

Burundi: Poverty Reduction Strategy Paper II

Poverty Reduction Strategy Papers are prepared by member countries in broad consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF. Updated with annual progress reports, they describe the countries macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing. This country document for Burundi is being available on the IMF website by agreement of the member country as a service to users of the IMF website.

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Republic of Burundi



Poverty Reduction Strategy Paper PRSP-II



Foreword

Over the past ten years, following a long period of recurrent political conflict and widespread insecurity, Burundi has faced daunting challenges relating to the breakdown in social cohesion, stagnant economic development, and increased poverty. It was in this context that the government adopted the first Poverty Reduction Strategy Paper (PRSP-I), the product of an extensive, inclusive participatory process.

The implementation of the PRSP-I brought remarkable progress in terms of macroeconomic stability and access to basic social services, especially health services and education. However, the general pace of growth has been too slow to significantly reduce poverty. In addition, the repercussions of the 2009 international economic and financial crisis greatly frustrated the efforts of the government, which had been forced to contend with previous shocks – the 2006-2007 energy crisis and the sharp rise in prices of staples from 2007-2009 – whose effects were still felt.

Accordingly, the government, under the leadership of the President of the Republic and in keeping with the objectives of the Vision Burundi 2025, began preparing its second Poverty Reduction Strategy Paper (PRSP-II), which focuses on growth and job creation as the basis of future poverty reduction programs. Like its predecessor, PRSP II is the result of a participatory approach involving representatives of local communities, civil society, the private sector, Parliament, the central government, and the development partners. To all those who took part in the debates organized in that context, the Burundi government expresses its sincere gratitude for their availability, commitment, and rich contributions.

This inclusive approach created broad consensus among all stakeholders, in accordance with the Paris Declaration, making the PRSP-II the sole frame of reference in setting priorities for government action and determining which programs will receive preference in the context of international cooperation between Burundi and its development partners.

This convergence of views also ensures the achievement of the objectives established by the PRSP-II, which seeks above all to promote growth that redistributes its fruits to all, particularly the poorest populations, with particular attention to women and the young. It is of utmost importance that the commitment demonstrated by all the stakeholders during preparation of this important document be maintained, or increased, during execution of the PRSP-II, which is itself integral to the realization of *Vision 2025*.

For its part, the Burundi government will take all measures needed to improve economic performance, and will count on the vigorous private sector, a larger role for civil society, greater citizen mobilization, and the sustained support of the technical and financial partners to forge ahead.

Dr. Ir. Gervais Rufyikiri
Second Vice President of the Republic

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ABBREVIATIONS

ABELO	Burundi Association of Local Elected Officials
ARFIC	Coffee Regulatory Authority
BCR	Burundi census bureau
BIF	Burundi francs
BRB	Bank of the Republic of Burundi
CCDC	Local community development committees
CENI	National Independent Electoral Commission
CI/REFES	Interministerial Monitoring Committee for Economic and Social
CNLS	National AIDS Council
CNTB	National Land and Property Commission
CSCP	Strategic Framework for Peacebuilding
DGPS	MFPTSS Directorate General of Social Protection
EAC	East African Community
ECGLC	Economic Community of the Great Lakes Countries
EDSB	Burundi Demographic and Health Survey
EPISTAT	Ministry of Health Epidemiology and Statistics Division
FDN	National Defense Forces
GCP	Partner Coordination Group
HDR	UNDP Human Development Reports
HIPC	Heavily Indebted Poor Countries Initiative
ILO	International Labour Office
ISTEEBU	Burundi Institute of Statistics and Economic Research
MCIPT	Ministry of Trade, Industry, Postal Service, and Tourism
MDG	Millennium Development Goals
MEEATU	Ministry of Water, Environment, Planning and Development
MFPTSS	Ministry of Public Administration, Labor and Social Security
MICS	Multiple indicators cluster survey

MINAGRIE	Ministry of Agriculture
MINEDUC	Ministry of Education
MINISANTE	Ministry of Health
MSNDHG	Ministry of National Solidarity, Human Rights and Gender
MTEF	Medium-term expenditure framework
OBR	Burundi Revenue Office
ONEF	National Employment and Training Observatory
PBF	Performance-based financing
PIP	Public investment plan
PMS	Minimum essential healthcare services (<i>pacquet minimum de soins</i>) provided free of charge to pregnant women and children under age 5
PMS Survey	Household survey to evaluate impact of PMS policy
PNDS	National Health Policy
PNIA	National Agricultural Investment Plan
PRSP	Poverty Reduction Strategy Paper
QUIBB	Core Welfare Indicators Questionnaire
REGIDESO	Water and power utility
RGPH	General Housing and Population Census
SIGEFI	Automated public financial management system
SNBGLC	National Governance and Anticorruption Strategy
SNDS	National Statistics Development Strategy
SNDS	National Statistics Development Strategy
SP/REFES	Permanent Secretariat for Monitoring of Economic and Social Reforms
SSN	National Statistics System
UNDP	United Nations Development Programme
WDI	World Development Indicators (World Bank)

Executive Summary

OUTCOMES AND ACHIEVEMENTS OF THE PRSP I

Encouraging results were achieved in most of the areas of intervention identified by the PRSP I, including security, governance, and human capital development. Economic growth, however, was insufficient to significantly reduce monetary and non-income poverty.

The principal factors behind the economic underperformance were weak food crop production, lack of diversification of exports, an underdeveloped private sector, and inadequate leveraging of sectors with potential.

In regard to governance, the normalization of politics represents an important achievement, crowned by the transparent, peaceful elections of 2005 and 2010 and the restoration of security throughout the national territory. Efforts against corruption continued, although the courts, contending with inadequate human, material, and organizational resources, still struggle to achieve their missions.

Significant strides were made for the justice system with the construction of courts and recruitment and training of magistrates, but the backlog of cases continues to grow despite this progress.

In terms of access to basic social services, two key reforms – free primary education, and free healthcare for pregnant women and children under age 5 – produced significant gains in education and health. Significant resources were also mobilized to prevent and treat HIV/AIDS, although prevalence rates increased slightly in rural areas.

Substantial progress was also made in gender equality, particularly in primary education and strengthening legal provisions to protect women against gender-based violence.

THE MAIN DEVELOPMENT CHALLENGES FACING BURUNDI

10. Burundi's six major development challenges were identified.
11. **Demographic growth.** Population growth has yet to be controlled; the government's vision is to reduce population growth to 2 percent by 2025.
12. **Inefficient agricultural production.** Overall agricultural productivity is too low to ensure food security for the Burundi people and generate a marketable surplus.
13. **Weak public expenditure execution.** The allocation of resources should accord preference to sectors with growth potential.
14. **Underinvestment in the private sector, the driver of growth.** Domestic private investment and foreign direct investment have increased but remain modest; yet private investment represents the greatest hope for more rapid growth of Burundi's economy.
15. **Persistent electricity deficit.** Burundi's power deficit, the result of inadequate and unreliable electricity production, is a major obstacle to developing industry and services and reducing poverty.
16. **Lack of capacity to manage development.** Gaps in terms of human resource capacities, institutional structures and performance, the legal and institutional framework, and weak contribution from the non-government sector point to the need for a coherent strategy to build national capacities.

THE FOUR STRATEGIC PILLARS OF THE PRSP-II

The methodological approach adopted in preparing the second PRSP is based on the principles of participation and inclusiveness involving all stakeholders.

The PRSP-II is rooted in the Vision 2025 and represents the unifying framework for all sector and multisector policies serving to translate the strategic pillars of Vision Burundi 2025 into projects and programs.

The PRSP-II is based on the following four strategic pillars:

PILLAR 1: STRENGTHENING THE RULE OF LAW, CONSOLIDATING GOOD GOVERNANCE, AND PROMOTING GENDER EQUALITY

Strengthening the rule of law

Rehabilitating the justice system. The main problems are the length of time required to resolve cases, delay in executing judgments, and prison overcrowding. From this standpoint, the government plans to increase the independence of the judiciary, ensure justice for all, and institute a humane criminal justice system. In the same vein, national reconciliation depends on the implementation of a transitional justice system accepted by all, which will be instituted through the creation of the Special Criminal Court and implementation of the Truth and Reconciliation Commission.

Promoting human rights. Human rights violations such as torture, assassinations, and rape must stop immediately. The measures already taken to combat these crimes include awareness campaigns, improved discipline among the security forces, and the institution of the National Independent Commission on Human Rights.

Strengthening security. The reforms under way to train and professionalize the army and make the police force an instrument of protection for persons and property must continue. In parallel with the reinsertion of demobilized combatants, the government will organize groups of work crews to provide productive work for the former combatants.

Reintegration of victims of the conflict into the economic and social fabric. Another threat to civil peace and security lies in the difficult conditions faced by victims of the conflict: repatriates, displaced persons, and the former combatants. These difficulties are exacerbated by problems of land ownership and difficulties in reintegrating former combatants. The government, in cooperation with its partners, expects to further support socioeconomic reintegration, encourage the victims' return home, speed the conversion of sites into integrated rural villages, and ensure that the real property code is effectively implemented.

Consolidating good governance and institutional performance

In view of the interdependence of economic development and good governance, an integral part of the PRSP-II is the National Governance and Anticorruption Strategy (SNGBLC).

Strengthening the democratic process. Five elections were held in 2010 under conditions deemed satisfactory by the international community. It is critical to ensure that the next elections are conducted freely and effectively and that the independence of the National Independent Electoral Commission (CENI) is strengthened. The government will also uphold the political parties' freedom to operate and ensure that all citizens may freely participate in the electoral process. In the future, the press must become more professional so as to improve

the quality of reporting. With respect to civil society, laws will promote the establishment of associations and provide for update of databases on nonprofits' activities.

Improving civil service performance. The government recommends rational management of the civil service based on the following principles: (i) separation of political and technical functions and transparency in recruiting; (ii) implementation of appropriate training programs; (iii) an objective system of evaluating outcomes and performance; and (iv) a culture of accountability.

Accelerating the decentralization process. The government adopted a national decentralization policy framework document. Laws will be enacted to establish the organization and operations of the Bujumbura Mairie administration and the respective authorities of the central the government and the communes. A proposed statute for the communal civil service is under also consideration.

All of the communes have community development plans, and the communes' role in coordinating local development actions will be consolidated. Local community development committees (CCDC) will be strengthened to enable all members of the community to fully participate in implementing the development plans.

At his inauguration, the president proclaimed zero tolerance of corruption. The National Governance and Anticorruption Strategy (SNBGLC) has been drafted and adopted. Other measures to date include the creation of the Office of the Government Inspector General, the Court of Audit, and the anticorruption brigade and court. The capacities of those entities will be strengthened. Preventive measures will be based on greater transparency in managing public affairs, including the award of public contracts, and recruitment and management processes that reinforce managers' integrity. Speedy, more rigorous prosecution of cases will put an end to impunity.

Consolidating public finances. Reforms will address all phases of the budget cycle so as to improve budget preparation, budget execution, cash flow management, public debt management, the national procurement system, and internal and external controls, and increase transparency in the allocation and utilization of public funds.

Promoting gender equality

The Constitution guarantees equal opportunity and rights for all. A national gender policy was adopted and progress was made, particularly in terms of women's representation in the political system (National Assembly, Senate, and the executive branch). The 2009 Criminal Code provides harsh punishment for rape. The policy of free primary education has improved the girl/boy parity index, and free prenatal care has increased the percentage of attended births. However, female-headed households continue to be hard hit by poverty, and women's access to credit, land, and formal employment is limited. Moreover, violence against women is on the rise. The government will strengthen inheritance laws, conduct outreach to prevent and sanction violence, and adopt measures to improve women's access to resources.

PILLAR 2: TRANSFORMING BURUNDI'S ECONOMY TO GENERATE SUSTAINABLE, JOB-CREATING GROWTH

To sustainably strengthen the country's growth potential and its capacity to create decent jobs, the government adopted a strategy based on four areas of intervention: (i) increasing productivity in sectors with growth potential; (ii) promoting the private sector and job creation; (ii) expanding access to better quality economic infrastructures; and (iv) regional

integration.

Increasing productivity in sectors with growth potential. Demographic pressure makes intensified food and livestock production essential. The development and/or update of provincial land development plans will be one of the measures planned to promote a sustainable system of agricultural production.

The 2012-2017 National Agricultural Investment Plan (PNIA) is based on four objectives: increasing production and productive capital, organizing producers, developing profitable segments, and strengthening institutions that provide technical support to rural areas.

The expansion of food crop production will be supplemented by diversification of export crops and development of profitable segments. The coffee segment shows strong growth potential that could be realized if expanded production is accompanied by actions to promote quality, such as rejuvenating orchards, periodic ratooning, and restructuring and/or modernizing washing facilities through privatization and a niche marketing strategy. Burundi produces premium tea, which should be made more profitable by restructuring the segment, rehabilitating factory equipment, and expanding planted areas. Cotton production is declining, but the government hopes to protect it by restructuring government-owned cotton company COGERCO and increasing the producers' share of income. As for cinchona, more productive varieties have been identified and the planted areas increased. The government will support the promotion of nontraditional agricultural exports such as horticultural products, essential oils, medicinal plants, avocados, and macadamia nuts.

Developing agricultural production will depend on professionalizing producers: efforts will promote the creation of effective farmer organizations and input distribution networks. These interventions will be supported through research development, agricultural outreach, and "agricultural service centers." Those centers, initially supported by the public sector or development assistance, will eventually be taken over by private or producer groups.

The government will continue the program begun in 1998 to rebuild livestock herds, and will support the development of intensive livestock breeding by distributing fodder seed and diversifying non-grazed food inputs. It will rehabilitate infrastructure and strengthen veterinary service capacities. The development of small stock farming will be an important component of food security for poor rural households.

In addition, the government will support the development of fish farming by expanding facilities and introducing higher-yield species.

Strengthening the institutional framework. Increasing agriculture's share of public expenditure to the 10 percent recommended by African institutions, rehabilitating research institutions, and developing agricultural outreach with the help of professional organizations will be central to the initiatives that will gradually replace government services.

Another promising sector is the mining sector, whose growth potential is clearly underexploited. The sector is dominated by artisanal operations in the informal sector which, despite their rapid expansion, produce no more than 1 percent of GDP. Yet Burundi has considerable resources, including three nickel reserves estimated at about 260 million tons. Reform of the mining code, resumed exploration, development of infrastructures, and an improved business climate will serve to realize this potential.

The industrial sector is underdeveloped (5 percent of GDP) and dominated by several agri-food industries in which Burundi has a comparative advantage that are in need of modernization. Obsolete equipment and technologies and energy problems are the key

obstacles to the country's industrial development. Burundi's membership in the East African Community (EAC) will open new markets but also represents a threat to a relatively uncompetitive sector. A study will be conducted to identify key problems for the sector, adapt the legal framework, and institute appropriate financing mechanisms. Entrepreneurial groups (women and youth associations) will be encouraged.

Promoting Burundi's cultural heritage and tourism potential. The tourism development strategy relies on structuring supply (developing tourist areas, organizing tours, training), stimulating demand (partnership with tour operators) and improving the information system. With respect to culture, the strategy will be based on changing attitudes.

Promoting the private sector and creating jobs. Despite the encouraging progress that lifted Burundi to 169th place in the "Doing Business" ranking, the private sector is still in the formative stage and its contribution to economic development is limited. The pace of reform will accelerate in order to improve the business climate, restore confidence, and make the private sector a true driver of growth and poverty reduction.

Young citizens, the hardest hit by unemployment, will be aided by the creation of youth centers, internships, temporary job programs, and the promotion of volunteer service. Pilot projects will also be established to reintegrate victims of the crisis, and will be supported by access to microcredit and labor-intensive projects. Reform of vocational training systems, youth entrepreneurship, and organization of the labor market are chief among the government's priorities. A National Employment and Training Observatory (ONEF) has been established and will be strengthened.

The priorities identified to **promote sports** are the development of infrastructures, identification and training of young talent, and restructuring of associations supporting the various disciplines.

Improving access to better quality economic infrastructures (energy, transportation, ICT). The first and foremost priority is to increase electricity production, restore financial soundness to water and power utility REGIDESO, and promote renewable forms of energy. Alternative energies (solar, methane, peat, and micro-hydro plants) should also be developed. Current annual consumption is no more than 25KWh per capita, or one-twentieth of the African average. Fewer than 6.4 percent of households are connected to the national grid. Despite its considerable hydroelectric potential, Burundi imports nearly 50 percent of its electricity. Transmission losses represent over 20 percent of supply. We note that nickel extraction will require capacity of up to 150MW, compared to a current installed capacity of about 45MW.

Developing means of transportation is essential to integrating rural areas, promoting regional integration, making national products more competitive, and sustaining economic growth. The priorities for the future are to extend the network of paved roads (to roughly 1,715 kilometers), rehabilitate deteriorated routes, intensify highway maintenance and extend maintenance to rural roads, encourage SMEs to participate in the construction and maintenance program, refine the economic analyses of extending the railroad between Burundi and Tanzania, procure appropriate equipment, and implement coherent regulations governing lake and river transportation.

Promoting information and communications technologies (ITC). The government's objectives are to create a favorable environment, develop expertise and infrastructure, implement ITC applications in Burundi's various economic and social sectors, and improve rural connectivity and universal access to telecommunications.

Burundi places high priority on regional integration and cooperation with countries of the region, and belongs to several regional and subregional organizations. Having joined the East African Community (EAC) in 2007 and the EAC Customs Union in 2009, Burundi has eliminated duties on products imported from other EAC countries and adopted the common external tariff, which is lower and simpler than previous tariffs. The creation of the EAC Common Market in 2010 requires harmonization of national laws. The monetary union is currently being negotiated, and the creation of a political federation is under consideration. The government plans to strengthen its ties with the EAC and its members, and undertake a study of the comparative advantages of each of the regional organizations to which Burundi belongs to establish a basis for long-term policies.

PILLAR 3: IMPROVING ACCESS AND QUALITY IN BASIC SOCIAL SERVICES AND STRENGTHENING THE SOCIAL SAFETY NET

Increasing the capacity and quality of the education system

Overall, the educational system monitoring indicators show indisputable progress, although work remains to be done to increase sector performance and ensure the sustainability of reforms undertaken.

The principal reform contemplated for the PRSP period is the transition to a basic education system. In this context, the priorities are to: (i) reduce the proportion of repeated grades; (ii) increase the effective hours of instruction; (iii) revise school programs and curricula; (iv) improve teachers' initial training and continuing education; and (v) improve the management and monitoring of basic education.

In secondary education, both general and teacher training programs will be restructured to emphasize quality and develop programs adapted to market needs.

