training course for all defense and security corps personnel including gender-related issues | Number of corps members trained  |     |        |       |        |        |        |        |        |        | 6,608  | 39,094      |
|   | Number of torture cases  |     |        |       |        | 817    | 348    | 252    | 573    | 537    |        |             |
| <b>1.2. Promote the rule of law, combat impunity, and promote justice for all</b>                     |  |     |        |       |        |        |        |        |        |        |        |             |
| <b>1.2.1. Facilitate access to justice</b>  |  |     |        |       |        |        |        |        |        |        |        |             |
| <b>1.2.2. Strengthen the credibility of the judicial system</b>                                       |  |     |        |       |        |        |        |        |        |        |        |             |
| Build capacity of judicial apparatus to enforce court decisions                                       | Percentage of judgments enforced compared to cases tried               |     | 51     | 57    | 46     | 50     | 37     | 44     | 46     | 39     | 36     | 100         |
|   | Percentage of criminal cases closed compared to number of cases opened |     | 128    | 105   | 95     | 92     | 105    | 89     | 93     | 112    | 70     | 100         |
|   | Judicial backlog   |     | 16,917 | 17,78 | 18,788 | 18,073 | 19,719 | 24,448 | 27,195 | 30,990 | 34,980 |             |
|   | Number of judges for every 100,000 inhabitants                         |     |        | 12.0  | 12.4   | 12.1   | 15.4   | 16.1   | 15.5   | 15.5   | 17.1   |             |
| Computerization of prison system and [text missing]   | Percentage of persons in preventive custody                            |     | 69.7   | 62.7  | 55.5   | 59.7   | 63.8   | 60.9   | 65.7   | 71.1   | 65.2   |             |



| Priority PRSF Actions  | Indicators   | MDO | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007  | 2008  | 2010 Target |
|--|--|-----|------|------|------|------|------|------|------|-------|-------|-------------|
| <b>1.2.3. Promote and defend human rights</b>  |  |     |      |      |      |      |      |      |      |       |       |             |
| Promotion and adoption of penalties other than imprisonment  | Number of people detained for every 100,000 inhabitants                      |     | 133  | 131  | 118  | 113  | 102  | 107  | 107  | 106   | 123   |             |
|  | Percentage occupancy of prisons  |     |      | 238  | 221  | 215  | 203  | 197  | 215  | 208   | 245   |             |
|  | Number of minors in detention centers  |     | 162  | 154  | 136  | 172  | 260  | 419  | 419  | 461   | 484   |             |
| <b>1.3. Reduce risk of land disputes/sustainable management of land disputes</b>                                   |  |     |      |      |      |      |      |      |      |       |       |             |
| <b>1.3.1. Consider land use aspect in dispute management</b>   |  |     |      |      |      |      |      |      |      |       |       |             |
| Support implementation and operation of the Commission on Land and Other Assets                                    | Cumulative number of land disputes settled by CNTB                           |     |      |      |      |      |      |      |      | 127   | 3,389 |             |
| <b>1.3.2. Greater equity in management of assets</b>   |  |     |      |      |      |      |      |      |      |       |       |             |
| Campaign to raise popular awareness on issue or women's access to land ownership                                   | Number of activities or workshops to raise awareness in communes             |     |      |      |      |      |      |      |      | 23    | 7     |             |
| <b>1.4. Promote good governance</b>  |  |     |      |      |      |      |      |      |      |       |       |             |
| <b>1.4.1. Political governance</b>   |  |     |      |      |      |      |      |      |      |       |       |             |
| <b>1.4.1.1. Strengthen capacities of elected institutions</b>  |  |     |      |      |      |      |      |      |      |       |       |             |
| Develop and implement a training program for members of parliament and local elected officials                     | Number of local elected officials who have had at least one training session |     |      |      |      |      |      |      | 173  | 129   | 957   | 3,200       |
| <b>1.4.2. Promote decentralization and strengthen citizen participation</b>  |  |     |      |      |      |      |      |      |      |       |       |             |
| Develop and adopt a decentralization policy and adapt the institutional legal framework                            | Number of communes given an approved development plan                        |     |      |      |      |      |      |      |      |       | 6     | 129         |
| <b>1.4.1.3. Strengthen accountability requirement for government and elected officials</b>                         |  |     |      |      |      |      |      |      |      |       |       |             |
| Awareness campaign for local elected officials on their accountability obligations as provided by the communal law | Number of meetings [text missing]  |     |      |      |      |      |      |      |      |       | 4     |             |
|  | Number of participants at these meetings                                     |     |      |      |      |      |      |      |      | 2,444 | 2,697 |             |

| Priority PRSF Actions   | Indicators   | MDO | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2010 Target |
|---|--|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
| <b>1.4.1.4. Adapt electoral systems to socio-political changes</b>                                      |  |     |       |       |       |       |       |       |       |       |       |             |
| Study on current institutional system based on concerns considered during last elections                | Number of new laws on the subject adopted by Parliament  |     |       |       |       |       |       |       | 6     | 3     | 2     |             |
| <b>1.4.3.1. Strengthen internal and external oversight and anti-corruption institutional structures</b> |  |     |       |       |       |       |       |       |       |       |       |             |
| Support installation of anti-corruption court   | Number of corruption cases tried by the Anti-corruption Court  |     |       |       |       |       |       |       |       | 77    | 21    |             |
| <b>1.4.3.6. Strengthen the role of civil society in economic governance of the State</b>                |  |     |       |       |       |       |       |       |       |       |       |             |
| Strengthen civil society organizations working the area of economic good governance                     | Number of embezzlement cases reported by civil society organizations working in the area of economic good governance |     |       |       |       |       |       | 435   |       | 2,619 | 3,147 |             |
| <b>AXIS 2 PROMOTE SUSTAINABLE AND EQUITABLE ECONOMIC GROWTH</b>   |  |     |       |       |       |       |       |       |       |       |       |             |
| <b>2.1. Revitalize agriculture, livestock, fishing, and fish farming</b>                                |  |     |       |       |       |       |       |       |       |       |       |             |
| <b>2.1.1. Revitalize food crops</b>   |  |     |       |       |       |       |       |       |       |       |       |             |
| Develop and improve food production   | Total grain production (in thousands of tons)  |     | 246   | 274   | 282   | 272   | 280   | 290   | 280   | 290   | 290   |             |
|   | Production of legumes (in thousands of tons)   |     | 217   | 280   | 282   | 262   | 252   | 250   | 236   | 239   | 221   |             |
|   | Production of roots and tubers (in thousands of tons)  |     | 1,458 | 1,616 | 1,707 | 1,663 | 1,649 | 1,575 | 1,467 | 1,518 | 1,575 |             |
|   | Production bananas and plantains (in thousands of tons)  |     | 1,514 | 1,549 | 1,549 | 1,554 | 1,590 | 1,636 | 1,600 | 1,709 | 1,760 |             |
|   | Food crop production per inhabitant (in thousands of tons)   |     | 0.51  | 0.54  | 0.55  | 0.52  | 0.51  | 0.50  | 0.47  | 0.48  | 0.48  |             |

| Priority PRSF Actions  | Indicators   | MDO | 2000    | 2001    | 2002    | 2003    | 2004      | 2005      | 2006      | 2007      | 2008      | 2010 Target |
|--|--|-----|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-------------|
| <b>2.1.2. Revitalize export crops</b>  |  |     |         |         |         |         |           |           |           |           |           |             |
| Revitalize export crops  | Coffee exports (in tons)                                   |     | 24,719  | 18,663  | 16,956  | 27,814  | 20,911    | 21,412    | 18,556    | 18,210    | 11,093    |             |
|  | Cotton exports (in tons)                                   |     |         |         |         |         |           | 2,300     | 1,172     | 1,100     | 720       |             |
|  | Tea exports (in tons)                                      |     | 6,474   | 8,454   | 6,509   | 7,023   | 7,107     | 7,600     | 5,946     | 6,475     | 5,406     |             |
| Revitalize and diversify income crops for export   | Non-traditional crop exports (in tons)                     |     | 78      | 723     | 325     | 210     | 947       | 144       | 268       | 246       | 763       |             |
| Reestablish and genetically improve animal breeds through community solidarity chain, insemination program, and distribution of breeding animals | Number of bovines (units)                                  |     | 358,492 | 360,440 | 376,346 | 355,222 | 374,475   | 396,741   | 433,800   | 479,106   | 471,614   | 1,087,352   |
| Promote the small-scale raising of very prolific, short-life-cycle livestock   | Number of goats (units)                                    |     | 868,039 | 984,166 | 974,543 | 960,288 | 1,108,962 | 1,245,680 | 1,438,713 | 1,606,717 | 1,616,873 | 5,108,???   |
|  | Number of sheep (units)                                    |     | 224,663 | 247,965 | 242,086 | 239,505 | 235,611   | 242,933   | 266,510   | 292,916   | 281,190   |             |
|  | Number of hogs (units)                                     |     | 194,218 | 165,143 | 115,835 | 105,753 | 136,360   | 169,572   | 178,737   | 189,505   | 166,721   |             |
|  | Number of poultry (unit)                                   |     | 698,589 | 799,608 | 771,260 | 604,254 | 852,954   | 945,318   | 1,142,102 | 1,315,788 | 1,524,007 |             |
|  | Number of rabbits (units)                                  |     | 218,508 | 290,107 | 311,834 | 217,195 | 267,544   | 316,351   | 102,998   | 315,112   | 390,641   |             |
| <b>2.1.4. Develop beekeeping, fishing, and revitalize fish farming</b>   |  |     |         |         |         |         |           |           |           |           |           |             |
| Develop small-scale fishing  | Tons of fish caught  |     | 16,879  | 10,169  | 14,176  | 13,708  | 13,515    | 9,666     | 14,144    | 12,446    | 18,764    | 18,000      |
| <b>2.2. Improve and protect the environment</b>  |  |     |         |         |         |         |           |           |           |           |           |             |
| <b>2.2.1. Strengthen institutional and technical capacities of environmental services</b>  |  |     |         |         |         |         |           |           |           |           |           |             |
| Create an environmental training center  | Number of environmental institutions created and supported |     | 3       | 3       | 3       | 3       | 3         | 4         | 4         | 4         | 4         |             |
| Strengthen and standardize the legal framework for natural resource use  | Number of legislative instruments drawn up and adopted     |     | 1       |         |         |         |           |           |           | 1         |           |             |
| Formulate a national land management policy  | Number of properties                                       |     | 116     | 70      | 11      | 5       | 7         | 15        | 127       | 99        | 13        |             |

| Priority PRSF Actions   | Indicators  | MDO | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2010 Target |
|---|---|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
|   | delimited and managed                                       |     |        |        |        |        |        |        |        |        |        |             |
| <b>2.2.2. Promote national natural resource management policy</b>                       |   |     |        |        |        |        |        |        |        |        |        |             |
| Combat soil erosion and promote soil conservation                                       | Length of contour terraces developed (kilometers)           |     | 1,159  | 1,533  | 1,360  | 1,469  | 1,365  | 1,200  | 710    | 1,245  | 1,464  |             |
| Sustainable development and management of protected areas                               | Protected park areas and reserves (in millions of hectares) |     | 157    | 157    | 157    | 157    | 157    | 157    | 157    | 157    | 157    |             |
| Reforestation and management of existing forests  | Number of plants produced and planted (in millions)         |     | 15,768 | 16,051 | 12,185 | 15,365 | 25,860 | 36,129 | 55,392 | 57,321 | 51,653 |             |
| Integrated watershed management   | Marsh areas managed (hectares)                              |     | 350    | 281    | 199    | 265    | 623    | 799    | 1,200  | 1,998  | 2,888  |             |
| <b>2.2.3. Promote sustainable use of natural resources and environmental sanitation</b> |   |     |        |        |        |        |        |        |        |        |        |             |
| Identify and introduce replacements to protect threatened natural resources             | % of households using wood fuels                            |     | 97     | 97     | 97     | 97     | 97     | 97     | 97     | 97     | 97     |             |
| Develop and control public landfills throughout the country                             | Number of landfills developed                               |     | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |             |
| <b>2.3. Develop trade and industry</b>  |   |     |        |        |        |        |        |        |        |        |        |             |
| Develop industrial production   | Industrial production index (base 100 in 1989)              |     | 81.8   | 83.3   | 83.4   | 94     | 93     | 91.8   | 95.2   | 96.5   | 98.2   |             |
| Implement an integrated framework for promoting international trade and exports         | Export growth   |     |        |        |        |        |        |        |        |        |        |             |
|   | * in figures (FBu billions)                                 |     | 35.2   | 32.0   | 28.9   | 40.6   | 52.7   | 61.5   | 60.4   | 57.3   | 68.4   |             |
|   | * in quantity (millions of [text missing])                  |     | 37.6   | 37.7   | 34.8   | 41.7   | 43.5   | 43.5   | 33.3   | 37.1   | 50.9   |             |
| <b>2.4. Rational exploitation of mines and quarries</b>                                 |   |     |        |        |        |        |        |        |        |        |        |             |
| Revitalize mining research activities.  | Volume of mining production: Gold (tons)                    |     |        | 04     | 0.5    | 2.9    | 3.2    | 3.9    | 4.3    | 2.4    | 2.2    |             |