Strengthening vocational, technical, and professional education. The objective is to ensure that at least 20 percent of graduates of the traditional educational system can become self-employed. Emphasis will be given to adapting the supply of professional and technical education to market needs, and rationalizing the resources allocated to the sector.

Improving higher education and scientific research. The actions recommended by the government should serve to improve the quality and relevance of the instruction provided.

Interministerial coordinating mechanisms will be strengthened, and a sound statistical information system will be implemented to improve monitoring of the sector.

Improving capacities and performance in the healthcare system

Health indicators demonstrate clear progress during the period of the first PRSP, which saw three major reforms: free healthcare for pregnant women and children under age 5, decentralization, and new modes of financing with the introduction of performance-based financing combined with free healthcare.

Under the PRSP-II, the government plans a multipronged approach based on the synergies needed between the different sectors and coordination within the framework of the 2011-2015 National Health Development Policy (PNDS).

Strengthening the healthcare system. The decentralization reforms will be continued to establish autonomous, financially viable healthcare districts that can provide for regional healthcare needs. Efforts will be directed toward better managing personnel resources and correcting provincial disparities.

In regard to financing and accessibility, performance-based financing was expanded nationwide in April 2010, combined with targeted provision of free healthcare. However, access to drugs at affordable prices remains a considerable obstacle.

Efforts to control communicable and non-communicable diseases. The priority actions recommended are to increase the capacity and quality of supply, improve access for vulnerable populations, and adopt best practices for healthcare and nutrition.

Controlling population growth

As mentioned above, runaway demographic growth remains one of the greatest obstacles to poverty reduction. Burundi's demography can be controlled only by reducing the fertility rate and changing attitudes. To do so, a coordination structure must be established to address issues of demographics and the fertility rate.

Intensifying efforts against HIV/AIDS and major pandemics

In regard to HIV/AIDS, prevalence rates declined in urban and semi-urban areas but increased slightly in rural areas.

The 2012-2016 national plan now being developed will focus on (i) access to information and changing behavior; (ii) treatment of sexually transmitted diseases; (iii) access to voluntary screening centers; (iv) access to modern contraception methods; (v) reducing the risk of transmission through blood; and (vi) reducing mother-to-child transmission.

Expanded medical and psychological care are also needed to improve the well-being of persons living with HIV/AIDS.

Promoting access to drinking water

While these outcomes will fall short of the Millennium Development Goals, the government's actions aim to increase access to drinking water from 85 percent in 2009 to 95 percent in 2015 in urban areas and from 50 percent to 70 percent in rural areas over the same period.

Strengthening the social safety net

During implementation of the PRSP-II, the government's goal is to have at least 50 percent of the population in the informal sector and 40 percent from the rural sector enrolled in a health insurance system, and expand other components of social protections such as pensions, and realize synergies between economic growth and social protection.

PILLAR 4: PROMOTING DEVELOPMENT THROUGH SUSTAINABLE ENVIRONMENTAL AND SPACE MANAGEMENT

The interdependence of the environment and other sectors with growth potential – such as agriculture, tourism, industry, energy, infrastructure, and mines – should be considered in development policies and strategies from the standpoint of sustainable development.

Accordingly, the government is firmly committed to conduct its growth and poverty reduction strategy in a sound environment, emphasizing the sustainability of resources and balanced development throughout the national territory. The chief components of this strategy are (i) rational, balanced regional development; (ii) protection of the environment and sustainable resource management; (iii) pollution control and cleanup; and consideration of climate change in development policies and programs.

MACROECONOMIC AND BUDGETARY CONTEXT AND PRSP PRIORITIES

In the context of preparing the PRSP-II and the sector and central medium-term expenditure frameworks (MTEF), the government prepared macroeconomic and budget forecasts reflecting the PRSP priorities.

The principal anticipated trend is a strong economic rebound with growth rate increasing to 8.2 percent by 2015. This should produce a marked increase in GDP and reduce poverty rates, particularly since the primary sector – and therefore rural areas – would be the main beneficiary of the more rapid growth (8.6 percent in 2015).

Burundi is particularly vulnerable to changes in international oil and food prices. With the recent increases, price stability in Burundi is again threatened. Only prudent monetary and fiscal policies will contain inflationary trends.

The expanded tax base and improved performance of tax administrations will increase the government's domestic resources to a high of 26 percent of GDP during implementation of the PRSP-II. Public spending will be stabilized at 49 percent of GDP and the deficit (excluding grants) will decrease slightly. Capital expenditures will increase, reaching an average of more than 20 percent of GDP during the PRSP-II period, compared to 15.6 percent in 2010.

Introduction

1. The PRSP-II is intended to create a favorable environment for sustainable development in Burundi with a view toward achieving the Millennium Development Goals and realizing Burundi's Vision 2025. This plan for the future includes both socioeconomic and political aspects that will enable Burundi and its people to build on the remarkable progress and achievements since the end of the armed conflict and overcome persistent challenges. The sustainable development sought by the PRSP-II and the preparation process begun in 2010 is based on the implementation of a macroeconomic and growth strategy and the fundamental values of peace, security, and the rule of law.

2. In light of the difficult security situation at the time, Burundi began with preparation of an interim PRSP-II in order to lay the foundation for a participatory approach, define the post-crisis programs, and reestablish ties with the donor community and the IMF, which provided assistance through the Poverty Reduction and Growth Facility (PRGF) to implement an economic reform program to gradually stabilize Burundi's macroeconomic situation. With the restoration of security throughout the country in May 2004, the government organized the effort of preparing the first PRSP, the contents of which were adopted in September 2006. Through successful implementation of the first PRSP, Burundi was able to achieve the HIPC completion point in 2009 and receive substantial debt relief from its foreign creditors.

3. Three reviews of the PRSP were conducted for the years 2007, 2008, and 2009, and led to the preparation of a performance and impact assessment that found significant progress in restoring peace and security and rebuilding the economy. In parallel with the first PRSP process and annual reviews, Burundi and its partners established a Strategic Framework for Peacebuilding (CSCP). Regular reviews of the CSCP conducted since 2007 monitored the progress achieved. The CSCP programs, which were successfully accomplished, sought to disarm the civilian population, demobilize and reintegrate former combatants, repatriate refugees, strengthen the rule of law among the defense and security forces, and rebuild public infrastructures. The fifth and final PRSP-II monitoring report, completed in April 2011, underscored the results achieved and the challenges remaining to consolidate the gains in terms of peace and security. The first PRSP and the CSCP also provided a clear roadmap for economic revitalization and consolidation of peace in Burundi.

4. In the political sphere, the local, presidential, and legislative elections of 2010 clearly demonstrated the strength of the democratic process. The consolidation of peace, the main goal of the PRSP, is also one of the key objectives of the second PRSP. Accordingly, the government and its partners decided to incorporate the entire first PRSP in the first strategic pillar of the new PRSP, as discussed below.

5. Significant progress was also made in regard to the economy. First of all, Burundi is now a member of the EAC, and its participation in this expanded economic community opens new markets and new opportunities for the Burundi economy. Realizing the benefits will call for innovative policies based on promoting competitiveness and diversifying economic activity. At the same time, the government continued its efforts to stabilize the economy and strengthen the legal framework and fiscal management procedures. It also resolved to better integrate macroeconomic and sector strategies in its public expenditure programs in order to improve transparency and quality in the choice and composition of public expenditures, particularly pro-poor spending. In the interest of continually improving the efficiency and effectiveness of public spending, the government implemented MTEFs in 2010.

6. Despite these various initiatives, GDP growth averaged 3 percent per annum, below the forecasts provided in the PRSP, reflecting the slow economic recovery. The economy remains highly dependent on the agriculture sector, which represents roughly 35 percent of GDP, over 90 percent of jobs, and over 80 percent of export revenue. Although poverty indicators show a slight improvement, it is still insufficient.

7. Therefore, PRSP-II aims to take account of the progress and problems identified in the successive implementation reviews for the first PRSP and the CSCP. In order to supplement and update these essential analyses, the government organized participatory consultations of representatives of local communities, civil society, the private sector, the administration, Parliament, and the development partners. This approach was enriched by the use and analysis of specific studies and existing sector strategies and policies.

8. Based on the results of those efforts, the primary mission of the PRSP-II is to generate more rapid growth by promoting an environment favorable to sustainable development, job creation, distribution of the fruits of growth, and rapid, thoroughgoing transformation of Burundi's economy. From that perspective and in view of its commitment to achieve the MDGs, advance toward realization of Vision 2025, and incorporate the remaining challenges of the CSCP process, the government took measures to ensure consistency between the PRSP-II and those important strategy documents.

9. In that context, the fundamental priorities defined for the PRSP-II are to bring down the energy deficit, increase agriculture sector productivity, consolidate human capacity building programs already under way, and provide stronger, sustained support for the private sector. Successful implementation of the policies recommended in this context will enable the government to realize its development vision, which is to make Burundi a peaceful, secure nation with a transformed economy based on the promotion of good governance and qualified, competitive human resources.

10. As such, the PRSP requires regular performance monitoring in order to timely identify corrective measures needed to maintain progress. Accordingly, monitoring and evaluation, which will be detailed in an annual report, will include the following actions:

- i) implementing a targeted mechanism to monitor poverty and unemployment trends;
- ii) developing a systematic framework for sector policy reviews;
- iii) rationalizing budget decisions through use of the MTEF;
- iv) quantitative and qualitative impact assessments;
- v) effective mobilization of domestic resources and strengthened partnerships;
- vi) promoting an outcomes-based monitoring system; and
- vii) improved communication on progress, constraints, and persistent obstacles.

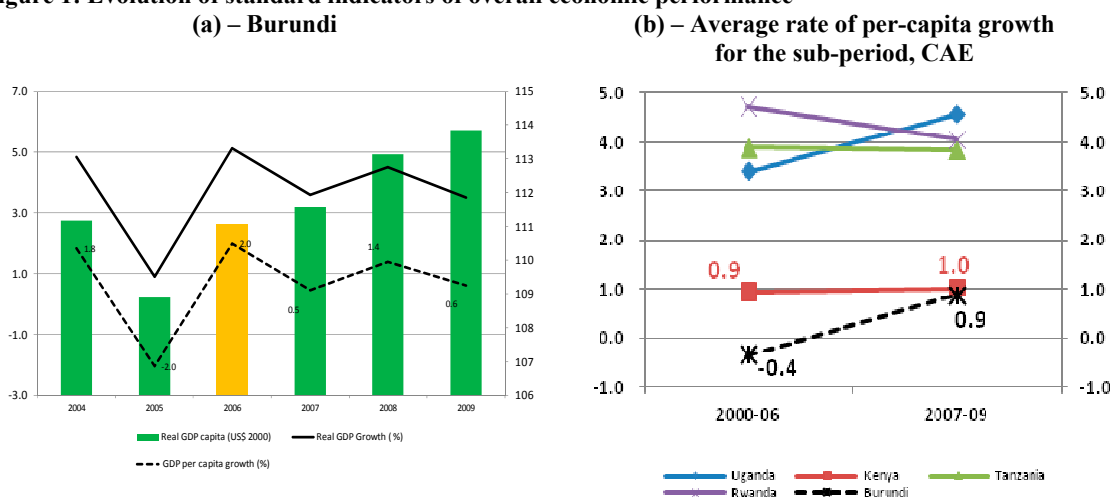
11. The PRSP-II includes seven chapters. The first assesses the outcomes of the PRSP I and the general methodology used to prepare the second. Chapters II through V address the four strategic pillars of the PRSP-II and the respective policy strategies. Chapter VI describes the macroeconomic and budget framework for implementation of the PRSP-II. Chapter VII concludes with the institutional framework and mechanisms to be used to monitor and assess the outcomes of the programs to be financed.

Chapter 1 : PRSP I Outcomes, General Context, and Methodology used to Prepare the PRSP-II

1.1. Outcomes of the First PRSP

12. The first PRSP, the product of a participatory process involving local communities, civil society, the private sector, the public institutions concerned, and the technical and financial partners (PTF), was approved in 2006 and includes four strategic pillars: (i) improving security and good governance; (ii) promoting sustainable, equitable growth; (iii) developing human capital; and (iv) combating HIV/AIDS. Substantial progress was made in most of these areas, particularly security, governance, and human capital development. In regard to growth, however, the results were clearly below expectations (Figure 1).

Figure 1: Evolution of standard indicators of overall economic performance



Source: Government estimates based on WDI data.

1.1.1. Governance and security

13. In the area of governance, an important achievement was the normalization of politics through transparent elections held in 2005 and 2010, which established and consolidated the democratic institutions provided by the Constitution produced by the Arusha Peace Accords. The restoration of security throughout the national territory also represents a considerable advance. The conclusion of the cease-fire agreement with the last rebel movement and the transformation of the movement to a political party were significant contributing factors.

14. These developments paved the way for reductions in defense and security forces between 2005 and 2009, from close to 32,000 to less than 28,000 for the Army and from 19,000 to 17,000 for the police. The National Demobilization, Reinsertion, and Reintegration Program facilitated the demobilization of numerous former combatants, while progress in disarming the civilian population was slower. De-mining operations served to clear the provinces most affected. In addition, the integration of the army recommended by the Arusha Accords and the human rights training for all members of the security forces, supported by the CSCP, contributed significantly to the restoration of security.

15. In the area of administrative reform, the key outcome, the construction and rehabilitation of communal administrative offices, provided 40 percent of the communes with the initial, basic infrastructure so badly needed. The implementation of public finance

reforms is progressing satisfactorily. Laws and systems have been modernized; in particular the framework law on public finance was promulgated, the customs and government procurement codes were amended, and the automated public financial management system (SIGEFI) was expanded to nearly all public funds. Cash flow plans and commitment plans provide better control of budget execution. New structures were implemented to combat corruption.

16. Outcomes in regard to the justice system are insufficient. While progress was made in terms of building courthouses and recruiting and training magistrates, demand (number of cases) is outpacing supply (the justice system's absorption and execution capacity).

17. Consequently, the backlog of cases continues to grow, the percentage of executed judgments decreases, and the prison overcrowding continues to worsen. Land conflicts alone represented 56 percent of the disputes filed in 2008, despite the creation of the National Land and Property Commission to arbitrate this type of dispute.

1.1.2. Sustainable, equitable economic growth

18. *Macroeconomic framework.* Macroeconomic policies on the whole were favorable to growth. Prudent monetary and fiscal policies stabilized the exchange rate and increased international reserves (currently over six months of imports). The establishment of the Burundi Revenue Office significantly increased domestic receipts, and significant, diversified public assistance was mobilized. Those resources enabled the government to finance priority economic and social sectors while considerably increasing the share of executed expenditures. In 2007-2008, the rise in petroleum prices, which increased transportation costs and food prices, resulted in close to two years of high inflation. Consumer price increases in Bujumbura were close to 26 percent in 2008. The adoption of appropriate measures thereafter reduced inflation to 8–9 percent in 2009-2010.

19. Despite the generally positive impact of these economic and financial policies, the outcomes in terms of growth were below expectations. The GDP growth rate (roughly 4 percent from 2006 to 2009) signaled real progress relative to the economic stagnation in the early 2000s, but was well below the 6.7 percent anticipated. Although this exceeds the demographic growth rate (currently estimated at 2.4 percent), it is not enough to significantly impact the poverty rate, which was already 67 percent in 2006. Of particular concern is weak growth in the primary sector (less than 3 percent per annum from 2006 to 2009), which is dominated by agriculture, the livelihood of 97 percent of Burundi's poor.

20. *Performance of infrastructure and sectors with growth potential.* Food crop production increased only slightly (from 3.6 million tons in 2006 to 3.9 million in 2009) and remains well below what is needed to ensure food security in Burundi. The stronger performance of cash crops other than coffee (from 8,334 to 10,003 tons) was offset by the decline in the coffee sector, where aging trees bear fruit no more than every other year. The agriculture sector's modest growth is attributable to a number of factors, chief among them adverse climate conditions and lack of inputs.

21. Clearer results were obtained in the livestock sector, notably through distribution of livestock to needy populations.

22. Mining production increased substantially (particularly cassiterite and colombo-tantalite production), but continues to be artisanal. Exploration has shown that Burundi has substantial deposits of copper, cobalt, vanadium, and especially nickel, but extraction depends on the completion of significant infrastructure projects (transportation and energy).

23. In general, growth in the secondary sector was impacted by stagnation in the agri-food industry and the decline of the textile industry (closure of the government textile complex COTEBU). An inadequate, unstable supply of electric power is a major obstacle to Burundi's industrial development. The tertiary sector, in turn, benefited from increased public spending and progress made in telecommunications and, to a lesser extent, tourism.

24. The government recognizes that insufficient funding for economic infrastructures (10.3 percent of expenditures) and sectors with growth potential (8.8 percent) is partly responsible for the sluggish economy during the PRSP I. The clearing of government arrears in 2006-2007 (and attendant positive impact on companies' financial positions), the revision of several codes, and a significantly improved business climate served to revive growth and stimulate investment. The government recommends a revision of its priorities, a greater effort to develop economic infrastructures, and improved dialogue with the private sector.

1.1.3. Developing human capital

25. Five objectives have been identified in the area of human capital development: (i) promote education at all levels; (ii) improve the healthcare system to substantially reduce maternal and child mortality and the incidence of communicable disease; (iii) expand access to drinking water and sanitation; (iv) increase social protection; and (v) promote gender equality.

26. Positive results were achieved in the education and healthcare sectors through two significant reforms – free primary education and free healthcare for pregnant women and children under age 5 – and an increase in those sectors' share of public expenditures.

27. In education, enrollment rates increased overall from 2005 to 2010. The policy of free primary education sparked a spectacular increase in the gross enrollment rate (from 81.6 percent to 130 percent). The completion rate improved slowly and remains low (from 37 percent in 2005 to 47.7 percent in 2009-2010). This unremarkable growth confirms that the objective of universal primary education will not be achieved by 2015. Consequently, different objectives, timeframes, program strategies, and activities should be established to achieve that objective. The rapid expansion of community secondary schools has increased the number of students enrolled in general or teacher training programs by 80 percent. Enrollments in technical programs increased slightly following the establishment of new sections (civil engineering, IT maintenance, hotels and tourism). In higher education, the number of students has doubled, primarily reflecting the rise of private education.

28. In regard to girls' education, the chief outcome was the elimination of gender disparities in primary education, where the parity index rose to 0.99. Outcomes were more modest in secondary and higher education. The parity index for secondary schools (0.73 for general and teacher training combined) and technical and professional training (0.52) remain low. In higher education, the parity index is quite low for the University of Burundi (0.33) but much higher for private schools (0.75).

29. While access indicators have greatly improved, performance and quality indicators remain weak. The rate of repeated years remains high: already 35 percent in primary school, 28 percent in communal secondary schools, and 18 percent in public secondary schools. Classrooms are overcrowded in primary schools (an average of 82 students per classroom in 2009-2010). Moreover, due to capacity constraints on secondary schools, only 33 percent of primary school sixth year students continue to secondary school.