| Priority PRSF Actions  | Indicators  | MDO | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2010 Target |
|--|---|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Rehabilitate degraded sites and quarries   | Cassiterite (tons)  |     | 10.0      | 5.4       |           | 8.8       | 18.6      | 8.1       | 78.9      | 5.1       | 49.8      |             |
|  | Wolframite (tons)   |     |           |           |           | 32.8      | 23.9      | 294.5     | 668.2     | 455.4     | 608.2     |             |
|  | Colombo-tantalite (tons)                                      |     | 31.2      | 122.5     | 72.4      | 24.4      | 23.4      | 42.6      | 16.2      | 51.6      | 83.9      |             |
| Develop and monitor artisanal and semi-industrial activities in the sector                       | Mining taxes and fees (in US\$)                               |     | 37.2      | 176.6     | 79.2      | 205.9     | 339.0     | 205.6     | 552.7     | 715.2     | 752.2     |             |
| <b>2.5. Promote tourism and crafts</b>   |   |     |           |           |           |           |           |           |           |           |           |             |
| Rehabilitate and create new tourist sites  | Number of tourists  |     | 29,000    | 36,000    | 83,706    | 85,206    | 173,073   | 191,883   | 195,960   | 192,186   |           |             |
| Organize and develop craft industry, improve craft product quality through training for artisans | Revenues from tourists (in FBU millions)                      |     | 723.0     | 692.0     | 1,066.9   | 784.5     | 1,326.5   | 1,568.5   | 1,348.1   | 1,430.8   | 1,157.0   |             |
| <b>2.6. Increase opportunities for jobs and income for the poor</b>                              |   |     |           |           |           |           |           |           |           |           |           |             |
| <b>2.6.1. Improve access to the factors of production</b>  |   |     |           |           |           |           |           |           |           |           |           |             |
| Strengthen institutional training capacities   | Volume of credit to the industrial sector (in FBU millions)   |     |           |           |           | 6,104.4   | 7,224.5   | 6,783.4   | 2,564.5   | 4,262.3   | 5,549.7   |             |
|  | Volume of credit to the agricultural sector (in FBU millions) |     |           |           |           | 1,260.5   | 1,061.5   | 1,298.7   | 2,037.0   | 1,832.0   | 2,427.5   |             |
| <b>2.6.2. Expand the micro-lending system in rural areas</b>                                     |   |     |           |           |           |           |           |           |           |           |           |             |
| Raise popular awareness regarding importance of savings for access to microcredit                | MFI clients or members  |     |           |           |           |           | 272,430   | 311,094   | 365,074   | 309,945   | 403,897   |             |
| Bring rural microcredit services closer to the beneficiaries                                     | Number of microcredit beneficiaries                           |     |           |           |           |           | 52,955    | 63,051    | 115,997   | 112,422   | 104,021   |             |
| <b>2.6.3. Promote HLI public works</b>   |   |     |           |           |           |           |           |           |           |           |           |             |
| Construct and rehabilitate roads, buildings, and facilities                                      | Labor employed in HLI projects (man/days)                     |     | 1,138,822 | 1,787,512 | 1,648,578 | 1,678,264 | 2,439,442 | 2,446,903 | 1,961,886 | 2,647,740 | 1,077,749 |             |
| <b>2.6.4. Promote youth, sports, and culture</b>   |   |     |           |           |           |           |           |           |           |           |           |             |
| Construct and equip youth centers  | Number of youth centers                                       |     |           |           |           |           | 111       | 120       | 120       | 120       | 126       |             |
|  | Number of socially and economically reintegrated young people |     |           |           |           |           |           |           | 120       | 125       |           |             |

| Priority PRSF Actions  | Indicators  | MDO | 2000 | 2001 | 2002 | 2003  | 2004 | 2005  | 2006  | 2007  | 2008    | 2010 Target |
|--|---|-----|------|------|------|-------|------|-------|-------|-------|---------|-------------|
|  | Number of walking clubs   |     |      |      | 5    | 5     | 5    | 5     | 65    | 8     | 12      |             |
| Rehabilitate, equip, and expand sports, culture, and leisure facilities                              | Number of fields in operation   |     |      |      | 20   | 20    | 20   | 20    | 20    | 30    | 48      |             |
|  | Number of federations supported   |     |      |      | 18   | 18    | 18   | 18    | 21    | 25    | 25      |             |
|  | Number of monuments and sites rehabilitated                                   |     |      |      | 7    | 7     | 7    | 8     | 12    | 13    | 13      |             |
| Strengthen arts education and support music, traditional and modern dance, design and painting clubs | Number of cultural clubs  |     |      |      | 8    | 8     | 8    | 8     | 10    | 12    | 12      |             |
| <b>2.6.5. Promote IGA and occupational integration activities</b>                                    |   |     |      |      |      |       |      |       |       |       |         |             |
| Rehabilitate, build, and equip career training facilities  | Number of production cooperatives or groups created                           |     | 40   | 40   | 40   | 43    | 45   | 45    | 49    | 53    | 56      |             |
|  | Number of beneficiaries trained by training and occupational training centers |     |      |      |      |       |      | 575   | 873   | 853   |         |             |
| <b>2.7. Develop the private sector</b>   |   |     |      |      |      |       |      |       |       |       |         |             |
| <b>2.7.1. Short-term emergency actions</b>   |   |     |      |      |      |       |      |       |       |       |         |             |
| Rehabilitate trade centers   | Number of markets built and/or rehabilitated                                  |     | 0    | 1    | 0    | 9     | 4    | 7     | 3     | 2     | 1       |             |
| Inventory legal and regulatory gaps with respect to economic activity                                | Number of laws and/or regulations promulgated                                 |     | 0    | 0    | 0    | 0     | 0    | 0     | 1     | 0     | 2       |             |
| <b>2.7.3. Strengthen incentives to increase private investment</b>                                   |   |     |      |      |      |       |      |       |       |       |         |             |
|  | Businesses created: individuals   |     |      |      |      | 1,182 | 625  | 1,523 | 2,086 | 1,511 | 1,560   |             |
|  | Businesses created: corporations  |     |      |      |      | 287   | 188  | 226   | 338   | 283   | 549     |             |
| Set up mechanisms encourage the Diaspora to participate in the                                       | Direct foreign investment (FBU millions)                                      |     |      |      |      |       | 49.2 | 632.4 | 32.5  | 541.2 | 5,545.0 |             |