30. The rate of repeated years is higher in communal secondary schools (28 percent) than in public schools (18 percent).

31. In regard to vocational education, attendance at training centers is low, with an average of 30 children per center and four students per instructor. Finally, the literacy rate has increased markedly (from 37 percent in 2005 to 50 percent in 2010, and 46 percent for women).

32. In the area of healthcare, substantial progress was made in terms of accessibility and quality of services with the construction and equipping of new infrastructures, personal training, decentralization of services (the establishment of healthcare districts), free healthcare services (for malaria and HIV) and free healthcare for pregnant women and children under age 5.

33. Healthcare indicators have improved overall. The maternal mortality rate fell from 1,100 per 100,000 live births in the early 2000s to 866 in 2008 and 499 in 2010. Over the same period, the infant mortality rate declined from 114 to 101 per 1,000 live births, and neonatal mortality rate declined more sharply, from 21.3 to 7.2 per 1,000 live births. Vaccination coverage was maintained at a high level (over 90 percent). The percentages of underweight and under-height children under age 5 declined, and the prevalence of contraceptive use increased from 7.3 percent in 2006 to 21.4 percent in 2008 and 14 percent in 2009.

34. Controlling communicable diseases remains a priority. The incidence of malaria rose from 26 percent in 2005 to 34 percent in 2009, but ultimately the distribution of insecticide-treated mosquito nets and the promotion of hygiene and public health measures are expected to have positive effects. Efforts against tuberculosis have produced positive outcomes insofar as roughly 90 percent of cases screened are successfully treated, although the screening rate remains below 50 percent.

35. In the water and sanitation sectors, access has increased but remains low; 72 percent of the population has access to safe drinking water and 46 percent to basic sanitation facilities.

36. In the area of social protection, one of the key problems of the day is the integration and reinsertion of war victims and repatriates. A survey conducted in 2009 found that the greatest obstacle to the resettlement of repatriates is access to land. Several measures were enacted in this area, including building and readying six rural “villages” (“villages de paix”) and 10 temporary housing centers for repatriates. Support was also provided in the form of food assistance, housing, and access to social services.

37. Significant strides were made in the area of gender equality, particularly in primary education (girls’ enrollment) and strengthening of legal measures protecting women against gender-based violence.

38. Nevertheless, perceptible inequalities remain in several areas. Girls’ participation in secondary and higher education is limited. Women have little economic autonomy, and their representation in political and administrative decision-making bodies (public and private) remains low overall.

1.1.4. Combating HIV/AIDS

39. Substantial resources were mobilized to prevent and treat HIV/AIDS through outreach and screening programs, distribution of condoms, medical and psychological care for persons living with HIV and AIDS orphans and vulnerable children, and institutional strengthening

(training, automation, and equipment). Overall, results were satisfactory in cities (where prevalence declined from 9.4 percent to 4.5 percent) and semi-urban areas (from 10.5 percent to 4.41 percent), but increased slightly in the country (from 2.5 percent to 2.82 percent between 2002 and 2007).

1.2. Context for Preparation of the PRSP-II

1.2.1. Political, economic, and social context

40. Preparation of the PRSP-II, which began in early August 2010, benefited from positive political developments, especially the staging of further communal, presidential, and legislative elections, a clear signal of continuity of the democratic process. Burundi has taken a decisive step toward lasting stability. After more than 10 years of civil war, the Arusha Peace Accords of 2000 and the global cease-fire agreement of 2003 prepared the way for a democratic process leading to the approval of a new Constitution in 2005, the organization of general elections, and the establishment of new institutions.

41. This initial phase of Burundi's political development was consolidated with the September 2006 signature of a new cease-fire agreement between the government and the last rebel movement. However, due to lingering mistrust between the parties, the accord was not implemented until December 2008 through the joint efforts of the South African facilitator and the international community. In that context, the change of name of the Palipehutu-FNL to the National Liberation Forces opened the way for the movement's effective inclusion in Burundi's political affairs in January 2009.

42. Those significant achievements are the result of programs of the first PRSP and the CSCP, the remaining components of which are incorporated in the first pillar of the PRSP-II. The fifth monitoring report under the CSCP described progress made from February 2010 to January 2011 and the challenges remaining to consolidate lasting peace. The fifth report was the last report issued before the CSCP was incorporated in the PRSP-II, reflecting the government and its partners' intention to utilize peace consolidation gains in the service of sustainable development. Indeed, as recognized by all, a favorable political environment is an essential prerequisite to sustainable growth.

43. Accordingly, the theme of peace consolidation, addressed primarily in the first pillar, underpins the entire PRSP-II. It is integral to creating an environment that will foster a new national process of shared prosperity based on the transition: (i) from a subsistence economy to modern production systems; and (ii) from a development policy dictated by urgency and humanitarian needs to a strategy based on growth, sustainable development, and results-based management.

44. Moreover, by integrating peace consolidation, which received particular attention in the CSCP, the PRSP becomes the sole medium-term strategy reference, combining economic and peace consolidation aspects in the service of sustainable, equitable growth.

45. In terms of economic progress, Burundi achieved the completion point under the Heavily Indebted Poor Countries (HIPC) initiative in 2009, and its membership in an expanded economic space – specifically its gradual integration in the EAC – calls for the implementation of innovative policies aimed at increasing competitiveness and diversification of economic activity and resources. However persistent economic, financial, and debt crises in donor countries represents an unfavorable factor. There is therefore a

considerable risk that public development assistance and investment flows to Burundi will be affected.

46. To summarize, while capitalizing on the experience gained in implementing the PRSP I, the government plans to fundamentally alter the direction of its development strategies. It expects not only to match the pace of growth in other countries of the subregion, but to achieve an intermediate stage of development in the medium term to make Burundi an emerging country in time to achieve Vision 2025.

47. From a social standpoint, it is important to consider that young people are hardest hit by unemployment (Table 1), which aggravates poverty. It therefore calls for particular attention and a policy of inclusive growth.

48. **Table 1: Employment, unemployment, and underemployment, 2006 and 2009**

	Age bracket				Total (15-64)	
	15-24		25-64		2006	2009
	2006	2009	2006	2009		
Urban						
Labor force (%)	40.51	40.44	82.81	85.55	64.69	67.47
Unemployed population (%)	19.06	15.24	14.93	10.54	16.04	11.67
Average months worked per year (formal sector)	8.3	8.5	9.8	10.4	9.5	9.9
Rural						
Labor force (%)	63.26	57.58	88.16	98.11	78.27	84.18
Unemployed population (%)	10.39	2.54	7.91	0.90	8.70	1.28
Average months worked per year (formal sector)	4.6	5.8	5.6	6.5	5.3	6.3
Burundi						
Labor force (%)	61.73	55.46	87.84	96.86	77.42	82.38
Unemployed population (%)	10.77	3.69	8.30	1.75	9.09	2.20
Average months worked per year (formal sector)	4.8	6.3	5.9	7.1	5.6	6.9

Source: Government estimates based on QUIBB 2006 and 2009 PMS surveys.

49. In general, the lack of up-to-date socio-demographic data represents a handicap to rational planning. Following the 2008 population and housing census (RGPH), disaggregated data by communal subdivision (colline) are now available, providing an up-to-date basis for surveys – hence the 2010 demographic and health survey (EDS) and the availability of data from that survey. The 2006 Core Welfare Indicators Questionnaire (QUIBB) continues to be the sole source of primary data for antipoverty programs conducted under the PRSP.

1.2.2. Constraints, obstacles and challenges

50. Overall, the results of implementation of the PRSP I are positive but mixed. In 2010, as it completed execution of the first poverty reduction and growth strategy, Burundi was still one of the poorest countries in the world, with over 8 million inhabitants and a territory of 27,834 square kilometers. Its human development indicator (0.282) ranks it 166th out of 169 countries (2010 UNDP Human Development Index), and its per-capita GDP (\$112 in constant 2000 dollars) was less than one-fifth of the average for sub-Saharan Africa (\$619).

51. The civil war, which destroyed much of the country's assets and infrastructure, isolated cities and rural areas, displaced populations, and stifled economic growth, is clearly the main factor behind the situation. However, as peace and security are reestablished, numerous other factors continue to support the development process. Six main challenges were identified, and represent the main obstacles to be overcome.

52. Controlling population growth figures prominently among the constraints to be considered in seeking balanced economic and social development and significantly increased per-capita income. The second challenge is to intensify agricultural production systems, an

indispensable complement to a vigorous demographic policy. The third challenge is the effectiveness of public expenditure – from both domestic and foreign financing – which has not always produced the expected results in the past. The fourth challenge relates to development of the private sector, which must become the principal engine of growth. The fifth challenge is energy, which the private sector considers a major obstacle to expanding its activities. Finally, the sixth challenge is to build the capacities essential to effective management of development programs.

1.2.2.1. Controlling population growth

53. The demographic challenges pointed up by the 2008 Population and Housing Census (RGPH) concern: (i) strong demographic pressure (310 inhabitants per square kilometer); (ii) an extremely young population: half of its citizens under age 17 and two-thirds under age 25; (iii) the continued high fertility rate: an average of six children per woman for over 40 years, with over 320,000 births per year in recent years; (iv) a very high mortality rate, reflecting the effects of the crisis and poverty on living conditions; (v) a rapidly increasing population (averaging 2.4 percent per year from 1990 to 2008), incompatible with existing production systems and economic and environmental capacities; and (vi) limited urbanization (only one in 10 in Burundi lives in an urban area).

Box 1: Principal aspects of population growth in Burundi

Today, Burundi has a better understanding of its population and structure and their evolution over time. A general census was conducted in 2008, the results of which can be compared with the censuses of 1979 and 1990. Other surveys also served to collect data on the Burundi population, in particular the 1987 and 2010 demographic and health surveys (EDS). The data from these surveys shed light on the reasons why various demographic factors remain quite high. According to the 2008 census, Burundi has a population of 8,053,574, compared to 5.3 million reported from the 1990 census, and slightly over 4 million in 1979. Burundi's population has doubled, then, in the 29 years between the first and third census, representing an annual average increase of 2.4 percent.

In a subsistence economy with already high population density, population growth of 2.4 percent is high and warrants particular attention in regard to sustainable development and poverty reduction. The growth rate reflects a combination of two factors: very high fertility (six children per woman on average) and a mortality rate that is also high (15 per mil), but is beginning to decline with the end of armed conflict and progress in healthcare systems. The infant, child, and maternal mortality rates have clearly improved but remain high: 103 per mil, 152 per mil, and 866 maternal deaths, respectively, per 100,000 live births, according to the 2008 RGPH. The 2010 EDS estimated maternal mortality at 499 maternal deaths per 100,000 live births.

The above figures underscore the sustained efforts still required in the health sector in general and reproductive health in particular. Infant and child mortality is especially high in the north and northwest (Cibitoke, Bubanza, Ngozi, Kirundo and Muyinga); note that the total fertility rate is also quite high in those provinces. It would appear, then, that there is a "replacement effect" associated with couples' having a certain number of children in the expectation that they will lose some of them during their childbearing years.

One-tenth of the population live in urban areas (primarily Bujumbura, whose 497,166 inhabitants represent over 60 percent of the urban population) compared to 90 percent in overpopulated rural areas. An interesting demographic phenomenon is the male/female disparity in urban areas. In the 25–54 age group, the ratio of males is roughly 150; in other words, for every three men there are only two women. This explains the difference in men's and women's participation in the modern labor market and the different attendance rates at institutions of higher learning. The population structure by age indicates a young population (one-half of the population is under age 17). This high proportion of young people, often called the "demographic dividend," is both an opportunity for development of the modern economy and a challenge in light of the growing demand on social services and infrastructures. Moreover, youth employment is a major political and social challenge. With 90 percent of the population residing in rural areas and supported essentially by agriculture, the labor market clearly lacks diversification. Accordingly, any national policy for sustainable development and poverty reduction must adopt the objective of economic diversification.

54. The principal effects of demographic growth are the loss and depletion of arable land in pastures and the gradual disappearance of forest cover (from 8.2 percent in 1992 6.3 percent in 2006). There is also fragmentation of land and a decline in average holdings: 1.04 hectares per household in 1973, 0.7 in 1989, and only 0.5 in 2009. Land fragmentation is also highly

adverse to agricultural production and the quality of life of rural populations, as it constrains the growth of food crop production, which longer meets rural households' needs. Another harmful consequence is the proliferation of land disputes and their effects on families and communities. The National Land and Property Commission (CNTB) recorded 16,354 disputes between July 2007 and July 2010, or an average of 5,451 per year.

55. Other negative effects of demographic growth include degradation of surface waters, pollution of waterways and Lake Tanganyika, and the decline of fishery resources, in addition to impacts on basic social services (education, health, water and sanitation) and public spending in social sectors.

56. The first PRSP made little mention of demographic challenges. In contrast, demographic variables and their relation to different aspects of Burundi's development figure prominently in the second PRSP.

57. This approach facilitates better planning of the needs to be met and actions required to fulfill the objectives of Vision 2025 and achieve truly sustainable development.

58. The goal is to gradually reduce demographic growth from the current 2.4 percent to 2 percent by 2025 through an ambitious demographic policy that motivates citizens. Greater national awareness of demographic challenges is critical in itself. The success of Burundi's new demographic policy will be the key element of a policy of economic growth, poverty reduction, improved access to basic social services, and protection of the environment.

1.2.2.2. Ineffective agricultural production systems

59. Overall production of food crops other than bananas has increased little since 2006, threatening the population's food security and any opportunity to generate marketable surpluses to help finance the development of rural areas. Unfavorable climate conditions explain much of this phenomena, but of greater importance is the long-term trend. In most regions, land fragmentation and stagnant or declining yields (soil depletion, fields left fallow, farming of marginal areas) inevitably serve to impoverish the rural population. This trend, aggravated by demographic growth, jeopardizes the food self-sufficiency of a country already hard hit by malnutrition.

60. Only intensified agricultural production systems coupled with diversification, promotion of quality products, and the development of non-agricultural activities and revenues will have a significant impact on rural poverty.

Table 2: Agricultural production during implementation of PRSP I

	2006	2007	2008	2009
Food crops (thousands of tons)				
Cereals	282	290	290	298
Legumes	238	239	221	239
Tubers and roots	1,458	1,518	1,575	1,548
Bananas and plantains	1,663	1,709	1,760	1,806
Cash crops (<i>tons</i>)				
Coffee	29,951	8,210	24,700	6,814
Tea	6,338	6,475	6,728	6,729
Cotton	1,750	2,870	2,887	2,547
Non-traditional crops		246	763	727

Source: Ministry of Agriculture

61. One of the obstacles to increasing agricultural production and productivity is the lack of organizations of the agencies responsible for agricultural research and extension and the destruction of rural infrastructures during the years of conflict.

62. Moreover, while execution of the first PRSP entailed a considerable increase in resources allocated by the government and its partners to social sectors, the increase in funding for rural development was much more meager. The government is aware of this problem and is prepared to devote substantial efforts to stimulate production and promoting productivity in the agricultural sector. The challenge now is to coordinate the interaction of government agencies, NGO programs, farmworker initiatives, and producer organizations to develop intensive agriculture that is more productive and more respectful of the environment.

1.2.2.3. Ineffective public spending

63. Public expenditure represented over 30 percent of GDP in 2009 and over 45 percent in 2010. Half of this spending is financed by foreign aid (project financing, exceptional expenditures or budgetary support). The government and its partners question the effectiveness of this spending, which has produced tangible effects, particularly in the social sectors, but has not yet succeeded in boosting economic activity or significantly reducing income poverty. Several factors explain this gap between increased public spending since the early 2000s and slow growth in GDP (and per-capita GDP), which has not exhibited the rapid growth usually observed in countries emerging from armed conflict (Table 3).

Table 3: Real GDP growth (average for the period) and the end of armed conflict

	1990-94	1995-99	2000-04	2005-09
Burundi	-0.1	-2.8	1.9	3.5
Rwanda	-11.5	15.7	6.6	7.8
Sierra Leone	-2.8	-5.7	13.2	6.1
Liberia	-31.0	33.3	0.7	6.8
Mozambique	3.2	7.8	7.1	7.5

Source: World Bank World Development Indicators

64. The first factor is the overall structure of expenditure, in particular the relatively small share of government budgets allocated to investment expenditures. In 2009, investment expenditures from domestic and external financing represented 5.7 percent of GDP, or 18 percent of total expenditure. In 2010, they more than doubled, to 14.3 percent of GDP and 32.4 percent of total expenditures, marking the start of a clearly more favorable trend to be maintained during the PRSP-II.

65. The second factor is the different sectors' share of public spending. The government has continually increased the share allocated to priority sectors, particularly pro-poor spending. For a long time, however, the relative share of productive sectors and economic infrastructures has remained small. In 2010, funding for the productive sectors (agriculture, industry, and mining) represented no more than 6.2 percent of total expenditures. The share allocated to economic infrastructures was larger (15.1 percent of total expenditure), but still insufficient in light of the damage to those infrastructures after 13 years of destruction and lack of maintenance.

66. The third factor relates to fiscal management. Significant measures were taken to improve cash flow management, clear arrears and avoid accumulating new arrears, delegate and reform public procurement, eliminate off-budget accounts, expand the automation of management systems, and strengthen control units.

67. Nevertheless, Burundi is still seen as a country where rampant corruption seriously undermines the effectiveness of public management. To restore its image, the government, in

cooperation with its partners, has prepared a National Governance and Anticorruption Strategy (SNBGLC). The government is committed to executing the SNBGLC action plan during the period covered by the PRSP-II.

68. The fourth factor is the unpredictability of external financing, which plays so essential a role in promoting more effective public expenditure. Timetables, programs, and projects are defined, but delays in disbursing funds often have a considerable impact on execution rates and outcomes obtained. A number of factors are responsible for these delays, including weak national institutions in charge of coordinating programs and executing projects, whose fragmentation reflects the fragmentation of assistance (which increases the transaction cost of assistance) and the multiple procedures imposed by different donors. In addition, donor financing is often accompanied by numerous conditionalities.

69. Budgetary support plays a critical role in financing public expenditures. But the support is difficult to predict to the extent a substantial portion of this financing comes at the end of the fiscal year, when much of the budget is already executed. This leads to cash flow problems, which complicate budget management in the absence of effective mechanisms to finance short-term needs. In the future, the government recommends implementing appropriate reforms to increase the effectiveness of public expenditure, including harmonizing strategic decisions, extending the program approach, utilizing the MTEF, and strengthening monitoring-evaluation mechanisms.

70. Harmonizing strategic choices calls for increased dialogue between the government and its partners supported by a limited number of planning tools. From that perspective, the donor community recognizes that the PRSP-II represents the strategic framework that establishes the major priorities for government action.

71. The scope and effectiveness of the PRSP-II depends to a great extent on the realism and quality of sector strategies. Considerable progress was made in this area. However, further improvement is needed in terms of the reliability of statistical data, the technical quality of analyses, and the effectiveness of dialogue between all parties (the government and its partners, civil society, and user representatives) on the adjustments to be made to policies and programs.

72. The program approach is the start of a solution to the fragmentation of aid. It may be based not only on common macroeconomic policies and programs, but also on sector strategies and programs. For the time being, however, the program approach will be limited to the education sector. The government plans to gradually expand this approach to all key sectors of the country's economic and social development.

73. The introduction of the MTEF is an indispensable choice to ensure that Burundi's macroeconomic and sector objectives are adequately reflected in the budget. The government, with the support of its partners, instituted sector MTEFs for all public institutions two years ago, and it is expanding the role of the central MTEF in use since 2010. These tools are intended to translate Burundi's resource projections and strategic priorities in the inter- and intra-sector distribution of public spending. The government, with support from its partners, expects to expand this new approach to make it a preferred budget and assistance planning tool.

74. One of the weaknesses of the current program planning and management systems is the lack of effective monitoring and evaluation mechanisms. Accordingly, strengthening the statistical system and the institutions responsible for this area (the Burundi Institute of Statistics and Economic Research, ISTEER) is a prerequisite to effective monitoring and

evaluation. The government will supplement the logical framework for the second PRSP with specific outcomes indicators. It also hopes to harmonize or possibly unify the monitoring systems utilized by the government and donors; this effort will necessarily involve implementation of the priority action plans for the National Statistics Development Strategy (SNDS) adopted in 2010.

1.2.2.4. Weak private sector growth

75. Until now, the public sector has been the primary engine of development. Private investment and foreign direct investment (FDI) have increased, but remained modest. Public development assistance is increasing, and the government expects this trend to hold throughout the PRSP-II period. However, Burundi cannot expect this resource to increase indefinitely, particularly in light of the successive crises in the global economy since 2008. Therefore, the best hope for rapid growth of Burundi's economy lies in a vigorous development program where private investment (domestic, FDI, diaspora) is ostensibly ensured.

76. Strong private-sector performance will be possible only if the business climate visibly improves. The Burundi government recently took several steps to create a more favorable business climate: clearing the government arrears in 2006-2007, reforming the investment code and other laws governing trade and corporations, establishing an investment promotion agency, and instituting a framework for partnership between the public and private sectors.

77. The task is made more difficult by the fact that the private sector is dominated by a multitude of SMEs and microenterprises whose activities and goals are not well understood by the public sector. The SMEs, in turn, lack the human and financial resources to develop and implement business plans to interest banks and other financial institutions.

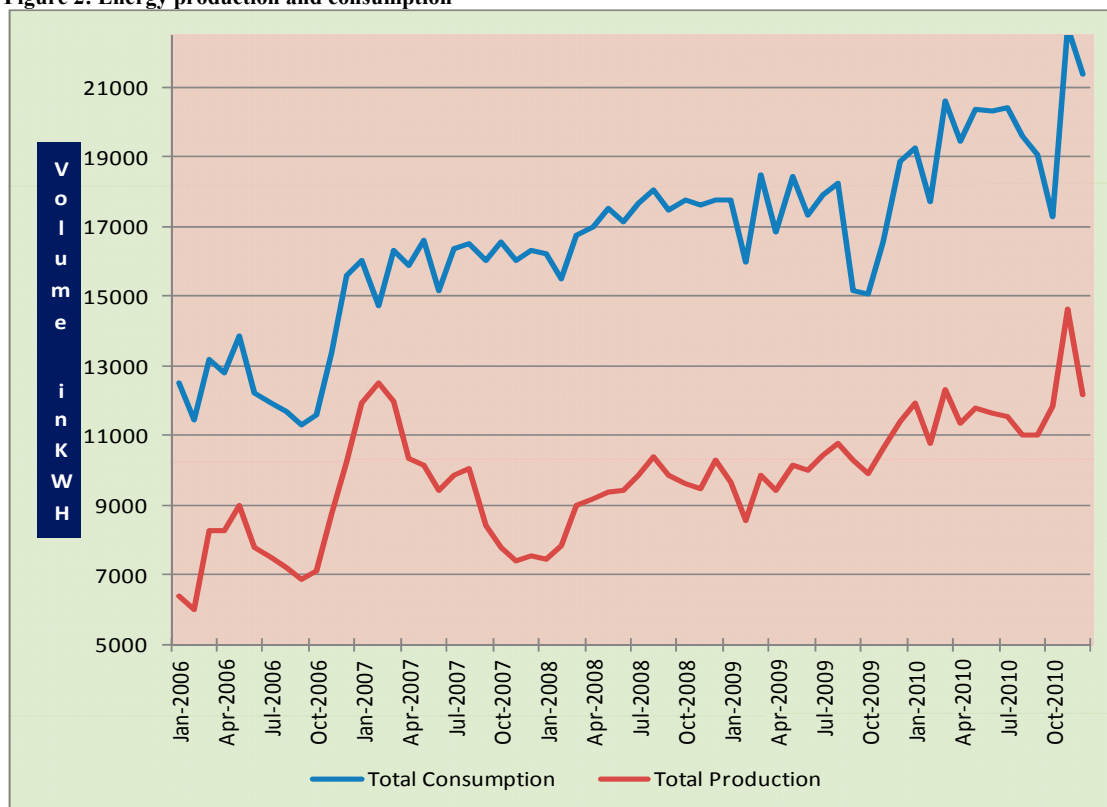
78. During preparation of the PRSP-II, business representatives clearly identified the obstacles that must be overcome to improve dialogue and stimulate private sector development. Their first concern was underdeveloped infrastructure, particularly access to energy, a major obstacle to Burundi's industrial development. Economic operators also viewed access to financing and the cost of credit as major obstacles. Other constraints concerned the tax burden, rigid regulations, burdensome procedures – particularly procedures to create enterprises, lack of an entrepreneurial culture or the tools with which to develop one (especially in rural areas), labor force issues, and lack of consulting and support services. The government has decided to accelerate the implementation of reforms needed to stimulate private sector development.

1.2.2.5. Persistent energy shortage

79. Burundi's electricity deficit and inadequate, unreliable electric power production (power cutoffs, voltage fluctuations) are major obstacles to the development of industry and services.

80. Although Burundi has considerable hydroelectric potential, less than 3 percent of the population is connected to the power grid. In addition, technical, tariff, and financial management issues hamper the development of the water and power utility (REGIDESO), which does not utilize its full production capacity and imports close to half of its total production. Despite low electricity consumption, national electricity production capacities are insufficient to meet domestic needs, as illustrated by Figure 2 below.

Figure 2: Energy production and consumption



Source: Ministry of Energy and Mines

81. The number of customers is increasing, yet production has failed to keep pace. Production increased until April 2007, then slowed, then recovered again, but always more slowly than consumption. Overall, Burundi's electricity production is the lowest in the subregion. There can be no question, then, that an effective strategy to increase production and promote other sources of energy is essential to the success of the second PRSP.

1.2.2.6. Strengthening capacities to manage development

82. At the international and regional forums in which Burundi participates, it was observed that the traditional capacity-building approach, based on training, developing skills, and utilizing modern tools and equipment, has failed to produce the anticipated development impacts. The challenge for Burundi is therefore to acquire the capacities required to create a favorable environment and increase production in all sectors, particularly in sectors with potential for shared, sustainable growth, in order to achieve its development objectives.

83. The Burundi government faces multiple challenges in this area, primarily concerning: (i) quality of human resources (leadership, technical and management capacities) and civil servants' performance and stability of tenure; (ii) institutional performance, calling for modernization and rationalization of structures, missions, and appointments; and (iii) regulations, the institutional environment, and incentive structures, which have triggered substantial and continued human capital flight to neighboring countries, Europe, and the rest of the world.

84. The nongovernment sector was also affected by the crisis and now faces a number of challenges in its role as creator of private sector wealth and defender of civil society interests. The private sector needs to become organized and better position itself to withstand

competition from enterprises of the sub-region, which have a long tradition, and maximize the advantage of Burundi's joining the EAC. Also, the evaluation of the PRSP I indicated that lack of functional and technical capacities limited the outcomes achieved in terms of reducing poverty and achieving the MDGs.

85. In response to these challenges, Burundi is already committed to making capacity building a development tool by designating "Good Governance and Strengthening Government Capacities" as the first pillar of the Vision 2025. Accordingly, investments must be made to build capacities in order to make government and nongovernmental institutions and organizations more effective, efficient, stable, innovative, and able to withstand shocks and adapt to domestic and external changes.

1.3. Recent Poverty Trends

1.3.1. Near stagnant economy since 2006

86. After a sharp decline in 2005, Burundi's economy began to recover, although the pace of growth is too slow to expect it to reduce poverty. As shown in Figure 1 (b), the key growth indicators show that overall economic performance increased real per capita GDP by only 0.9 percent on average between 2007 and 2009. This weak performance follows an extended period of negative real per capita GDP growth of -0.4 percent on average during 2000-2006 – i.e., which started with the signature of the Arusha accords.¹ In other words, the accumulation of real per capita wealth projected by the PRSP I was reduced by a factor of almost 50 percent through the loss and destruction of real wealth between 2000 and 2006.

87. With such a weak growth rate (Figure 1 (a)), the hope of attaining the growth rates of neighboring countries of the EAC has been delayed. Indeed, all of those countries were able to accumulate wealth during both sub-periods, opening more optimistic prospects for reducing the poverty rate, if not the number of poor, relative to Burundi during the last 10 years. Figure 1 (b) compares the per capita growth rate in the EAC member countries.

1.3.2. Lack of opportunities for stable, long-term employment

88. The rise in informal employment underscores the increased insecurity and instability of jobs and households incomes. It is no surprise that job opportunities for the labor force lie mainly in agriculture and the informal sector. For the labor force of persons between ages 15-64,² most job opportunities come from the agriculture sector, which is unstable and uncertain in terms of productivity and wages. According to estimates, 70.4 percent of persons aged 15-64 worked in agriculture in 2009 compared to 62.4 percent in 2006 (Table 4). Formal agricultural employment, which is supposed to offer more stable remuneration and working conditions, declined substantially, from 18.3 percent to 11.4 percent from 2006 to 2009. Conversely, informal agricultural jobs³ jumped from 44.1 percent of jobs offered to persons age 15-64 in 2006 to 59 percent in 2009.

89. The non-agricultural sector has apparently not provided new job opportunities for Burundi households. As an indicator of economic diversification and modernization, the non-

¹ The analysis covers the period from 2000 to date, and analyzes growth in per capita production (income) since the implementation of the PRSP I. The period from signature of the Arusha Accords in 2000 (major change in the country's political management) through 2006 (the year preceding implementation of the PRSP I) should be considered the baseline.

² This is the working-age population according to ILO standards.

³ Specifically, this refers to jobs in family-owned enterprises and independent employment.

agricultural sector – a source of generally more lucrative employment – lacked sustained momentum during the period under review. Jobs in sectors such as mining extraction, industrial transformation, construction, and even retail and wholesale trade, have all declined, even though those sectors are an important source of income for households. However, some opportunities, although relatively minor, have emerged in transportation, communications, and small-scale trades (services and clothing).

90. The most plausible explanation for the lack of per capita wealth creation between 2006 and 2009 is the instability and low wages of jobs available on the labor market to households, particularly those in rural areas. Despite the insecurity of working conditions, the informal sector provided impetus to job creation so as to reduce unemployment. According to available survey data, Burundi made enormous progress in reducing unemployment for ages 15-64 relative to the situation in 2006 by implementing the PRSP I. The current employment status⁴ of individuals of working age shows that the unemployment rate⁵ in the 15-64 age group fell from 9.1 percent in 2006 to 2.2 percent in 2009 (Table 1).

91. Although urban areas are particularly hard hit by double-digit unemployment, it bears mention that the rate has declined, from 16 percent to 11.7 percent over the same period. Rural areas, in turn, show an unemployment rate compatible with full employment in the job market (formal and informal). These initially encouraging results, however, call for two observations: (i) the job market's inability to provide long-term, stable employment; and (ii) and the particular situation of young people, which has not improved.

Table 4: Urban and rural sectors of employment, 2006 – 2009

Activity/livelihood of household member	Setting				Burundi	
	Urban		Rural		2006	2009
	2006	2009	2006	2009		
Export agriculture	0.15	0.35	1.78	0.46	1.68	0.45
Food crop production	5.15	2.94	17.36	11.93	16.59	10.96
Extractive industries	0.08	0.26	0.19	0.16	0.18	0.17
Processing (industrial and artisanal)	1.22	0.61	0.50	0.20	0.54	0.25
Construction	0.80	0.86	0.76	0.50	0.76	0.53
Wholesale/retail trade	5.42	3.72	1.59	0.91	1.83	1.21
Repairs (automotive and apparel)	1.05	0.99	0.09	0.06	0.15	0.16
Transport & communication	2.27	2.85	0.33	0.21	0.45	0.50
Banking and real estate	1.00	0.95	0.04	0.06	0.10	0.15
Public administration & defense	8.82	9.38	2.46	1.81	2.86	2.62
International organizations	0.58	0.82	0.03	0.09	0.07	0.16
Small-scale trades	2.62	2.16	1.33	1.85	1.41	1.88
Traditional medicine	0.08	0.00	0.01	0.01	0.01	0.00
Domestic work	3.61	6.87	0.78	1.03	0.96	1.66
Other occupation	1.01	0.56	0.30	0.96	0.35	0.92
Informal job (independent/family-owned business)	22.41	26.63	45.58	62.95	44.1	59.02
Unemployed labor force	10.37	7.87	6.81	1.08	7.04	1.82
Students and other unemployed	30.97	31.99	18.60	15.33	19.38	17.13
Missing data	2.37	0.17	1.45	0.41	1.51	0.39

⁴ The households surveys on which these estimates are based include employment and/or unemployment modules from which we used the responses to very similar questions for our calculations. The question on current employment status was used to estimate the employment rate and unemployment rate of individuals age 15-64. To estimate the duration of the current employment status, we estimated the number of months out of the 12 months preceding the survey during which the current occupation was held. The variable relating to the number of months worked concerns only formal-sector employees. We are therefore unable to estimate the same information for the informal sector.

⁵ The unemployment rate used here equals the ratio between the unemployed labor force as defined by the ILO (unemployed persons age 15-64) and the total labor force (total employed plus unemployed individuals) in the 15-64 age group.

Total	100	100	100	100	100	100
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Source: Government estimates based on QUIBB 2006 and 2009 PMS surveys.

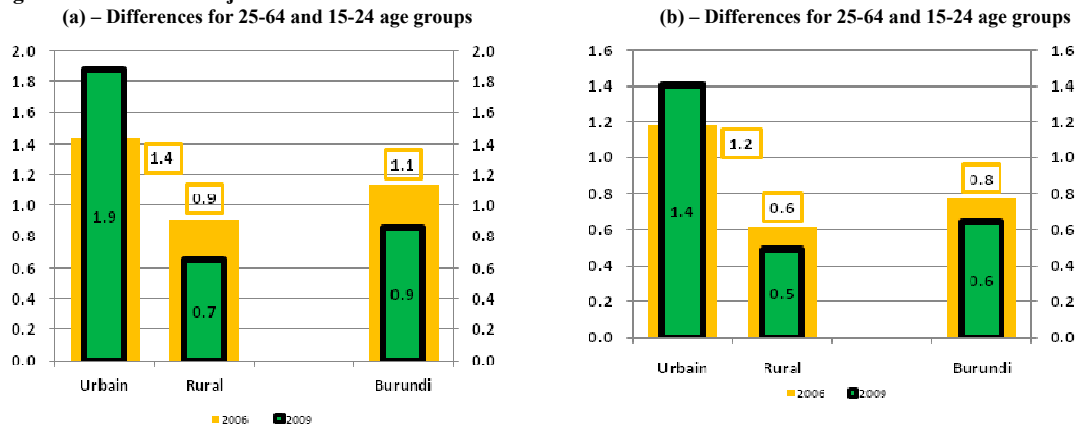
92. In parallel with the downward trend in unemployment, the employment rate for ages 15-64 improved significantly.⁶ From 2006 to 2009, the employment rate increased close to five percentage points nationwide. With an increase of close to six percentage points in the labor force, the rural job market has shown momentum in job creation since 2006, unlike the urban job market, where growth remained below three percentage points.

93. Apart from informal jobs, for which a detailed analysis could not be conducted for lack of disaggregated data, it is important to note that formal jobs, which by definition should be less insecure than informal jobs, were held an average of 6.9 months (out of the 12 months preceding the household survey) in 2009 compared to 5.6 months in 2006, including unpaid leave. Accepting that informal jobs are as insecure and unstable as formal jobs in the best of cases, these results – despite progress in the number of months worked and therefore paid – clearly point to the lack of long-term job opportunities and likely underemployment of the workforce, including those who succeeded in working those 6.9 months per year.

94. In urban areas, the workforce enjoyed longer-term job opportunities, with an average of 9 to 10 months' consecutive work excluding paid leave. At one month of work in the years between 2006 and 2009, the average increase in job duration was greater for rural workers than for urban workers (barely 0.5 months in 3-4 years).

95. Most basic indicators used to analyze the job market remained unfavorable to young people⁷ during the period under review. While the unemployment rate for young people in rural areas has declined significantly since 2006 (10.4 percent compared to 2.5 percent in 2009), the current situation is still alarming, with an unemployment rate three times higher for young people than individuals age 25-64 in 2009.

Figure 3: Formal sector job duration



Source: Government estimates based on QUIBB 2006 and 2009 PMS surveys.

96. Implementation of the PRSP I appears to have lessened inequalities, including for rural youths who obtained longer-term jobs (Figure 3). In rural areas, the gap between the duration of so-called formal jobs for the 25-64 age group and the 15-24 age group was trimmed from 0.9 months worked to 0.7 months worked from 2006 to 2009. In urban areas, however, where

⁶ The employment rate is the ratio between the employed labor force age 15-64 and the total population of working age (individuals age 15-64 years).

⁷ I.e., individuals age 15-24.

young people succeeded in finding work for an average of 8.5 months per year, the gap vis-à-vis older workers continued to grow.