| Priority PRSF Actions                                    | Indicators                                | MDO | 2000    | 2001    | 2002    | 2003    | 2004     | 2005    | 2006    | 2007    | 2008    | 2010 Target |
|--|---|-----|---------|---------|---------|---------|----------|---------|---------|---------|---------|-------------|
| country's development process                            |   |     |         |         |         |         |          |         |         |         |         |             |
| <b>2.8. Develop infrastructure to support production</b> |   |     |         |         |         |         |          |         |         |         |         |             |
| <b>2.8.1. Improve transportation infrastructures</b>     |   |     |         |         |         |         |          |         |         |         |         |             |
| Build new paved roads to connect provincial headquarters | Number of kilometers of paved roads       |     | 1,322   | 1,322   | 1,322   | 1,322   | 1,322    | 1,322   | 1,322   | 1,322   | 1,418   |             |
|  | Number of kilometers of roads maintained  |     |         |         | 202     | 643     | 612      | 1,144   | 1,350   | 1,518   | 1,555   | 1,362       |
| Rehabilitation and maintenance of existing road network  | Volume of imported goods (tons)           |     | 170,377 | 156,469 | 157,969 | 176,144 | 169,632  | 188,453 | 176,462 | 110,149 | 107,282 |             |
|  | Volume of exported goods (tons)           |     | 30,027  | 21,741  | 20,470  | 27,862  | 15,321   | 17,395  | 9,687   | 13,409  | 8,525   |             |
|  | Volume of goods imported by road (tons)   |     | 13,468  | 14,379  | 22,637  | 23,092  | 33,071   | 40,188  | 48,276  | 54,766  |         |             |
|  | Volume of goods exported by road (tons)   |     | 1,238   | 19,191  | 21,724  | 23,851  | 27,394   | 28,477  | 28,707  | 29,127  | 29,780  |             |
| <b>2.8.2. Improve communications infrastructure</b>      |   |     |         |         |         |         |          |         |         |         |         |             |
| Expand rural telephone system                            | Number of fixed telephony subscribers     |     | 12,727  | 19,191  | 21,724  | 23,851  | 27,394   | 28,477  | 28,707  | 29,127  | 29,789  |             |
|  | Number of Internet subscribers            |     |         |         |         |         |          |         |         |         | 4,172   | 10,000      |
| <b>2.8.3. Increase energy supply capacities</b>          |   |     |         |         |         |         |          |         |         |         |         |             |
| Increase electrical power production capacity            | National electricity production (MWh)     |     |         | 114,552 | 127,302 | 101,471 | 91,578   | 100,267 | 93,337  | 117,459 | 111,789 |             |
|  | National consumption of electricity (MWh) |     |         | 140,079 | 154,528 | 154,528 | 1646,664 | 170,863 | 151,514 | 192,619 | 206,429 |             |
| Revitalize regional energy organizations, EGL among them | Imported electricity (MWh)                |     |         | 25,527  | 27,226  | 53,057  | 73,086   | 70,596  | 58,177  | 75,159  | 94,640  |             |
| Rehabilitate, extend, and maintain infrastructures       | Technical and commercial losses (as a %)  |     | 31      | 21      | 29      | 23      | 24       | 30      | 31      | 34      |         | 21          |
| Electrify communities                                    | Number of electricity                     |     |         |         |         | 33,465  | 34,576   | 32,858  | 35,136  | 38,069  | 40,413  | 46,310      |

| Priority PRSF Actions   | Indicators   | MDO | 2000 | 2001 | 2002 | 2003      | 2004      | 2005      | 2006      | 2007      | 2008  | 2010 Target |
|---|--|-----|------|------|------|-----------|-----------|-----------|-----------|-----------|-------|-------------|
|   | subscribers  |     |      |      |      |           |           |           |           |           |       |             |
| Electrify rural communities   | Share of population with access to electricity (%)                     |     | 2    | 2    | 3    | 3         | 3         | 3         | 3         | 3         | 3     |             |
|   | Firewood consumption (tons)  |     |      |      |      | 5,749,775 | 5,992,539 | 6,083,754 | 6,228,740 | 6,396,916 |       |             |
|   | Plant waste consumption (tons)   |     |      |      |      | 332,565   | 342,542   | 350,420   | 364,437   | 374,277   |       |             |
|   | Charcoal consumption (tons)  |     |      |      |      | 336,521   | 346,617   | 367,414   | 382,110   | 397,594   |       |             |
| Development and diversification of energy sources   | Peat consumption in tons   |     |      |      |      | 4,580     | 4,642     | 7,303     | 4,871     | 7,499     | 7,490 |             |
|   | Peat consumption in [text missing]                                     |     |      |      |      | 2,480     | 4,662     | 7,303     | 8,528     | 9,933     |       |             |
|   | Production from DGHHER's MCHes (MWh)                                   |     |      |      |      | 273       | 155       | 206       | 167       | 211       |       |             |
|   | Imports of energy-producing petroleum products (millions of liters)    |     |      |      |      | 71        | 77        | 84        | 77        | 69        |       |             |
|   | Consumption of energy-producing petroleum products (In [text missing]) |     | 55.8 | 65.9 | 77.1 | 68.6      | 75.7      | 82.9      | 71.4      | 72.3      |       |             |
| <b>DEVELOPMENT OF HUMAN CAPITAL</b>   |  |     |      |      |      |           |           |           |           |           |       |             |
| <b>3.1. Promote education</b>   |  |     |      |      |      |           |           |           |           |           |       |             |
| <b>3.1.1. Strengthen support and supervision of schools</b>                                 |  |     |      |      |      |           |           |           |           |           |       |             |
| Strengthen education offices by providing academic manuals and organizing training sessions | Manual/student ratio   |     | 0.9  | 0.9  | 0.9  | 0.8       | 0.75      | 0.58      | 0.7       | 0.8       | 0,8   |             |
| <b>3.1.2. Improve accessibility and quality of early childhood education</b>                |  |     |      |      |      |           |           |           |           |           |       |             |
| Participatory development of a comprehensive national policy on [missing text]              | Number of nursery schools built  |     |      |      |      |           |           |           |           | 140       |       |             |
|   |  |     |      |      |      |           |           |           |           |           |       |             |