97. In 2008, roughly 19.7 percent of the unemployed had lost a previous job.⁸ The main reasons for the loss of jobs were involuntary for 82.5 percent of cases and voluntary for the remaining 17.5 percent. The involuntary terminations relate primarily to three phenomenon: (i) difficulties in private enterprises (closing or downsizing), for 23.6 percent; (ii) layoffs, for 12.3 percent; and (iii) technical unemployment, for 6.1 percent.⁹

98. With respect to voluntary terminations, inadequate pay was cited in only 16.3 percentage points of the 17.5 points representing young workers who had decided to leave their previous jobs. On a comparative basis, downsizing and closings affected the 25-64 age group less, as only 4 percent of the unemployed in that age group reported having left their previous job due to inadequate pay.

1.3.3. Poverty and job quality: a correlation addressed by PRSP I programs

99. Because of their impact on income, the nature and quality of jobs held by household members influence the level of poverty. In the specific case of Burundi, certain constants in the relationship between quality/type of job and consumption/welfare¹⁰ suggest avenues to consider in identifying sectors of employment with potential to hasten poverty reduction.

100. First, in regard to agricultural jobs in the formal sector, the proportion of job seekers decreases (in a straight line) as poverty indicators improve (Table 5). According to estimates from 2006, 21.4 percent of working age individuals¹¹ living in the poorest households sought formal jobs in agriculture, compared to 9.1 percent of working age individuals living in the wealthiest households. In 2009, the respective proportions were 19.8 percent and 2.4 percent.¹²

Table 5: Sectors of employment by quantile of welfare scores, 2009

Activity/Livelihood	Quantile of welfare scores by household					
	Q1	Q2	Q3	Q4	Q5	Q5/Q1
Export agriculture	0.46	0.31	0.64	0.47	0.35	0.78
Food crop production	19.82	14.17	11.74	7.52	2.41	0.12
Extractive industries	0.00	0.24	0.14	0.24	0.22	-
Processing (industrial and artisanal)	0.12	0.19	0.26	0.28	0.38	3.13
Construction	0.55	0.42	0.52	0.47	0.69	1.24
Wholesale/retail trade	0.36	0.75	1.14	1.51	2.23	6.20
Repairs (automotive and apparel)	0.07	0.07	0.05	0.02	0.53	7.36
Transport & communication	0.10	0.12	0.17	0.26	1.75	18.18
Banking and real estate	0.02	0.02	0.07	0.17	0.49	20.25
Public administration & defense	0.58	0.80	1.09	1.60	8.58	14.88
International organizations	0.02	0.07	0.14	0.02	0.53	22.09
Small-scale trades	1.59	1.98	2.16	2.07	1.64	1.03
Traditional medicine	0.00	0.00	0.00	0.00	0.02	-

⁸ The remaining 80.3 percent of unemployed youths were a new job seekers.

⁹ In 2008, the reasons were not identified in close to 36 percent of the involuntary terminations.

¹⁰ This analysis can be easily conducted based on the indicators used in privatization of certain goods and services essential to household welfare/satisfaction. In a more detailed version of this memorandum, additional results will supplement the initial results we obtained using the method based on principal components.

¹¹ For reference, these are individuals age 15-64.

¹² For 2006, the indicator used to ranked households by poverty (social) status is daily per capita consumption (per adult equivalent). For 2009, for which expenditure data could not be collected, the household poverty score was used instead of daily per capita consumption to rank households according to poverty status (in this case, non-income poverty).

Activity/Livelihood	Quantile of welfare scores by household					
	Q1	Q2	Q3	Q4	Q5	Q5/Q1
Domestic work	1.13	1.25	0.86	0.87	4.05	3.58
Other occupation	1.44	0.75	0.71	0.73	0.95	0.66
Informal job (independent/family-owned business)	62.91	63.73	63.42	63.43	42.66	0.68
Unemployed labor force	1.10	0.80	1.24	1.77	4.02	3.64
Students and other unemployed	9.32	13.84	15.31	18.37	27.97	3.00
Missing data	0.43	0.47	0.38	0.17	0.51	1.18
Total	100	100	100	100	100	1
Labor market aggregates						
Labor force (%)	90.29	85.51	84.25	81.22	71.45	0.79
Unemployed population (%)	1.22	0.95	1.46	2.18	5.63	4.63
Months worked per year (formal sector)	5.6	6.1	5.9	7.0	9.6	1.70

Source: Government estimates based 2009 PMS survey.

101. Given the low pay, short duration, and instability of agricultural jobs in Burundi,¹³ the distribution of formal jobs suggests the need to create an agricultural job support program addressing three objectives: (i) secure the income of the poorest (most of whom are seeking agricultural jobs) while supporting the payment of additional income (a form of community unemployment insurance) during periods of unemployment; (ii) establish an agricultural employment regulatory agency (with the power to establish or revise the minimum wage) that would inform, guide, and prepare agricultural workers in regard to non-agricultural job opportunities to help diversify their income; and (iii) modernize the real property market to facilitate land sales and encourage larger agricultural operations by pooling rural households' tools of production to better leverage economies of scale.

102. It is imperative that this institutional support and private initiative be accompanied by an investment program geared toward supporting the communes and provinces in building water management and storage infrastructures in order to rationalize irrigation and reduce the impacts of climate shocks on agricultural activities and job stability. The local investment program could be conducted with contributions from the beneficiaries of the works (producer organizations, etc.), banks, and microfinance institutions, in addition to the financing anticipated from donors and the central government.

103. Second, for a good many private sector non-agricultural activities with strong income-producing potential, the proportion of job seekers increases as the household is lifted from extreme poverty to a more comfortable situation¹⁴ (Table 5). This trend has consistently applied since implementation of the PRSP I to the processing sector (industrial and artisanal), wholesale and retail trade, transportation, telecommunications, and, to a lesser extent, small-scale trades.

104. In the processing sector, for example, wealthier households included 3.1 times as many members employed in the processing sector than poorer households. The proportions for trade and transportation were 6.2 and 18.2 times higher, respectively.

105. To improve the earnings prospects for the poorest households, it is critical that members of those households be encouraged to seek work in private non-agricultural enterprises.

106. After targeting the poorest households, working age individuals should receive appropriate training (adapted to the needs of those sectors) and individual, effective

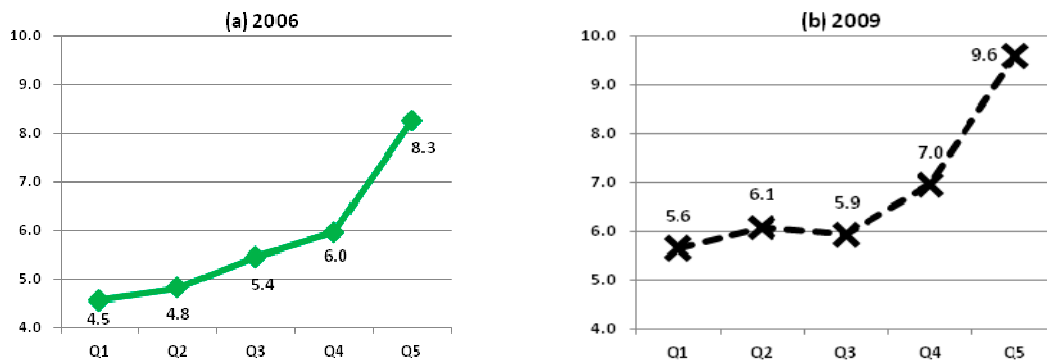
¹³ That is to say, nearly all the ingredients of a low-quality job.

¹⁴ In our analyses, households living in extreme poverty are the 20 percent located at the tail (left) of the poverty indicator distribution. Extremely wealthy households represent the 20 percent at the top (right) of the poverty indicator distribution.

counseling and support to ensure increased access to non-agricultural jobs with good earnings potential.

107. Job promotion programs are particularly urgent insofar as the poorest households' incomes have failed to improve. For those households, indicators of job market participation have experienced mixed outcomes in their evolution between 2006 and 2009. Those indicators point to real fragility in regard to the difficulty faced by those households in securing long-term integration in the job market (Figure 4).

Figure 4: Months worked during 12 consecutive months by poverty status



Source: Government estimates based on QUIBB 2006 and 2009 PMS surveys.

108. Two indicators likely to reflect this presumed fragility include the number of months worked (out of the 12 months preceding the surveys) by job seekers in the formal sector. As Figure 4 indicates, job seekers in the formal sector find work of duration (relative to a reference period of 12 consecutive months) that decreases as their household's poverty status deteriorates. Thus working-age individuals living in the poorest 20% of households work an average of 4 months less than working-age individuals in the wealthiest 20%.

1.3.4. Estimated poverty trend in Burundi since 2006

109. Assessing the actual poverty situation in Burundi is seriously hindered by the lack of consumption data.¹⁵ Even today, the only credible point of reference for poverty analyses in Burundi is the rate of 67 percent estimated in 2006.¹⁶ In 2006, roughly 69 percent of the rural population and 34 percent of the urban population lived below the poverty line, estimated at BIF 524 and BIF 627 per day, respectively. Nearly all provinces with large rural populations except Bubanza, Bujumbura Rural, Bururi, Cankuzo, Cibitoke, Makamba and Mwaro had higher rates of income poverty than the rural average of 69 percent.

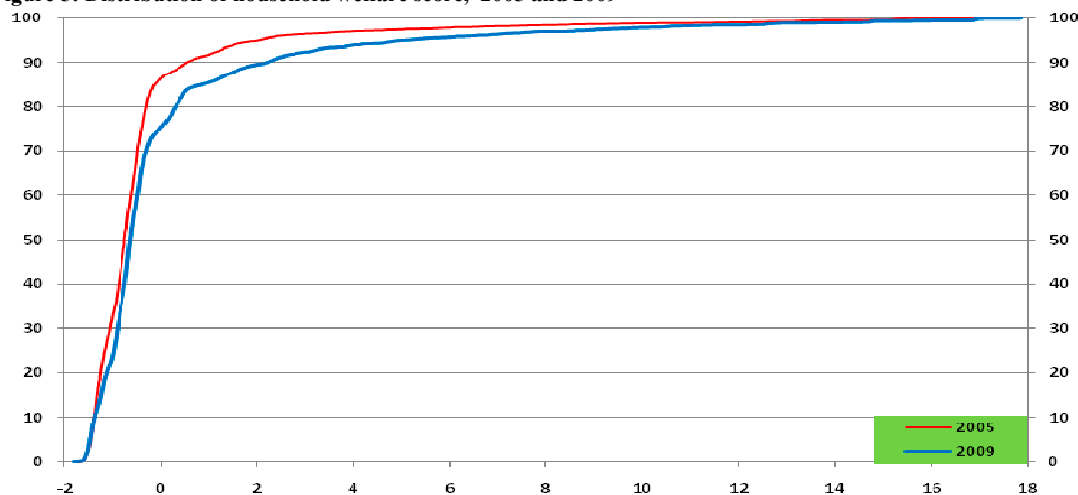
110. Kirundo had the highest poverty rate at 82 percent. Of the four more urbanized provinces, Bujumbura Mairie was the only province with a poverty rate below the urban average of 34 percent. With a national income poverty depth index (P1) of 23.4 percent, estimates indicate that a daily transfer of BIF 125 (US\$0.12) would be required to lift every poor individual out of poverty.

¹⁵ In his 2011 response to the Brooking Institute, which commented on the evolution of poverty in Africa, Martin Ravallion recalled that the a good survey of household consumption/income is still the best way to measure a nation's poverty.

¹⁶ To be completely accurate, the poverty rate estimated in 2006 was based on a household survey for which data was collected from February 16 – March 30, 2006, i.e., the end of the harvest, which contributes up to 35 percent of Burundi's agricultural production.

111. Reliable data are indispensable to capture the evolution of poverty in general¹⁷ since implementation of the PRSP I programs. As the trends shown in Figure 1 suggest, it is unlikely that income poverty has improved appreciably since 2006. At best, it may have stabilized around 67 percent, leaving little room for the possibility of significant improvement in overall poverty, although the evolution of non-monetary poverty has been positive since 2005 (Figure 5). An analysis based on data from the 2008 RGPH estimates the population facing poor living conditions, particularly poor housing conditions, at 54 percent, with the proportion in rural areas even higher.

Figure 5: Distribution of household welfare score, 2005 and 2009



Source: Government estimates based on 2005 MICS et de 2009 PMS

112. Economic development efforts have had a positive but insufficient impact on material living conditions (welfare) (Box 2) for Burundi's people. As shown in Figure 5, the 2009 welfare score remained below the 2005 score at all points of the distribution. However, substantial efforts remain to create employment and income-producing activities sufficient to return per capita income to at least its pre-crisis level. In fact, per capita income¹⁸ has increased to the current US\$140, but is still US\$50 lower than the figure for 1992. It is probably the impact of this lack of real earning opportunities that the human development index reflects in continuing to rank Burundi among the three or four poorest countries in the world. Visibly, the recent economic and financial crises have not helped the situation because Burundi's position deteriorated in 2011.

Box 2: Indicators used to estimate welfare score

Material well-being is estimated using the wealth score and applying the principle component analysis (PCA) method. The welfare score derived from this method is estimated for each household surveyed in 2005 and 2009. Specifically defined indicators reported in the two household surveys were used to estimate the score. The indicators concerned the main source of drinking water; type of toilet used; type of floor, roof and walls in the house; the fuel used for cooking; ownership of at least one bicycle, radio, television, motorcycle/moped, refrigerator, car/truck, fixed telephone, and cell phone; access to electricity (REGIDESO, DGHR, private, etc.); ownership of at least one chair, sewing machine; ownership of cattle, goats, poultry, rabbits, pigs, guinea pigs; the number of rooms in the home, and the number of persons per room/bedroom. Thus the welfare score combines the possession/presence or absence of those indicators in each household to calculate a composite indicator. A larger number of possessions represents a higher the level of material welfare for the household (within the limits of the indicators used).

¹⁷ The poverty situation -- especially as appreciated subjectively by households -- is influenced by income poverty as well as non-monetary poverty. Both dimensions of General poverty must be taken into consideration in analyzing poverty trends in Burundi.

¹⁸ Per capita GNI (current prices) based on the Atlas method.

1.4. Methodological Approach and Participatory Consultations

1.4.1. Preliminary reflections on national priorities

1.4.1.1. Prospects for achieving Millennium Development Goals

113. The 2010 evaluation of Burundi's progress toward achieving the MDGs revealed mixed results. Less than five years from the deadline established by the international community to meet the MDGs, the report showed that only two of the eight recommended objectives will actually be achieved.

114. Significant progress was made in the education and health sectors, primarily due to the government's instituting free primary education and free healthcare for pregnant women and children under age 5. Encouraging results were also seen in achieving the objectives to (i) promote gender equality and empowerment of women; and (ii) implement a global partnership for development.

115. On the other hand, it is unlikely if not impossible for Burundi to fully achieve the following objectives by the established deadline: (i) eliminate extreme poverty and hunger; (ii) reduce mortality for children under age 5; (iii) improve maternal health; (iv) combat HIV/AIDS, malaria, and other diseases; and (v) create a sustainable environment.

116. Ultimately, implementation of the PRSP-II should both strengthen and institutionalize the gains and progress already achieved toward the MDGs and facilitate the adoption of policies that will speed the achievement of other objectives. The anticipated results will require the mobilization of considerable financial resources and increased capacities in terms of design, execution, monitoring, and evaluation of programs.

1.4.1.2. Vision 2025

117. Well before preparation of the PRSP-II began, the government had initiated a long-term strategic reflection leading to the formulation of the Vision 2025 approved by the government in 2010. The goal of the vision is to put Burundi on the path toward sustainable development, increased the economic growth rate, and reduce poverty by half, or from 67 percent to about 33 percent, by 2025.

118. The Vision's three primary objectives are essentially no different from those of the first PRSP: good governance under the rule of law, development of a strong, competitive economy, and improved living conditions for the Burundi people.

119. Specifically, the vision is founded on eight "pillars": (i) governance (security, reconciliation, reinsertion, the rule of law, capacity building, professionalization of the government, and decentralization); (ii) human capital (quality of life, education, nutrition, and health); (iii) economic growth (modernization of agriculture; promotion of sectors with growth potential including tourism, mines, ITC, and artisanal trades; an improved business climate and the implementation of support infrastructures); (iv) regional integration, in particular successful integration in the EAC; (v) demography (reducing population growth to 2 percent to address threats such as the shortage of land); (vi) integration of ethnic groups to mobilize the entire population's energy toward achieving a shared future; (vii) regional development, including establishing villages and urban areas, to balance the management of national territory; and (viii) partnership, referring to cooperation with partners, civil society, NGOs, the private sector, and religious faiths.

120. So defined, the Vision 2025 consolidates the priority objectives of the first PRSP and the complementary strategic document, the Strategic Framework for Peacebuilding (CSCP) to which new things were added such as demography, regional integration, and regional development. In addition, the Vision underscores the need for more rapid economic growth, a key condition for reducing poverty without which all the other objectives will be unattainable.

1.4.2. Participatory consultations

121. Like its predecessor, the second PRSP was prepared using a methodological approach that emphasizes participation. The appropriation of the process by all stakeholders, consistent with the Paris Declaration and the Accra Agenda for Action, represents critical progress toward harmonizing programs and introducing joint mechanisms for programming, management, monitoring, and evaluation. It is based on the principle of inclusiveness, involving all parties, reflected in the participation of 2,264 delegates representing sector and thematic groups, local communities, the private sector, civil society, Parliament, and the development partners.

122. The **community consultations** began immediately after the President of the Republic officially launched the process on November 12, 2010. They were conducted in each of the 17 provinces (including Bujumbura Mairie province). All socioeconomic strata took part in the debates: not only the delegates of the provincial and communal community development committees, but also representatives of youth, women, and vulnerable groups. It should be noted here that the provincial governors and members of communal administrations played a key role in mobilizing participants.

123. **Consultations focusing on the private sector and civil society** were conducted for the threefold purpose of clarifying the role in the PRSP process, considering the modalities of their participation in the different sector Partner Coordination Groups (GCPs), and eliciting their recommendations regarding priorities for the PRSP-II.

124. **Sector consultations** examined the general strategies proposed by community delegates in greater depth. They also benefited from the work of sector groups established in connection with the GCPs.

125. **Thematic forums** served as platforms for intense discussion of **crosscutting issues** such as capacity building, gender, demographics, the environment, and youth, complementing the work focused on individual sectors.

126. As representatives of the people, members of **Parliament** also had the opportunity to contribute to the debates on the country's future priorities. The discussions produced proposals on the practical means of improving monitoring of government action and ensuring greater consistency between budgets and expenditure execution and macroeconomic and sector priorities. Lastly, the **Economic and Social Council** provided highly relevant recommendations as to the principal issues to be considered to achieve sustainable growth to reduce poverty.

127. On a more technical note, the preparation of a central MTEF, also organized on a participatory basis, provided a key instrument for macroeconomic and budgetary framing of the second PRSP. The MTEF will not only serve as a benchmark for estimating available resources, but also determine budget appropriations according to PRSP priorities and assist in measuring the consistency and feasibility of different programs. The central MTEF also represents an important step toward implementation of sector MTEFs, which are intended to

support alignment of priority programs/projects with resources mobilized, thereby promoting rational public spending and results-based financial management.

128. Finally, additional efforts and sessions were held in communities to address perceptions of poverty and its determinants. The results of this work served to measure the degree of growth required to reduce poverty and deeper reflections on the strategic pillars of the priority growth and poverty reduction programs.

129. The process promoted the internalization and appropriation of the PRSP-II priorities, and provided all the development stakeholders with the same shared understanding of the issues to be addressed. It produced a broad consensus as to the priority policies and programs while strengthening dialogue between the government and its partners.

1.5. PRSP-II Pillars: Presentation and scope

130. Accordingly, the four strategic pillars that will guide the priorities of the second PRSP were selected based on the results of community, sector, and thematic consultations and additional analyses of recent trends in the national economy and poverty. Like its predecessor, the second PRSP accords high priority to good governance and strengthening the rule of law. This area also encompasses security, anticorruption efforts, the performance of public institutions, and gender equality.

131. Obviously, the PRSP-II also emphasizes transformation of the Burundi economy in the service of sustained, job-producing growth. A sound macroeconomic framework, productivity of sectors with growth potential, reducing the energy deficit, developing economic infrastructures, regional integration, and private sector promotion will serve as principal tools of this growth. Youth employment is also an important component of this pillar.

132. While the highest priority is accorded to growth, the social sectors continue to occupy a central position in the PRSP-II. Access to basic social services and the quality of those services remains an important theme in the new strategy. In Burundi, environmental degradation is one of the key constraints threatening growth and development. To a greater extent than the first PRSP, the second accords a special place to regional development and balanced environmental management.

133. Finally, it should be noted that the second PRSP emphasizes implementation of the strategy and programs through widespread use of MTEFs. The macroeconomic and budget framing and mobilization of domestic and external resources will be based on the PRSP-II strategies. A monitoring-evaluation mechanism that encourages results-based management and indicators measured regularly by the national statistics system (SSN) will serve to verify progress achieved in executing the strategy.

134. The main pillars of the PRSP-II are presented below:

Pillar 1: Strengthening the rule of law, consolidating good governance, and promoting gender equality;

Pillar 2: Transforming Burundi's economy to generate sustainable, job-creating growth;

Pillar 3: Improving access and quality in basic social services and strengthening the social safety net;

Pillar 4: Promoting development through sustainable environmental and space management.

Chapter 2 : Strengthening the Rule of Law, Consolidating Good Governance, and Promoting Gender Equality

2.1. Strengthening Justice and the Rule of Law

2.1.1. Rehabilitating the justice system

135. The government, with support from its partners, has taken steps in recent years to better identify the principal challenges facing Burundi's justice system. Operational weaknesses persist in regard to the time required to process cases, delays in executing judgments, the high cost of services for low-income populations, the physical distance to judicial agencies, inadequate knowledge of laws and legal procedures, weaknesses of local courts, the growing need for legal assistance for the most vulnerable, lengthy procedures and lack of coordination of the criminal system and corruption cases.

136. Prison overcrowding and poor conditions are the result of a readiness to impose prison sentences, slow resolution of cases, inadequate detention center capacity, and the lack of alternative punishments. Poor qualifications of prison personnel, the large proportion of detainees in preventive detention, and delay in establishing a separate justice system for minors are also obstacles to the administration of justice. Inadequate access to the right to defense and judges' failure to use regional and international mechanisms of human rights protection also hinder access to justice.

137. Moreover, the lessons from this experience show which ways and means will serve to address them.

Table 6: Monitoring indicators, 2005-2010

Indicator	2005	2006	2007	2008	2009	2010
Proportion of judgments executed (%)	44	46	39	36	39	14
Criminal cases closed in proportion to new cases filed (%)	89	93	112	70	90	98
Backlog of cases (number)	24 448	27 195	30 990	34 980	45 511	51 310
Number of magistrates per 100,000 inhabitants	16.1	15.5	15.5	17.1	18.4	17.5
Number of detainees per 100,000 inhabitants	107	107	106	123	132	117
Proportion in preventive detention (%)	60.9	65.7	71.1	65.2	63.0	59.0
Prison occupancy rate	193	215	208	245	268	244
Number of minors in prison	419	419	461	484	451	372

Source: Ministry of Justice.

138. During recent years, significant steps were taken to improve access to justice and establish a credible role for magistrates. Construction work was undertaken to build and rehabilitate local courts (tribunaux de résidence), and certain courts were equipped with new equipment, including automated tools, to address persistent records management problems.

139. Outreach activities on ethics and professional conduct, training programs facilitated by the establishment of the Judicial Professional Education Center (CFPJ), and numerous site visits arranged to monitor judicial decisions are part of a long-term process to restore and sustain citizens' trust in the justice system. The joint efforts of stakeholders involved in improving the criminal justice system served to reduce the prison population between 2009 and 2010.

140. The strategy adopted by the government for 2011-2015 aims to improve the institutional and administrative structure of the justice system by achieving three objectives:

(i) an independent judiciary; (ii), justice for all; and (iii) a more humane criminal justice system.

141. Under the first objective, which promotes an independent judiciary, the priorities will be (i) recognition of judiciary authority, which will involve the organization of conferences on justice (“Assises de la Justice”), ensuring that the judiciary oversight body (Conseil Supérieur de la Magistrature) effectively fulfills its role, and institutionalizing the Supreme Court’s place in the judicial hierarchy; (ii) strengthening institutional capacities, a key component of the strategy; and (iii) professionalizing actors in the justice system, including the introduction of competitive recruitment of magistrates and implementation of a continuing education plan for all judiciary and administrative personnel.

142. The second objective, based on justice for all, is integral to efforts promoting the accountability of the justice system as a public service, in which the issue is to reconcile supply and demand for justice, in particular through decentralizing the supply and strengthening demand.

143. The supply of justice will be exercised [sic] in accordance with the principles of good governance. The priorities defined in this context are to (i) strengthen supervision of jurisdictions, the ethics and professional conduct of personnel, personnel training, and management by objectives based on performance indicators; (ii) promote the community justice system by strengthening the role of local courts and their means of operation (particular attention will be devoted to land and probate disputes in order to reduce the higher courts’ backlogs and promote resolutions that ensure social cohesion); (iii) introduce mechanisms to decentralize financing of jurisdictions adapted to the Burundi context; and (iv) reform the execution of judgments.

144. The government intends to improve the supply of justice by 2015, reducing the case backlog by an average of 10 percent per year and increasing magistrates’ productivity rate in accordance with standards determined by law.

145. In parallel, demand for justice must be increased by providing the population with the means to demand justice as guaranteed by the Constitution and international treaties. This program will entail (i) improved guidance for citizens, through the threatening of court assistants, the establishment of a reception office for each Burundi court and tribunal, and a specific communication strategy to promote citizens’ knowledge of the law and their rights; and (ii) the institution of legal aid to facilitate access to justice for the poor.

146. The third objective, which advocates a more humane criminal justice system, is to improve the criminal system to provide better conditions for detainees, particularly the most vulnerable groups (including women and children). Incarceration should be perceived as a transitional measure to ensure the safety of a population that must be protected (deterrent role), but should also serve to prepare for the detainees’ reinsertion. To this end, the priorities to be implemented will be based on the following themes:

a. a more just and effective criminal system: improved horizontal coordination between different actors of the criminal system; strengthened supervision and inspections; and the introduction of alternatives to detention will help resolve the difficulties associated with imprisonment;

b. improvement of prison conditions through rehabilitation and gradual expansion of aging prison infrastructures; the adoption of measures to address problems of detainees’ safety, protection, nutrition, hygiene, and health; legal education and continuing education to

occupy detainees' time and prepare them for reinsertion, with emphasis on an effective "gender and generation" approach;

c. implementation of a juvenile justice system, the special aspects of which must be taken into consideration.

147. By 2015, the government hopes to reduce the number of irregular detainees and the proportion of pre-trial detainees to convicts by an average of 10 percent per year; expand the use of alternatives to imprisonment; and reduce prison overpopulation by an average of 5 percent per year.

2.1.2. Implementing the transitional justice system

148. National consultations led by the Tripartite Steering Committee (CPT) were launched in July 2009 on a broadly participatory basis in close cooperation with the government's partners. The consultations were concluded in March 2010 with consultations with the Burundi diaspora organize respectively in Brussels and Dar es Salaam.

149. During the period covered by the PRSP-II, efforts will be made to implement the principal recommendations from this report. Practical, specific measures will be adopted with respect to the Truth and Reconciliation Commission and the Special Tribunal and prosecutor. The implementation of transitional justice mechanisms will include a mechanism to seek truth, justice, reparations, and institutional reform. It will consider the views of the people as expressed in the report of public consultations, the pertinent provisions of the Arusha Peace and Reconciliation Agreement for Burundi, UN Security Council resolutions, and other provisions of international law.

150. In June 2011, a presidential order established the technical committee that would prepare for implementation of the transitional justice mechanisms. During November 2011, the technical committee submitted its final report to the president and the United Nations. Thereafter, a law governing the Truth and Reconciliation Commission and a law creating the Special Tribunal must be approved in promulgated in accordance with the letter and spirit of Resolution 1605 (of 2005) of the UN Security Council, which provides for dual judicial and non-judicial mechanisms.

151. It is essential that the transitional justice system address issues of gender equality and equity in order to create a more favorable climate for community cohesion and the implementation of poverty reduction strategies. Accordingly, the government intends to promote women's participation in the transitional justice mechanisms. To this end, the strategy will include attacking the institutional framework (laws and structures) of the transitional justice system in order to incorporate gender-specific and civil society perspectives.

2.1.3. Promoting human rights

152. Numerous human rights violations (torture, assassination, violation of children's rights, mass rape) have been observed in recent years. They are the result of the long period of conflict in Burundi, and those who committed human rights violations should be investigated, prosecuted in the administrative and criminal courts, and punished.

153. Aware of the urgency of the problem and anxious to restore a calm, reassuring environment for all, the government has already made determined efforts that have produced significant progress.

154. Those measures include, in particular, a broad outreach campaign on the fundamental principles of respect for human rights, increased discipline among the security forces, amendment of the Criminal Code, and the introduction of new legislation to strengthen the institutional and legal framework. In addition, enactment of the law establishing the National Independent Human Rights Commission (CNIDH) and approval of the members of the commission represent important progress in defending and protecting human rights. The CNIDH will be provided with the resources required to make it fully operational.

155. Other specific actions were taken to consolidate the human rights situation and align Burundi's policies with the provisions of the international conventions to which Burundi is a signatory. These include (i) preparation of the national juvenile justice strategy; (ii) the organization of consultations with national and international partners on implementing a national human rights educational policy; and (iii) the drafting of the press law decriminalizing, inter alia, press offenses.

156. However, numerous challenges remain, such as lack of effective enforcement of international conventions, the lack of mechanisms to compensate victims of human rights violations, the lack of operational framework for child protection, and weaknesses in protecting the rights of detainees.

157. As provided in the Burundi constitution, public freedoms, human dignity, and the guarantee of justice for all our fundamental rights of all citizens. The government therefore decided to consolidate gains in the defense of human rights by (i) strengthening the mechanisms to promote human rights; (ii) complying with international conventions already ratified; (iii) intensifying outreach campaigns; and (iv) protecting gender-based rights.

158. The recommendations to consolidate mechanisms promoting human rights are to implement a more effective coordinating system and provide the CNIDH with sufficient means to make it operational. With respect to implementing international conventions, it should be noted that there is a unit responsible for drafting initial and periodic reports on all international instruments and texts ratified by Burundi and preparing the legal texts implementing those instruments. However, a review of those instruments should be conducted to determine their scope, identify any constraints, and adopt appropriate measures to ensure rational, consistent implementation. The protection of gender-based rights will entail promoting women's and children's rights and enacting a law against gender-based violence. The Family Code (Code des personnes et de la famille) should be amended to harmonize it with other laws in effect.

2.1.4. Strengthening the integrity and capacities of defense and security forces

159. During the period of armed conflict, lack of security was a major constraint to the free movement of persons and goods, complicating any individual or public development initiative and creating situations likely to aggravate poverty. For this reason, improving security continues to be one of the government's major priorities to avoid further deterioration of the post-conflict situation, rebuild a solid foundation on which to strengthen national cohesion, and reestablish conditions favorable to the resumption of socioeconomic development activities.

160. The issues at stake are significant, particularly in the context of strong demographic pressure. Land ownership issues largely attributable to this situation threaten to disrupt public safety if fragmentation of land makes it impossible to produce enough food for families, much less generate a marketable surplus.

161. In the meantime, with support from its partners, Burundi successfully initiated the reforms needed to adapt the defense and security forces to the imperatives of restoring free movement of persons and goods throughout the national territory.

162. The demobilization programs significantly reduced the army and police forces. Moreover, civilians affiliated with insurgents were demobilized and reinserted in their communities of origin. The application of the prescribed retirement age will reduce defense and security forces (DSF) to the objectives and 2012: a police force of 15,000 and army of 25,000. De-mining, disarmament, and confiscation of weapons through search and seizure operations contributed substantially to restoring security, which had been threatened over more than a decade of armed conflict.

163. Order no. 100/08 of September 13, 2010 identifies the missions the government may assign the DSF, which fall within four functional areas: (i) securing national institutions, property, and persons within the country and at its borders, (ii) participating in missions to maintain and restore domestic public order and peacekeeping missions abroad under the aegis of the UN, the African Union, or sub-regional organizations, (iii) strengthening the spirit of unity, tolerance, respect for individual rights, and political neutrality, and (iv) civil protection, including preventing natural and other disasters and providing rescue and other appropriate assistance

164. Improvement of security conditions has proceeded rapidly through implementation of the priority peace consolidation plan, particularly the effective operational integration of former belligerents in a single corps. The specific actions taken in this context concern: (i) support for the Burundi National Police (BNP), (ii) quartering military personnel away from the civilian population in barracks, (ii) controlling small arms and light weapons (SALW), (iv) professionalizing defense and security forces, and (v) instilling moral awareness and military ethics.

165. However, the security situation has changed somewhat since the 2010 elections with the rise of new forms of violence. This development confirms the need to retain consolidation of peace and security among the PRSP-II priorities. The objectives established in this area are to (i) ensure public safety and regional integration of the security dimension, (ii) provide good governance for the security sector, (iii) leverage the different post-conflict resources and services of the Burundi National Police (PNB) and National Defense Forces (FDN), and (iv) implement measures to prevent and control terrorism.

166. Concerning regional integration of the security dimension, it is important that the DSF adopt a transnational approach integrating the activities of the FDN into those of the African armed forces (Forces Armées Africaines en Attente) and promoting PNB membership in the East African General Assembly of Police Chiefs.

167. Governance in the security sector will be strengthened through the implementation of three priority programs. The first concerns updating the national action plan for control of SALW and disarming the civil population. This will facilitate free movement of goods, persons (tourism development), and other factors of production. In accordance with the Nairobi Protocol, it will also include an international technical cooperation with the border and coastal communities.

168. The second program focuses on continuing the Defense and Strategic Security Plan Review. The objective sought in implementing transparent domestic and external

communication mechanisms, including strengthened quadrilateral¹⁹ relations, is to facilitate democratic control and implementation of defense policies and security practices. The “in-out” communication tools to be promoted should include the creation and equipment of a center for strategic research and studies for all DSF, given the complexity and crosscutting implications of the challenges to be addressed in the context of the RSS.

169. Professionalizing the defense and security forces is a major concern. From literacy to the acquisition of techniques specialized according to subject area and level, the professionalization program will make the units concerned more easily deployable in diversified operations. Another aspect of professionalization includes providing the equipment necessary to execute the missions assigned to those units.

170. The priority actions to leverage post-conflict resources and services of the DSF will be supported by five main sub-programs: first, conversion and judicious reclassification of post-conflict physical, personnel, and material resources in order to reduce the budget impact of military and police spending within a context of community empowerment. In this context, the main actions will be to prepare an inventory of the different types of resources eligible for post-conflict conversion or reclassification as a basis for analysis²⁰ and plan the appropriate reallocation, in this case, the socio-professional reinsertion of inactive military and police in civilian life²¹ and integration of active personnel into groups of income-generating work crews.

171. The establishment of sites for production of goods and services is also integral to strengthening DSF capacities. The objective is to provide work for former combatants, generate income in peace time and open the DSF and PNB to external partnerships. It involves leveraging human resources and preparing for reinsertion in civilian life while arranging for income-producing activities.

172. Promoting the welfare of members of the FDN and PNB in terms of health, nutrition, and housing and in regard to the issue of relocating PNB members closer to the communities they serve represents an innovative program for the future of DSF members. In this area, the construction of referral hospitals and offices in each military region, serving both FDN and PNB members, and the promotion of preventive and curative medicine are among the priority activities from the standpoint of increasing services to members of the DSF.

173. In parallel, extension of the “community policing” philosophy of the PNB and its domestic and external partners is one of the planned actions to reform the DSF. It seeks above all to make the PNB accessible, available, and visible. The approach will involve demilitarizing the police in terms of uniforms, equipment, and arms in order to enhance its image in Burundi and abroad. Respect for laws and regulations, legal institutions, and

¹⁹ Government – law enforcement agencies – population and civil society – justice. The other actors closely involved in control of security policies and practices are members of Parliament, by virtue of the investigations and audits they may commission pursuant to accountability requirements applicable to the defense and security forces.

²⁰ For example, with respect to personnel resources, consider the problem of the age pyramid, redefine requirements and correct any biases. As for physical resources, the participants consulted unanimously supported the conversion of military and police facilities to tourism sites, where feasible. Specifically, the Kigwati district (very close to the Bujumbura [garrison]) could become profitable if it were converted to a hotel site, as would a multitude of other unused infrastructures that could be leased by economic operators or investors.

²¹ The proposal was made to employ some former combatants as forest rangers, guides, or attendants at national parks or protected sites, after receiving appropriate training to complement the military or police skills they have already acquired.

principles of transparency are integral to this approach, which includes increased accountability vis-à-vis Parliament, citizens, and civil society.

174. In the same vein, the fight against corruption and impunity and the development of a culture of respect for human rights, democratic principles, and gender equality are among the measures needed to improve the reputation of the FDN and PNB. To this end, efforts will promote greater representation of women within the FDN and the PNB, particularly in positions of responsibility.