| Priority PRSF Actions  | Indicators  | MDO | 2000 | 2001 | 2002 | 2003 | 2004               | 2005 | 2006  | 2007  | 2008  | 2010 Target |
|--|---|-----|------|------|------|------|--------------------|------|-------|-------|-------|-------------|
| <b>3.1.3. Improve accessibility and quality of primary education</b>                 |   |     |      |      |      |      |                    |      |       |       |       |             |
| Awareness campaign to promote primary education in the provinces with low enrollment | Net admission rate in first year of primary school                |     |      | 37.5 | 37.8 | 29.6 | 30.7               | 32.1 | 53.5  | 48.3  | 49.4  | 100         |
|  | Boys  |     |      | 40.5 | 41.1 | 30.0 | 32.4               | 33.6 | 53.3  | 48.3  | 49.4  | 100         |
|  | Girls   |     |      | 34.1 | 34.6 | 29.1 | 29.0               | 30.6 | 53.7  | 47.7  | 49.0  | 100         |
| Build 750 schools in provinces with low enrollment                                   | Gross enrollment rate in primary school (boys and girls)          |     |      |      |      |      | 81.0               | 81.6 | 101.3 | 105.2 | 123.5 |             |
|  | Net enrollment rate in primary school (boys and girls)            | X   |      | 50.2 | 50.9 | 56.2 | 59.1               | 59.8 | 72.4  | 82.6  | 84.6  | 100         |
|  | Boys  |     |      | 55.8 | 56.5 | 62.7 | 65.3               | 65.5 | 73.7  | 84.0  | 85.1  |             |
|  | Girls   |     |      | 44.8 | 45.5 | 50.0 | 53.5               | 54.3 | 71.1  | 81.2  | 84.1  |             |
| Rehabilitate schools destroyed by conflict   | Students per class  |     |      | 72.1 | 73.2 | 74.0 | 74.0               | 76.3 | 86.3  | 84.7  | 84.4  | 50          |
| Teacher qualification training for poorly qualified teachers                         | Teacher qualification rate  |     |      | 83.0 | 83.4 | 84.6 | 85.1               | 87.4 | 88.7  | 90.2  | 92.6  | 95          |
| Build housing for teachers in remote areas   | Supervision rate (student/teacher ratio)                          |     |      | 49.6 | 49.7 | 51.0 | 52.0               | 49.0 | 55.0  | 54.4  | 53.1  | 50          |
| Expansion of school cafeteria program  | Primary school dropout rate                                       |     |      | 10.1 | 8.3  | 10.5 | 6.0                | 19.5 | 6.3   | 5.1   | 4.9   |             |
|  | Boys  |     |      | 10.2 | 9.5  | 13.7 | 6.2                | 18.7 | 6.6   | 4.8   | 3.9   |             |
|  | Girls   |     |      |      |      |      | [numbers obscured] |      |       |       |       |             |
| Provide teaching equipment   | Grade promotion rate in [text missing]                            |     |      | 65.0 | 67.0 | 63.1 | 67.3               | 51.2 | 63.0  | 71.0  | 58.5  |             |
|  | Boys  |     |      | 65.4 | 66.2 | 60.6 | 67.4               | 53.3 | 62.8  | 75.5  | 58.8  |             |
|  | Girls   |     |      | 64.5 | 67.9 | 66.2 | 67.1               | 48.7 | 63.2  | 66.0  | 58.3  |             |
| Build school facilities  | Primary to secondary graduation rate (public + communal+ private) |     | 28.4 | 30.1 | 30.3 | 32.6 | 33.0               | 34.1 | 30.7  | 32.7  | 32.8  |             |
| Continuing education to retrain teachers   | Completion of primary school rate                                 | X   |      |      |      |      | 33.1               | 35.0 | 36.0  | 37.6  | 41.0  |             |
| Reduce gender disparity  | Parity index in primary education                                 | X   |      |      |      |      | 0.83               | 0.86 | 0.91  | 0.93  | 0.95  |             |

| Priority PRSF Actions  | Indicators   | MDO | 2000 | 2001  | 2002  | 2003   | 2004   | 2005   | 2006   | 2007  | 2008   | 2010 Target |
|--|--|-----|------|-------|-------|--------|--------|--------|--------|-------|--------|-------------|
|  | Adult literacy rate  |     |      | 42.0  | 41.9  | 42.1   | 42.1   | 42.2   | 42.2   | 42.3  | 44.7   |             |
| Promote adult literacy taking gender into account  | Men  |     |      | 52.7  | 52.3  | 54.0   | 54.1   | 54.0   | 54.1   | 54.0  | 57.2   |             |
|  | Women  |     |      | 32.2  | 32.4  | 32.5   | 32.6   | 32.7   | 32.8   | 32.9  | 34.9   |             |
|  | Gender parity rate in terms of literacy                      |     |      | 0.61  | 0.62  | 0.60   | 0.60   | 0.61   | 0.91   | 0.93  | 0.95   |             |
| <b>3.1.4. Improve accessibility and quality of apprenticeships for secondary education</b> |  |     |      |       |       |        |        |        |        |       |        |             |
| Build general and technical high schools in provinces with low coverage                    | Net secondary enrollment rate                                |     |      | 4.35  | 6.06  | 4.65   | 8.58   | 8.62   | 8.54   | 8.59  | 9.00   |             |
|  | Boys   |     |      | 4.53  | 6.57  | 5.40   | 9.69   | 9.84   | 9.62   | 9.71  | 10.20  |             |
|  | Girls  |     |      | 4.19  | 5.56  | 3.94   | 7.51   | 7.39   | 7.44   | 7.39  | 7.70   |             |
| <b>3.1.5. Improve accessibility and quality of apprenticeships for higher education</b>    |  |     |      |       |       |        |        |        |        |       |        |             |
| Organize additional higher education facilities in the provinces                           | Total number of students                                     |     |      | 7,578 | 8,097 | 11,101 | 13,869 | 14,529 | 14,973 | 8,349 | 18,366 |             |
| Reduce gender disparity  | Parity index in higher education                             | X   |      | 0.42  | 0.41  | 0.31   | 0.45   | 0.44   | 0.43   | 0.80  | 0.48   |             |
| Build and equip the amphitheatre at the University of Burundi                              | Student/place to sit ratio                                   |     |      | 0.81  | 0.75  | 0.72   | 0.83   | 0.86   | 0.85   | 0.81  | 0.88   |             |
| Provide books, laboratory equipment, teaching materials                                    | Grade repetition rate in first year at University of Burundi |     |      | 30    | 28    | 32     | 40     | 85     | 33     |       | 28     |             |
| <b>3.2. Health</b>   |  |     |      |       |       |        |        |        |        |       |        |             |
| <b>3.2.1. Improve performance of national health system</b>                                |  |     |      |       |       |        |        |        |        |       |        |             |
| Train, retrain, improve medical and paramedical staff                                      | Number of physicians for every 100,000 inhabitants           |     | 4.12 | 0.27  | 3.42  | 2.70   | 1.78   | 2.68   | 2.59   | 2.60  | 2.07   |             |
|  | Number of nurses for every 100,000 inhabitants               |     |      |       |       |        | 35.0   |        |        | 122.7 |        |             |
| Revise the health map and build healthcare facilities in disadvantaged areas               | Number of hospitals for every 100,000 inhabitants            |     | 0.64 | 0.69  | 0.57  | 0.56   | 0.64   | 0.71   | 0.69   | 0.66  | 0.65   |             |
|  | Number of health centers for every 100,000 inhabitants       |     | 6.7  | 7.8   | 7.6   | 7.9    | 7.5    | 7.7    | 7.9    | 7.7   | 8.2    |             |
|  | Usage rate of ambulatory care services                       |     |      |       |       |        | 0.64   | 0.38   | 0.29   | 0.76  | 0.79   |             |