175. Disaster prevention and the fight against terrorism are also key concerns of the government. Actions to prevent risks and manage catastrophes will include strengthening the institutional and legal framework; establishing a mapping of risks, disasters, and vulnerabilities; developing knowledge of disaster risks; promoting a culture of risk prevention; and implementing programs to mitigate underlying factors so as to reduce the risk of disaster and promote prompt, effective intervention, including assistance to victims of land mines and other war debris, flooding, fire, etc.

176. Efforts planned in the war on terrorism include the implementation of a national approach in the context of an international strategy, strengthening of the international, regional, and subregional legal framework to which Burundi is or should become a signatory, and strengthen operational capacities in this area.

2.1.5. Socioeconomic reintegration of persons affected by the conflict

177. Because of the war, a significant proportion of Burundi's population still falls within the category of victims, which include repatriates, displaced persons, former combatants, and other vulnerable groups. This category of the population continues to be exposed to numerous risks, calling for particular attention on the part of public authorities. For this reason, one of the government's major priorities in its national reconciliation and peace consolidation policy is to seek peaceful cohabitation through socioeconomic reintegration programs.

178. As part of this approach, the government prepared and adopted in 2009 the National Socioeconomic Reintegration Strategy for Persons Affected by the Conflict. The strategy targets three groups, repatriates, internally displaced persons, and former combatants. The strategy promotes the involvement of host communities and implementing the different programs.

179. With respect to repatriates, the numbers returning to Burundi are increasing with the gradual restoration of peace and security. Repatriates represented 510,000 persons during the period 2006-2009. The majority of repatriates were able to return to their own collines, where they received several forms of assistance including food and support with self-help housing.

180. A number of gender inequalities were observed in connection with the situation. The specific needs of vulnerable groups (female heads of households, widows, children heading households, and handicapped persons) were not adequately considered, and women had no control over the "return kits" (food and non-food items distributed to repatriates). This situation puts those groups in an extremely precarious position, such that they are now among the poorest of the poor. One of the objectives of the repatriation component is therefore to improve the conditions of these populations' reintegration through particular support for their social and economic reintegration.

181. With respect to internally displaced persons, roughly 78,796 persons were living in 120 sites arranged to serve as support structures for them, according to an October 2011 study conducted by the Ministry of National Solidarity and Human and Gender Rights in

cooperation with its partners. However, certain of them, referred to as “dispersed persons,” are now with host families. In order to identify lasting solutions to the issue of internally displaced persons, a study will be conducted to assess the specific situation of each site and identify appropriate responses for each case, including: (i) closing of sites combined with support to return individuals to their own communities or transfer to other sites, (ii) conversion of the site into an integrated rural village, and (ii) relocation to another area of the country.

182. Concerning former combatants, it should be noted that the National Demobilization, Reinsertion, and Reintegration Program (PNDRR), closed in December 2008, facilitated the demobilization and reinsertion of 29,528 former combatants, and the Transitional Emergency Demobilization and Reintegration Project (PDRT) took over its role with respect to the National Liberation Forces (FNL) (6,506 individuals). In parallel, the program supports the social reinsertion of adult members and former members of the FNL.

183. Eventually, the reinsertion efforts must be supplemented by programs more compatible with long-term reintegration in the communities with access to jobs and income.

184. From this perspective, the national socioeconomic reintegration strategy is intended to stabilize those populations and facilitate their return to normal lives. This is an overall strategic component of peace consolidation. This policy signifies that reintegration of target groups will go beyond resolving individual vulnerabilities and is intended to ensure the country’s collective security and stabilization.

185. To this end, the government will continue supporting the socioeconomic reintegration of target groups. First of all, it will assist them in restoring the means of geographic stabilization that will enable them to physically resume their place in their host communities on a lasting basis. Intensification of programs is also recommended to enable them to access the means of economic subsistence and facilitate their participation in opportunities in the local job market. Finally, socioeconomic reintegration should enable them to participate on a nondiscriminatory basis in the community, civic, and political activities of other community members.

186. For other vulnerable groups, the government supports orphanages and centers for handicapped individuals as well as other organizations working on behalf of vulnerable persons such as AIDS orphans and vulnerable children, handicapped persons, the elderly, albinos, and the Batwa.

187. Considering the Burundi government’s commitment to uphold the convention on children’s rights and other national and international laws, the Ministry of National Solidarity and Human and Gender Rights adopted the national policy on orphans and other vulnerable children in 2008.

188. In addition, in order to address the phenomenon of street children and facilitate their reinsertion, a national strategy was prepared and validated to present and combat the phenomenon of street children

189. In the context of assistance to the handicapped, socio-professional reinsertion will be supported through: (i) construction of housing, (ii) support to associations and centers for handicapped persons through income-generating activities, (iii) mobility equipment, and (iv) training in various trades and support for professional reinsertion.

190. Finally, land issues call for particular attention, as they may represent a major obstacle to implementation of the government’s policy. The promulgation of a new land code is an

important step in revising the legal framework to overcome the challenges associated with access to land. However, important challenges remain. In fact, 70 percent of cases brought before the local courts concerned land disputes, and this situation threatens to become worse with the return of repatriated persons and the rapid population growth. The establishment of new institutions like the National Land Commission provided by the new code, the thematic group on land in connection with the 2010 Partner Coordination Groups (GCP), and the National Land and Property Commission (CNTB) already in place provide a framework for exchange of ideas, policy strategies, and actions in the area of land management. Support and strengthening of these institutions is a key factor from that perspective. The CNTB has settled 63 percent of the disputes registered prior to end-2010, and is aiming for 100 percent by 2015.

2.2. Consolidating Good Governance and Institutional Performance

191. The implementation of the National Governance and Anticorruption Strategy (SNBGLC) and associated action plan are indispensable to the promotion of sustainable, equitable development in Burundi. Accordingly, the SNBGLC is an integral part of the second-generation PRSP and is attached hereto.

2.2.1. Consolidating democracy

192. The successful organization of elections in 2009 signaled political normalization for the Burundi people and marked the end of the recurring violence that has plagued the country since independence. An additional step was taken with the five elections held in 2010 (communal, presidential, senatorial, and communal), which took place according to the timeline established by the National Independent Electoral Commission (CENI).

193. After the long conflict, the government views peace consolidation as inseparable from instituting democracy through the organization of free, transparent elections. Indeed, political stabilization is a prerequisite for human, social, and economic development. The contested results of the 2010 communal elections and the opposition parties' withdrawal from the electoral process somewhat disrupted the continuation of the process and brought renewed insecurity, particularly in the capital and surrounding areas. Fortunately, the attempts at destabilization were quickly brought under control and did not significantly impact the security of the subsequent elections. At the present time, security must be reinforced in order to contain the violence observed at various places in the country.

194. However, the impact of the disputed elections is not limited to security. The divergences revealed in the political class highlighted the need to consolidate the frameworks for dialogue and discussion and provide all actors with access to a platform for discussion of all problems and constraints in order to identify collective solutions and prevent violence. From this perspective, Burundi has already strengthened the culture of dialogue through implementation of a standing forum for dialogue among political parties, and by instituting the Ombudsman as mediator between the government and citizens. These measures represent an important step toward peaceful resolution of conflicts.

195. Despite important progress made, experienced in recent years reveals certain gaps, in particular the lack of trust among political actors and poor understanding of democracy among the general population. Problems with respect to the CENI's independence and the transparency of the electoral process reflects factors including weakness of the legal framework governing the elections and problems in resolving electoral disputes. In addition, governance must be improved by strengthening political dialogue, the capacities of a free press, and the effectiveness of political institutions. In order to restore lasting trust among

political actors and strengthen the culture of democracy, the government recommends a strategy that includes (i) consolidation of political dialogue, (ii) the guarantee of free and transparent elections, and (iii) the emergence of a free press and civil society.

196. The government will continue and intensify efforts to promote political dialogue. Consolidation of the electoral framework is a first step toward restoring trust among political actors. To protect democratic gains and promote productive, constructive political dialogue, priority will be given to strengthening the legal framework for the political parties' forum.

197. The government will make every effort to promote a culture of political openness, and will initiate forward-looking dialogue with the actors concerned, including those who are not represented in the institutions but are willing to contribute to the country's future.

198. A constant concern of the government is to strengthen the democratic culture in order to restore lasting trust among political actors. The organization of free and transparent elections, including the protection of democratic gains, is essential to building a peaceful society and a founding principle for development and growth. It is based on the right to vote and the existence of an independent entity that guarantees the effectiveness of the electoral process. Democracy also requires respect for the multiparty system as guaranteed by the Constitution.

199. In this context, the legal framework governing elections should be amended to: (i) eliminate inconsistencies and contradictions between the Constitution and the electoral code and between the electoral code and other national and international laws, including the International Covenant on Civil and Political Rights, (ii) simplify procedures and reduce the cost of elections through measures such as the introduction of the single ballot, (iii) clarify procedures, especially procedures for resolving electoral disputes, (iv) update and establish a more permanent framework for the electoral roll, (v) increased transparency for the entire electoral process, (vi) professionalize the CENI, and (vii) strengthen the CENI's independence.

200. In parallel, the government will continue to uphold the political parties' freedom to operate through appropriate responses to issues relating to the organization of meetings, financing of political parties, the use of government resources in electoral campaigns, the status of the opposition, and mechanisms for dialogue.

201. The guarantee of free, transparent elections also implies citizens' free participation in the electoral process. To this end, a civic education campaign on democratic values will be undertaken, and mechanisms will be implemented to protect citizens from threats and intimidation based on their political convictions.

202. In regard to the emergence of a free press and civil society, it is important to note that through the synergies of media coverage, the media have enabled the public to follow the elections in real time. Civil society is also involved in the electoral process, including by actively participating in monitoring the voting.

203. The media's participation in civil society must be strengthened by professionalizing actors and conduct outreach campaigns to promote the dissemination of high-quality, verifiable messages and information. Conceived in this way, the development of media will enable journalists to operate freely and the population to have access to quality information.

204. To ensure more effective development of the media, the legal framework governing the press should be revised and the regulatory and self-regulatory bodies strengthened. The media support funds will be effectively utilized to support a more professional press.

205. With respect to civil society, the applicable governing texts must be reviewed to promote the development of the association movement and implement a framework that will serve as the single legal reference. This legal framework will be accompanied by support mechanisms and an update to the database on the activities of nonprofit associations.

206. Democracy is ultimately both a culture and process, the promotion of formulation and adoption of effective, well conceived values that will enable all national and local actors – women, girls, the young, the elderly – to participate confidently and without intimidation. The results of the process are good governance and strengthened democracy. The establishment of such an environment will create conditions favorable to the success of all strategic objectives of the PRSP-II.

2.2.2. Intensifying efforts against bribery, embezzlement, and other forms of corruption

207. In the eyes of the population and according to international reports (e.g., Transparency International reports, the Moi Ibrahim Index of Governance in Africa, and the diagnostic study of governance and corruption in Burundi), embezzlement is a recurrent problem that pervades nearly every sphere of central government.

208. This phenomenon is a major obstacle to economic growth in that it harms the country's image and discourages investors. Corruption thwarts private initiative to the extent it increases transaction costs and makes investments less profitable. For citizens, corruption raises the prices of products and services they require. Bribes must be paid to access public services, and this affects the image of the public administration and the quality of services.

209. In recent years, the government has adopted significant initiatives to correct the situation. Entities were established to deter corruption, including the Office of the Government Inspector General, the Court of Audit, and the Anticorruption Brigade and Court, and progress has already been made in the fight against financial crimes. Additional measures have been taken to create an environment favorable to positive cooperation with civil society through local good governance committees and the organization of outreach and information campaigns highlighting the challenges and consequences of embezzlement. Such efforts have already led to the recovery of large amounts of embezzled funds and prosecution of those responsible.

210. At his inauguration in August 2010, the head of state proclaimed zero tolerance of corruption. In line with this policy, combating corruption should be the highest priority of the government and all managers within the government hierarchy. To analyze all dimensions of the problem of corruption, the government recently completed the SNBGLC and action plan geared toward: (i) prevention, (ii) investigation, (iii) reporting acts of corruption, (iv) recovering the proceeds of corruption, and (v) increased public involvement.

211. First and foremost, the government plans to implement a consistent, effective legal framework in line with international standards for anticorruption measures. Specifically, implementation will include incorporating good practices established by international laws and identifying gaps that impede the enforcement of current laws and texts designed to control corruption. In parallel, particular effort will be made to strengthen the operational capacities of entities responsible for fighting corruption. In that context, an audit will be conducted of each unit while awaiting the implementation of a more rational system of coordination.

212. The foremost consideration in prosecuting embezzlement cases will now be to end impunity and recover property unlawfully converted or acquired. Accordingly, cases

transferred to the courts will be promptly and thoroughly reviewed, and mechanisms to freeze, seize, or recover assets and proceeds of corruption will be established, and international cooperation to recover such assets will be strengthened.

213. In regard to prevention, transparency in managing public affairs will be key to the strategy's success. Particular attention will be given to reducing corrupt practices in awarding public contracts. Transparency in recruiting and managing the personnel responsible for public procurement will strengthen the integrity of managers working in this area.

214. The success of the strategy also depends on an active partnership between civil society, the private sector, and public authorities. The partnership will clearly define the different stakeholders' responsibilities in promoting behavior that will eliminate corruption. Outreach and information on the impact of corruption will play an important role in enlisting citizens' support and commitment and internalizing the values of equity, free competition, transparency, and respect for the law.

215. In the same vein, studies of corruption will be undertaken, including diagnoses of trends and causes, the areas targeted by corruption, and the impact of the measures recommended by the government's strategy. Actions will also be taken to improve the system of monitoring corrupt acts, identify trends, evaluate the effectiveness of measures and the regulatory framework in order to recommend corrective measures.

2.2.3. Improving performance in public institutions'

2.2.3.1. Strengthening capacities of coordinating units

216. The need to improve the effectiveness of public institutions is dictated by the urgency of correcting gaps observed in recent years, particularly problems of coordinating government action due to personnel turnover, interagency rivalries, and the parliament's weak capacities in regard to oversight of government action and legislative initiatives. It is essential, then, to strengthen the capacities of governmental and parliamentary units. To this end, the government plans to audit the mechanisms for coordinating government action, implement the conclusions of that audit, and strengthen legislators' capacity to conceive and initiate new laws and supervise government action.

217. To increase the effectiveness of public policies and promote more effective aid, the government will continue actions undertaken to improve consistency between strategic planning, coronation of aid, and budgeting. Capacity building is also a high priority for the success of the priority programs identified in the context of the PRSP-II. To this end, the adoption of the national capacity building policy will facilitate rational execution of the missions assigned to the administration.

218. That policy was prepared in four phases: (i) preparation of a policy letter and document, (ii) drafting of the medium-term National Capacity Building Strategy (SNRC) and definition of the institutional monitoring framework, (iii) definition of a National Institutional Development Program (PNDI) to ensure consistency of policies and reforms, and (iv) the formulation of priority sector capacity building programs to accelerate the achievement of MDGs by 2015. To ensure effective implementation of capacity building programs, it is important that a coherent institutional framework be created that will serve to coordinate all activities associated with this issue.

2.2.3.2. Accelerating implementation of government reforms

219. An effective public administration that is accessible to all citizens is an essential condition for sound management of the growth and poverty reduction policies undertaken by

the government. The administrative reforms under way and the start of implementation of reforms contemplated in the context of Burundi's participation in the EAC represent progress toward a more modern and effective public administration.

220. The achievement of these objectives is liable to be slowed, however, by the many persistent challenges concerning the capacities of public agencies. Many factors affect agencies' performance: administrative burdens, turnover of technical staff, low compensation and attendant lack of motivation, and an ineffective system for evaluating government officials' performance.

221. These problems often result in civil servants' absenteeism, which negatively impacts the business climate and imposes lengthy processing delays that dampen investor initiatives.

222. At the same time, inadequate management-employee dialogue can lead to strikes, which further reduce the administration's effectiveness. Also, the failure to strictly enforce the law on the separation of technical and political functions and the lack of a culture of accountability are some of the factors that explain the poor productivity of the Burundi government. These factors should be analyzed in order to mitigate their effects.

223. The evaluation of program execution under the PRSP I revealed a serious lack of personnel and institutional capacities in designing and managing economic and social policies and monitoring impacts.

224. In order to make the Burundi administration an effective, efficient public service that inspires citizens and investors confidence, the government established the following objectives: (i) improve administrative governance, (ii) rationalize the civil service, (iii) promote accountability, (iv) promote dialogue between management and employees, and (v) effectively implement the National Administrative Reform Program (PNRA).

225. In rationalizing the civil service, the government intends to increase transparency in the process of recruiting public employees, clarify the mechanisms for evaluating performance, and to ensure adherence to the profile/position with respect to technical positions. To this end, the government will prepare mechanisms to periodically identify training needs to serve as a basis for developing appropriate training programs.

226. Maintaining a calm work environment will be an ongoing concern of all administrative managers, especially to further the performance objective. Dialog between management and employees must be improved to avoid repeated strikes and reduce their impact on productivity and the benefits the public expects of government.

227. Strengthening the duty of accountability at all levels is imperative to establish the basis for a reliable, responsible administration capable of communicating. Using modern means of communication, emphasis will be placed on wide dissemination of official texts, translation of those text into national language, and improved delivery of public services.

228. To ensure effective implementation of the PNRA, the capacities of the ASAP Bureau should be improved and expanded.

2.2.3.3. Expanding the capacity of government buildings

229. To increase the central government's effectiveness, it is essential that public buildings provide proper working conditions. The government currently owns very few administrative buildings and is forced to lease office buildings from the private sector that do not always meet its needs. The state must therefore allocate a considerable budget to leasing offices that are located in residential areas and often far away from one another.

230. Several actions were taken to address the situation, including the construction of a building for the Ministry of Finance and Development Planning (MFPDE), completion of a study for implementation of an administrative and business zone, and the rehabilitation of three administrative buildings in Gitega.

231. Eventually, the government intends to increase the capacity of government buildings by (i) rehabilitating and maintaining existing properties, and (ii) constructing new government buildings.

232. To achieve these objectives, the government's strategies will be based on improved planning for the building sector, strengthening institutional and technical capacities, promoting the use of local materials, mobilizing sufficient financial resources to construct new buildings, and establishing appropriate incentives to encourage engineering and construction firms to participate in building development programs.

2.2.3.4. Decentralization and community development

233. It is important to restore an atmosphere of trust between the government and citizens by improving the political and security environment. To enhance the performance of central services, it is essential that those services refocus their missions and give consideration to strengthening the capacities of communes, which play a leading role in implementing the decentralization policy.