| Priority PRSF Actions   | Indicators   | MDO | 2000 | 2001 | 2002 | 2003  | 2004  | 2005  | 2006  | 2007  | 2008 | 2010 Target |
|---|--|-----|------|------|------|-------|-------|-------|-------|-------|------|-------------|
| Set up an equipment and facilities management and maintenance system            | Number of hospital beds for every 100,000 inhabitants                  |     |      |      |      | 34.11 | 32.98 | 23.31 | 56.57 | 55.19 |      |             |
| <b>3.2.2. Reduce prevalence of transmissible and non-transmissible diseases</b> |  |     |      |      |      |       |       |       |       |       |      |             |
| Strengthen anti-malaria activities  | Incidence of malaria   |     | 46.5 | 42.1 | 35.1 | 30.2  | 24.9  | 26.4  | 27.5  | 29.4  | 24.6 |             |
|   | Percentage malaria mortality rate among children under the age of five |     | 36.5 | 53.0 | 49.6 | 46.8  | 35.4  | 48.0  | 47.0  | 63.0  | 29.0 |             |
|   | % of children under the age of five sleeping under ITNs                |     |      |      |      |       |       | 7     | 16    | 32    | n/a  |             |
|   | % of pregnant women sleeping under ITNs                                |     |      |      |      |       |       | 7     | 20    | 30    | n/1  |             |
| Strengthen anti-tuberculosis activities   | Detection rate of new PTB+ cases (%)                                   | X   | 49   | 46   | 41   | 44    | 43    | 44    | 41    | 45    | 44   |             |
|   | Rate of successful treatment for TB diseases (%)                       | X   | 74   | 75   | 73   | 74    | 72    | 72    | 78    | 80    | 86   |             |
| <b>3.2.3. Reduce maternal and neonatal mortality</b>                            |  |     |      |      |      |       |       |       |       |       |      |             |
| Make available and subsidize emergency obstetrical care                         | Maternal mortality for every 100,000 births                            | X   | 800  |      |      |       |       | 615   |       |       |      |             |
|   | Rate of contraceptive use  | X   | 2.7  | 3.6  | 4.0  | 5.4   | 6.5   | 8.4   | 7.3   | 9.4   | 11.4 |             |
|   | Percentage of childbirths [text missing]                               | X   | 17.8 | 16.1 | 22.0 | 20.4  | 22.9  | 22.9  | 30.7  | 41.1  | 56.3 | 60          |
| <b>3.2.4. Reduce child mortality</b>  |  |     |      |      |      |       |       |       |       |       |      |             |
| Strengthen capacities for treatment of childhood diseases                       | Infant mortality for every 1,000 births                                |     | 129  |      |      |       |       | 129   |       |       |      |             |
|   | Infant-child mortality for every 1,000 births                          | X   | 190  |      |      |       |       | 176   |       |       |      |             |
|   | % of children  | X   | 45.1 |      |      |       |       | 39.2  |       | 35.2  |      |             |

| Priority PRSF Actions   | Indicators  | MDO | 2000 | 2001  | 2002 | 2003 | 2004 | 2005  | 2006  | 2007  | 2008  | 2010 Target |
|---|---|-----|------|-------|------|------|------|-------|-------|-------|-------|-------------|
| Improve child nutrition   | under five who are underweight  |     |      |       |      |      |      |       |       |       |       |             |
|   | % of children under five with delayed growth  |     | 56.8 |       |      |      |      | 52.5  |       | 46.0  |       |             |
|   | % of children under five who are severely malnourished or emaciated                     |     | 7.5  |       |      |      |      | 7.4   |       | 5.6   |       |             |
| Improve EPI logistics and strengthen routine vaccination                              | Vaccination coverage rate for children under the age of five (%)                        |     | 76   | 78    | 79   | 81   | 83   | 87    | 92    | 99    | 92    |             |
|   | Percentage of children under one year vaccinated against measles                        | X   | 61   | 54    | 67   | 80   | 85   | 98    | 92    | 92    | 99    |             |
|   | Overall vaccination coverage in children under one year (%)                             |     | 68   | 63    | 85   | 84   | 79   | 87    | 94    | 90    |       |             |
| <b>3.3. Improve access to drinking water, hygiene, sanitation, and decent housing</b> |   |     |      |       |      |      |      |       |       |       |       |             |
| Build new water supply systems  | Population with access to drinking water (%)  | X   |      |       |      |      |      | 64.3  |       |       |       |             |
|   | in rural areas  |     |      |       |      |      |      | 63.4  |       |       |       | 7190        |
|   | in urban areas  |     |      |       |      |      |      | 79.7  |       |       |       |             |
| Rehabilitate and maintain existing facilities   | Percentage of households with access to improved sanitary facilities, at national level | X   |      |       |      |      |      | 31.7  |       |       |       |             |
|   | in rural areas  |     |      |       |      |      |      | 47.6  |       |       |       |             |
|   | in urban areas  |     |      |       |      |      |      | 30.8  |       |       |       |             |
| Develop urban and peri-urban sites  | Number of lots given out  |     | 793  | 1,045 | 910  | 911  | 867  | 1,080 | 1,025 | 1,361 | 1,584 |             |
|   | Number of building permits  |     | 665  | 471   | 507  | 683  | 949  | 1,002 | 812   | 1,235 | 1,127 |             |
| Create a housing finance mechanism  | Average interest rate on housing loans (medium-   |     | 14   | 16    | 16   | 18   | 19   | 19    | 18    | 18    | 18    | 9           |

| Priority PRSF Actions  | Indicators  | MDO | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006    | 2007    | 2008    | 2010 Target |
|--|---|-----|--------|--------|--------|--------|--------|--------|---------|---------|---------|-------------|
|  | term)   |     |        |        |        |        |        |        |         |         |         |             |
| <b>3.3.3. Support vulnerable groups</b>  |   |     |        |        |        |        |        |        |         |         |         |             |
| Provide care for the indigent and vulnerable groups  | Number of repatriated persons who have recovered their land |     |        |        |        |        |        |        |         | 635     | 16,995  |             |
|  | Number of medically assisted vulnerable people              |     |        |        |        |        |        |        | 3,400   | 7,607   | 4,722   | 10,000      |
| Reconstruct and rehabilitate housing for vulnerable groups   | Vulnerable households receiving food assistance             |     |        |        |        |        |        |        | 10,000  | 15,000  | 131,230 | 300,000     |
|  | Number of housing with housing                              |     |        |        | 6,500  | 5,718  | 22,975 | 15,960 | 6,750   | 13,200  |         |             |
| <b>3.3.3. Gender advancement</b>   |   |     |        |        |        |        |        |        |         |         |         |             |
| Strengthen women's economic and political power  | Percentage of seats held by women in Parliament             | X   | 14.9   | 14.7   | 20.3   | 20.6   | 20.6   | 31.4   | 31.4    | 31.4    | 31.4    |             |
| Train elected officials at all levels to strengthen their political and ... participation [text missing] | Percentage of women in government as of December 31         |     | 7.7    | 11.1   | 11.1   | 10.7   | 10.7   | 34.8   | 34.8    | 34.8    | 27.6    |             |
| <b>AXIS 4 COMBATING HIV/AIDS</b>   |   |     |        |        |        |        |        |        |         |         |         |             |
| <b>4.1. Preventing HIV transmission</b>  |   |     |        |        |        |        |        |        |         |         |         |             |
| Make condoms available   | Prevalence *Global  |     |        |        | 3.2    |        |        |        |         | 2.97    |         |             |
|  | Urban areas*  |     |        |        | 9.4    |        |        |        |         | 4.59    |         |             |
|  | Semi-urban areas*   |     |        |        | 10.5   |        |        |        |         | 4.41    |         |             |
|  | Rural areas*  |     |        |        | 2.5    |        |        |        |         | 2.82    |         |             |
|  | Number of condoms distributed                               |     | 3.09   | 3.67   | 5.15   | 7.04   | 7.29   | 10.71  | 6.06    | 9.17    | 8.44    |             |
| Increase the number of voluntary screening centers within healthcare facilities                          | Number of CDVs  |     |        |        | 64     | 80     | 105    | 128    | 151     | 180     | 266     |             |
|  | Number of people screened during the year                   |     | 26,517 | 20,247 | 30,412 | 50,303 | 76,698 | 89,178 | 150,062 | 118,665 | 236,988 | 150,000     |
| Strengthen actions to prevent and combat HIV/AIDS in healthcare  | Number of PMTCT centers                                     |     |        |        | 1      | 9      | 11     | 12     | 27      | 37      | 63      |             |
|  | Percentage of   |     |        |        |        |        | 4      | 6      | 14      | 14      |         | 50          |

| Priority PRSF Actions   | Indicators  | MDO | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    | 2007    | 2008    | 2010 Target |
|---|---|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|
| facilities  | seropositive women benefiting from PMTCT services   |     |         |         |         |         |         |         |         |         |         |             |
|   | Number of AIDS orphans  | X   | 166,672 | 184,176 | 201,197 | 216,336 | 229,549 | 238,277 | 244,505 | 247,253 | 247,005 |             |
|   | Prevalence of HIV among pregnant women aged 15 to [text missing]                            | X   | 7.9     | 7.4     | 5.1     | 4.6     | 2.8     | 3.3     | 8.8     | 2.2     |         |             |
| <b>4.2. Caring for HIV infected patients</b>  |   |     |         |         |         |         |         |         |         |         |         |             |
| Make medications against opportunistic infections and ARVs available                        | Number of PLHIV being treated with ARV  |     |         |         | 600     | 1,210   | 3,900   | 6,416   | 8,048   | 10,928  | 14,343  |             |
| <b>4.3. Reducing the impact on persons affected by HIV</b>                                  |   |     |         |         |         |         |         |         |         |         |         |             |
| Promote the rights of and protect PLHIV   | Number of destitute PLHIV and HIV-affected persons receiving support through IGAs           |     |         |         |         | 168     | 777     | 4,660   | 5,875   | 7,726   | 4,804   | 8,000       |
| Support income-generating activities initiated by PLHIV or OVCs.                            | Number of PLHIV inserted or reinserted in social and professional activities after training |     |         |         |         |         |         |         |         | 334     | 424     |             |
| <b>4.4. Strengthen institutional capacities</b>   |   |     |         |         |         |         |         |         |         |         |         |             |
| Strengthen the capacities of government agencies and participants in the fight against AIDS | Number of healthcare providers trained in ARV treatment                                     |     |         |         |         |         | 200     | 395     | 415     | 488     | 264     | 800         |
|   | Number of facilities equipped in the fight against AIDS                                     |     |         |         |         |         |         |         |         |         | 148     |             |
| <b>5. MACROECONOMICS AND BUDGET</b>   |   |     |         |         |         |         |         |         |         |         |         |             |
|   | Real GDP growth rate  |     | -0.9    | 2.1     | 4.5     | -1.2    | 4.8     | 0.9     | 5.1     | 4.6     | 4.5     |             |
|   | Year-end inflation rate   |     |         |         | 10.6    | 15.7    | 11.9    | 1.0     | 9.4     | 14.7    | 25.7    |             |
|   | Global balance  |     | -5.0    | -7.2    | -5.7    | -9.9    | -19.7   | -16.8   | -19.3   | -19.8   | -25.5   |             |

| Priority PRSF Actions | Indicators   | MDO | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006   | 2007   | 2008   | 2010 Target |
|-----------------------|--|-----|-------|-------|-------|-------|-------|-------|--------|--------|--------|-------------|
|                       | on a commitment basis as a % of GDP (excluding grants)                   |     |       |       |       |       |       |       |        |        |        |             |
|                       | Budget deficit (global balance on a commitment basis, in FBU billions)   |     | 25.7  | 39.6  | 33.2  | 63.6  | 144.3 | 144.3 | 182.2  | 210.4  | 336.9  |             |
|                       | Tax pressure rate (government revenues, excl. grants, as a % of GDP)     |     | 19.2  | 20.0  | 20.3  | 20.1  | 20.1  | 20.0  | 18.9   | 18.6   | 19.1   |             |
|                       | Outstanding foreign debt as a % of GDP                                   |     | 168.1 | 161.2 | 181.6 | 203.9 | 220.8 | 182.9 | 165.1  | 153.8  | 132.5  |             |
|                       | Ratio of debt service to export revenue (%) (current receivables)        |     | 83.1  | 93.0  | 157.4 | 87.1  | 109.2 | 46.7  | 54.4   | 60.6   | 46.0   |             |
|                       | Exports as a % of GDP  |     | 6.9   | 5.9   | 5.0   | 7.8   | 7.2   | 7.1   | 6.4    | 5.4    | 5.0    |             |
|                       | Savings minus investment balance (current account balance as a % of GDP) |     | -10.0 | -6.8  | -6.5  | -5.9  | -8.1  | -1.2  | -14.5  | -15.7  | -13.0  |             |
|                       | Current external balance, including grants (US\$ millions)               |     | -70.9 | -44.9 | -40.7 | -35.0 | -54.0 | -9.7  | -133.5 | -153.4 | -151.5 |             |
|                       | Pro-poor expenses as a % of national resources                           |     |       |       |       |       |       |       | 47.2   | 48.6   | 54.9   |             |
| <b>6. POPULATION</b>  |  |     |       |       |       |       |       |       |        |        |        |             |
|                       | Population growth rate   |     | 2.35  | 2.35  | 2.35  | 2.35  | 2.35  | 2.35  | 2.35   | 2.35   | 2.35   |             |
|                       | Gross mortality rate (%)   |     | 15.6  | 15.5  | 15.5  | 15.5  | 15.4  | 15.4  | 15.3   | 15.3   | 15.2   |             |
|                       | Infant mortality rate (0/00)   |     | 156   | 156   | 156   | 156   | 156   | 120   | 120    | 120    | 120    |             |
|                       | Child-Youth mortality rate (0/00)  |     | 231   | 231   | 231   | 231   | 231   | 176   | 176    | 176    | 176    |             |

| Priority PRSF Actions | Indicators  | MDO | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006  | 2007 | 2008 | 2010 Target |
|-----------------------|---|-----|------|------|------|------|------|------|-------|------|------|-------------|
|                       | Gross birth rate (%)  |     | 42.5 | 42.5 | 42.4 | 42.4 | 42.3 | 42.3 | 42.2  | 42.2 | 42.2 |             |
|                       | Overall fertility rate  |     | 6.28 | 6.28 | 6.28 | 6.28 | 6.28 | 6.28 | 6.28  | 6.28 | 6.28 |             |
|                       | Average household size  |     |      |      |      |      |      |      |       | 5.2  | 5.1  |             |
|                       | Urban population (%)  |     | 8.5  | 8.8  | 9.0  | 9.2  | 9.5  | 9.7  | 10.0  | 10.3 | 10.5 |             |
|                       | Rural population (%)  |     | 91.5 | 91.2 | 91.0 | 90.8 | 90.5 | 90.3 | 90.0  | 89.7 | 89.5 |             |
|                       | Population density (Inhab/Km <sup>2</sup> )                             |     |      |      |      |      |      |      |       |      | 310  |             |
|                       | Percentage of population not receiving the minimum amount of calories   | X   |      |      |      |      |      |      | 56%   |      |      |             |
|                       | Poverty gap [incidence of poverty times degree... text missing..]       | X   |      |      |      |      |      |      | 45.9% |      |      |             |
|                       | Poverty gap [incidence of poverty times degree of poverty]: urban areas | X   |      |      |      |      |      |      | 17.9% |      |      |             |
|                       | National poverty rate   |     |      |      |      |      |      |      | 67%   |      |      |             |
|                       | Rural poverty rate  |     |      |      |      |      |      |      | 69%   |      |      |             |
|                       | Urban poverty rate  |     |      |      |      |      |      |      | 34%   |      |      |             |
| <b>7. EMPLOYMENT</b>  |   |     |      |      |      |      |      |      |       |      |      |             |
|                       | Unemployment rate (ILO) (%)   |     |      |      |      |      |      |      | 13.5  | 13.9 | 11.0 |             |
|                       | Unemployment rate for men (%)   | X   |      |      |      |      |      |      | 10.8  | 12.8 | 10.1 |             |
|                       | Unemployment rate for women (%)   | X   |      |      |      |      |      |      | 17.8  | 15.2 | 13.5 |             |
|                       | Overall under-employment rate (%)                                       |     |      |      |      |      |      |      | 63.8  | 52.7 |      |             |



| Priority PRSF Actions | Indicators                          | MDO | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2010 Target |
|-----------------------|-------------------------------------|-----|------|------|------|------|------|------|------|------|------|-------------|
|                       | Visible under-employment rate (%)   |     |      |      |      |      |      |      | 16.8 | 14.9 |      |             |
|                       | Invisible under-employment rate (%) |     |      |      |      |      |      |      | 50.7 | 41.6 |      |             |
|                       | Jobs in government (%)              |     |      |      |      |      |      |      | 10.1 | 10.1 | 10.3 |             |
|                       | Jobs in public companies (%)        |     |      |      |      |      |      |      | 5.4  | 7.5  | 7.5  |             |
|                       | Jobs in formal private sector (%)   |     |      |      |      |      |      |      | 1.2  | 2.5  | 3.1  |             |
|                       | Jobs in informal private sector (%) |     |      |      |      |      |      |      | 78.8 | 76.3 | 75.3 |             |
|                       | Jobs in associations sector (%)     |     |      |      |      |      |      |      | 4.5  | 3.7  | 3.8  |             |
|                       | Average job longevity (years)       |     |      |      |      |      |      |      | 5.3  | 7.2  | 7.7  |             |