234. It should be noted that the government has already adopted a framework document on the national decentralization policy and action plan; the law establishing the communes' autonomy has entered into force, and all the communes have their own community development plans (PCDCs). Initiatives have already been launched to increase the communes' capacities to coordinate local development actions, including the organization of training sessions for communal managers and staff and the preparation of laws extending the scope of the decentralization policy. Additional laws are also being prepared, including the proposed communal civil service statute, the proposed law creating and organizing the Bujumbura communal government, the proposed law delineating the respective authorities of the central government and the communes, and the law on intra-communal cooperation. The creation of a national communal investment fund represents important support for the implementation of communal development programs.

235. However, serious constraints continue to hinder implementation of the government's policy, which aims to turn the communes into veritable development centers. The communes lack of financial viability, insufficient means to finance PCDC priorities, inadequate human resources allocated to PCDCs, ineffective communal development committees (CCDCs), and problems in coordinating PCDCs and sector policies preclude effective execution of the decentralization policy and community development plans.

236. The ultimate objective is to make decentralization the preferred mechanism of citizen participation in the development process and local wealth creation. From this perspective, the government will continue and intensify efforts to effectively involve citizens in community development by strengthening the CCDCs, which will take on greater visibility in all the communes.

237. As the intermediaries between citizens and the communal authority, the community development units must be better structured and equipped to prepare for more active citizen participation in the various development initiatives. Similarly, the government will strengthen

the capacities of local stakeholders and communal officials to promote the collective determination of communal priorities.

238. The effectiveness of CCDCs depends on communes' capacities to coordinate all local socioeconomic activities and fully utilize their potential. For this reason, a legislative framework and implementing measures will be prepared to transfer authority to the communes, followed by the transfer of financial resources and decentralization of government technical services provided to the communes.

239. A closer study should be made of the nature of subsidies to be provided to the communes, the modalities of transfer, and the implementation of appropriate mechanisms to stimulate the private sector, especially local entrepreneurs, in the context of increased contributions from local authorities to the communes' budgets.

2.2.3.5. National Statistics Development Strategy: Promoting a culture of results-based decision making

240. The National Statistics System (SSN) produces limited statistics on an irregular basis, and no standard surveys are conducted at regular intervals to provide the basic information required for Burundi's other statistical activities. Analytic capacities are also insufficient to discern major trends and their policy implications.

241. The SSN is in the formative phase and poorly organized. It uses disparate concepts, nomenclatures, and methodologies, compromising the reliability of the data produced. In addition, lack of resources and capacities to produce statistical data prevent the SSN from meeting statistics users' needs.

242. Nearly all the ministerial departments lack a unit dedicated to producing statistics. Accordingly, the Institute of Statistics and Economic Research (ISTEEBU) remains the primary instrument of the statistics system although its role should be to coordinate and harmonize the methodologies used in statistical activities. Furthermore, the SSN founding act, Law no. 1/17 of September 25, 2007, has yet to be fully implemented.

243. To address these shortcomings, the government instituted a multiyear statistical activities program and in February 2010 it adopted the National Statistics Development Strategy (SNDS) with the aim of strengthening institutional statistics capacities and providing greater autonomy for the national statistics system.

244. The objective is to regularly produce high-quality statistical information and satisfy users' needs by constructing the data series required for economic, social, and political decision making by the government and its partners.

245. The principal strategies of the SNDS for the period 2011-2015 are to (i) coordinate the production, analysis, and utilization of data, (ii) address related issues such as participation in formulating national poverty reduction policies and programs, (iii) organize the contribution of all sector statistical production units, and (iv) create a coherent framework for intervention by various factors, including bilateral and multilateral assistance.

246. The recommended approach is the development of an "operational National Statistics System, active in all facets of national life, capable of implementing a coordinated, harmonized program, with appropriate personnel and technical resources adapted to modern methods aligned with regional and international standards, producing, analyzing, disseminating, publishing, and archiving reliable statistics, on a regular basis, comparable over time and space."

247. Three additional objectives were defined in this context: (i) ensure governance of the SSN, (ii) develop the production of statistical data, and (iii) and develop a decentralized statistics system. The implementation of the SNDS is a critically important investment for the country, as it is key to the institutional mechanism for monitoring execution of the PRSP. The emphasis on poverty reduction and improving the population's welfare means that the monitoring-evaluation mechanism should be based on a central component of household surveys facilitating the measurement of changes in living conditions.

2.3. Fiscal Management Reforms

248. Fiscal management reforms involve budget preparation and execution (revenue, expenditure, cash flow management) and the implementation of the internal and external controls needed to ensure management transparency and prevent fraud and corruption. Substantial measures are also needed to improve bid evaluation and approval of public contracts and strengthen internal and external controls.

2.3.1. Budget preparation

249. Substantive progress was made in budget preparation. The MFPDE timely produced a framing letter for use by the other ministries in preparing their sector budget proposals in accordance with the macroeconomic framing and projected funding.

250. The technical ministries' proposals are based on sector strategies, certain of which include in-depth analyses of sector situations and priorities, while others are closer to outlines and should be fleshed out and improved. The public investment program (PIP) is one of the most important documents in budget preparation; it defines priorities for public investment and plays an essential role in programming and coordinating donor assistance.

251. All the ministries have begun to prepare sector MTEFs that are consolidated into a central proposed MTEF, which defines inter-sector priorities and proposes three-year budget appropriations for all sectors. All of these proposals come with the macroeconomic policy framework and strategies defined in the PRSP.

252. In the short term, the most important budget preparation reforms to be undertaken concern: (i) ensuring that complete sector strategies are developed for all ministries; (ii) improving the preparation of PIPs; (iii) involving all ministries and sectors in preparing sector MTEFs; (iv) continuing efforts under way to define the macroeconomic framing and realistic domestic and external resource forecasts; (v) preparing three-year central MTEFs every year; and (vi) ensuring consistency between the budget proposals and priority strategies defined in the sector strategies and the PRSP. In regard to improve programming of public expenditures, the share of agriculture, productive sectors, and economic infrastructures will be considerably increased by reducing the share of defense and a limited increase in the social services budget. In this respect, the priorities of the central MTEF are fully consistent with the government's new strategy objectives.

253. One of the most complex problems is integrating external financing in resource and expenditure forecasts. The predictability of external support should be improved in the context of consultations between the government and donors.

254. Given the time lag between project approval and implementation, special efforts should be made to collect the data required to prepare detailed project disbursement and expenditure forecasts as quickly as possible. To this end, the government will arrange for closer cooperation between project managers and the central institutions responsible for managing aid. The government also hopes that more donors will adopt the system of coordinated, co-

financed sector financing, which could take the form of special appropriation budgets provided by the framework budget law and replace a large proportion of project financing.

255. One of the government's longer-term ambitions is to transition to the use of program budgets, initially planned for 2014. This reform is advisable, but the implementation timetable will depend on the central and sector ministries' progress in fully assimilating MTEFs as a tool to integrate macroeconomic and sector strategies in the budget preparation process. The reform will be much more effective to the extent all parties concerned are proficient in its execution.

2.3.2. Budget execution

256. **Revenue.** Burundi has been successful to date in maintaining a relatively high tax ratio (18 to 20 percent of GDP). However, the small tax base poses a problem in that a small number of taxpayers provide the majority of domestic tax revenue. Burundi's membership in the EAC complicates this problem because of the introduction of the Common External Tariff, which applies to taxes on imports from countries outside the EAC and exempts trade between member countries, and therefore represents a loss of customs receipts. The introduction of the VAT partially offsets this loss.

257. The government established the Burundi Revenue Office (OBR), which became fully operational in early 2011. The OBR is currently the sole institution responsible for collecting taxes, customs duties, and non-tax revenue. This reform has already served to increase first quarter 2011 receipts by 40 percent relative to 2010, and is expected to improve the predictability of tax revenue in the future.

258. Several measures were taken during the OBR's first year in operation, including amendment of the customs code and the introduction of the ASYCUDA data collection system and unique tax identification numbers. To consolidate the progress made, the system of exemptions should be reviewed and the collection of non-tax revenue should be improved.

259. To this end, the OBR has already installed new IT systems at customs posts and plans to redesign the IT systems supporting tax and administrative functions. In addition, the government is preparing a new income tax code, amendments to the VAT code and excise tax provisions, a tax procedures code, and new measures to better regulate the petroleum sector. These reforms will help expand the tax base and create a more favorable environment for investment.

260. Finally, the OBR has begun to implement accords with neighboring countries to create one-stop border posts. This measure is essential to reducing delays and transaction costs, and will therefore help to expand trade between Burundi and the other EAC member countries.

261. **Expenditure.** Significant progress was also made in regard to management transparency (elimination of off-budget accounts and the reductions of payments made without prior authorization). In addition, the introduction of SIGEFI and expansion of functionalities (e.g., the balance application) provide the government with a relatively effective tool to monitor public expenditure management and produce execution reports. The reforms to be undertaken in the future concern the continual enhancement of SIGEFI capacities, expansion of the system to revenue, and, eventually, gradual integration of externally financed activities and expenditures.

262. At this time, the MFPDE authorizes and issues payment orders for all expenditures. However, the government plans to transfer this task to the technical ministries, to be performed under the supervision of the controller responsible for budget commitments

(contrôleur des engagements). This reform should be carefully prepared, and will require revision of expenditure execution procedures. Implementation of this change will require enhancement of the SIGEFI and training of the disbursing ministries' financial units. It could be tested in two or three ministries prior to rollout to all ministries. This measure, combined with the development of sector strategies and MTEFs, will empower the technical ministries, which will take charge of programming and managing their expenditures in connection with the national strategies codified in the central MTEF.

2.3.3. Cash flow and public debt management

263. Several measures were implemented to improve cash flow forecasts and adjust the pace of expenditure accordingly. In this regard, the recent preparation of cash flow plans and the introduction of commitment plans establishing quarterly spending ceilings for all ministries represents a very important advance. Supported by a SIGEFI functionality that will prohibit any commitments incompatible with the ceilings, this reform should consolidate budget discipline and prevent a net increase in government careers. However, as the introduction of the system has not prevented certain problems, the government should consider the possibility of a new plan to clear arrears. The design and implementation of the plan will have a strong impact on the business climate, and should be accompanied by strong measures to ensure that cash flow plans and commitment plans are airtight and effective.

264. In regard to debt management, the ministry is currently upgrading the DMFAS application and will conduct capacity building activities to support this measure. Having achieved the HIPC completion point, Burundi is eligible for significant debt relief. However, all evaluations of Burundi's debt levels conclude that the situation remains precarious in light of weak export receipts and the balance of payments outlook. Accordingly, the government has already committed not to accept external financing other than grants or highly concessional loans.

2.3.4. Public contracting

265. The 2008 approval of the new public procurement code is considered a key reform in regard to transparency. Implementation of the code will require the creation of numerous central institutions (Regulatory Authority/National Directorate of Control) and decentralized units of the different ministries, and the allocation of personnel and financial resources to those institutions. The main reform for the future will be the implementation of a broad training program for the institutions' personnel, with support from specialized schools and institutes; in addition, independent audits will be conducted to verify the functioning of the public procurement system.

2.3.5. Internal and external controls

266. Several measures were adopted to strengthen controls and internal and external audits. The government established a Court of Audit to serve the principal function of auditing the government's accounts within a relatively brief time after they are closed. It also created an Office of the Government Inspector General (IGE), whose mission covers all activities relating to public expenditures. Also, the MFPDE introduced an inspection system that replaces the former Office of the Financial Inspector General.

267. The effectiveness of these oversight entities depends on several reforms, including increasing the resources made available to them and better programming of audits and controls to avoid duplication of efforts and focus activities on sectors and procedures

especially vulnerable to fraud. The IGE should prepare a consolidated program of controls and audits, together with other internal control systems.

268. The Court of Audit, now strengthened and provided with the resources, should produce its annual budget execution report on schedule (June), which will allow the proposed budget review law to be submitted to Parliament within the following two months. However, since a decision of the Constitutional Court removed the Court of Audit's authority to audit local entities, the respective authorities of the Court of Audit and other oversight entities, particularly the IGE, should be clarified.

2.3.6. User involvement

269. Users, when provided with the necessary capacities and information, are the persons best able to evaluate the quality and effectiveness of public services. The involvement of users in monitoring and evaluating services will be tested in the health sector, and the lessons from that experience will be used to arrange similar systems in other sectors.

2.4. Promoting Gender Equality

270. Burundi has ratified the regional and international instruments guaranteeing equality and equity, including the Convention on the Elimination of All Forms of Discrimination against Women, Resolution 1325, and many other instruments. The national Constitution guarantees equal opportunity and rights for all Burundi citizens without exception.

271. The results achieved in regard to gender equality are encouraging. There is now a National Gender Policy, and 32 percent of the National Assembly, 46 percent of senators, and 38 percent of members of the government are women. Women are also participating in other decision making capacities: provincial governors, communal administrators, and heads of collines. However, only 17 percent of colline board members are women, and only 136, or 5 percent of the 2,615 heads of collines are women.

272. In regard to security for all, including women, the Criminal Code of April 22, 2009 is relatively progressive in cracking down on rape. In the same context, there is now a national strategy on gender-based violence, a national action plan on Resolution 1325, and a national gender integration strategy for the PNB corps.

273. Free primary education has improved the girl/boy parity for primary school. Free maternal healthcare has also increased the proportion of births attended by healthcare personnel.

274. Despite this progress, gender inequality persists in many socioeconomic areas. Data from the 2006 QUIBB survey indicates that in urban areas, the poverty rate is much higher in female-headed households (49.3 percent) than in households headed by men (28.5 percent). Overall, the national incidence of poverty is much higher in households headed by women.

275. In secondary education, the first cycle completion rate for girls is 17 percent compared to 23.9 percent for boys, and the respective rates are 9.1 percent and 17.1 percent for the second cycle. Despite progress in improving parity in primary education, then, the enrollment rates are still unequal in secondary and higher education.

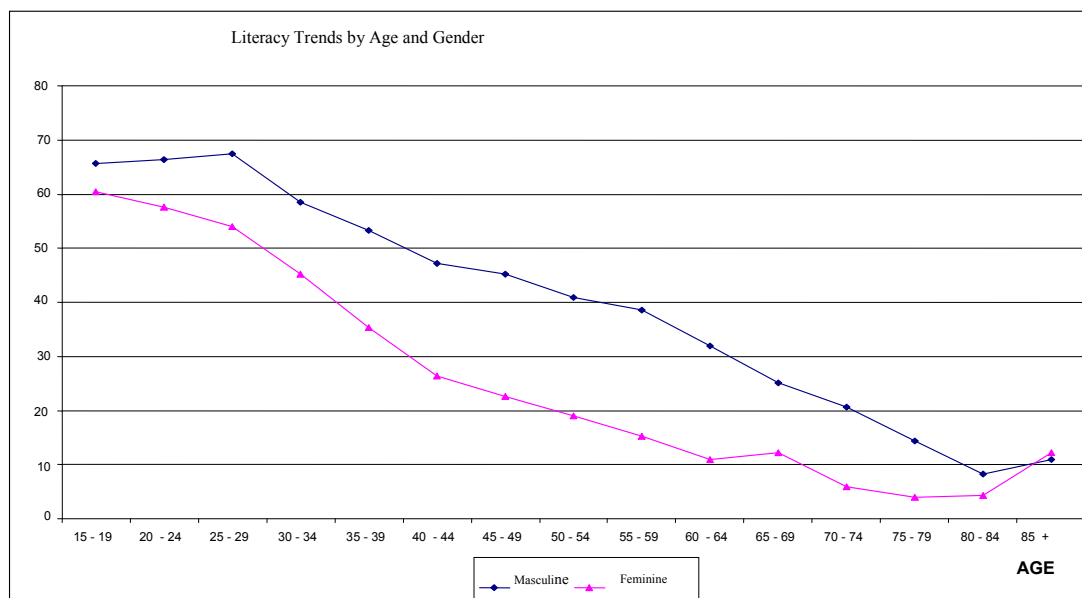
276. Women continue to be particularly vulnerable in terms of health. The female morbidity rate (approximately 25 percent) is higher than the national average (23.1 percent). Nearly 49 percent of women age 35 to 44 suffer from severe anemia, and the HIV/AIDS prevalence in adults age 15 to 49 is 4.2 percent for women but only 3.3 percent for men.

277. Empowerment of women continues to be a major challenge. Women’s limited access to factors of production such as credit and land, and their negligible participation in sectors with growth potential such as trade, banking, and industry, exacerbate their income poverty. According to the 2008 RGPH, of the 80.2 percent of Burundi’s who own land, 62.5 percent are men and only 17.7 percent are women.

278. Women are quite active in the agriculture sector, but have limited access to appropriate production and conservation technologies and control little of the agricultural income they generate. In regard to jobs, women dominate the agriculture sector, where hard work earns little reward, but are clearly less present in the modern sector, where they hold only 35.6 percent of jobs, which are often positions requiring little qualification or involving activities in the informal sector.

279. Progress in this area is highly dependent on capacity building, which is associated in turn with literacy rates, which are particularly low for women as shown in Figure 6 below.

Figure 6: Literacy trends by age and gender



280. Among victims of the conflict, the proportion of women is much higher than men, and women’s specific needs are not sufficiently considered in community empowerment programs. Moreover, violence against women is increasing, along with its serious physical, psychological, social, and economic consequences. In 2009, roughly 2.6 percent of women were the victims of rape, a situation complicated by the widespread occurrence of these crimes and impunity— including in cases where the perpetrators have been identified.

281. In general, gender inequalities are the result of social perceptions and ideologies that often run counter to equality between men and women; insufficient consideration of gender in sector programs; and stereotypical social relations reflecting the persistence of socio-cultural biases against women. Lack of knowledge of regulatory provisions regarding gender equality and equity (reflecting insufficient outreach) and insufficient disaggregated data on the condition of women are additional factors that negatively influence awareness of gender problems. Community consultations revealed that in nearly all the provinces, issues relating

to polygamy— which is prohibited by law – are seen as factors contributing to households’ poverty.

282. To prevent the exacerbation of inequalities and advance toward more equitable treatment of women, the status of women should be improved and strategies should be adopted to eliminate all discriminatory conduct and practices vis-à-vis women, promote equitable access to factors of production, and strengthen women’s capacities in order to increase earnings from their activities.

283. To this end, the government plans to (i) strengthen the institutional framework to implement policies promoting equality, equity, and social stakeholders’ awareness of gender issues, in order to reduce the impact of traditional customs that inhibit girls’ and women’s fulfillment; (ii) promote women’s rights and ensure that women are equitably represented in all spheres of activity; (iii) promote mechanisms to prevent and deter gender-based violence and provide comprehensive assistance for victims; and (iv) create conditions favorable to: increasing access to and control of resources, increasing women’s contribution to Burundi’s social economic development, and strengthening women’s capacities to reap greater benefits from development.

Chapter 3 : Transforming Burundi's Economy to produce sustainable, job-creating growth

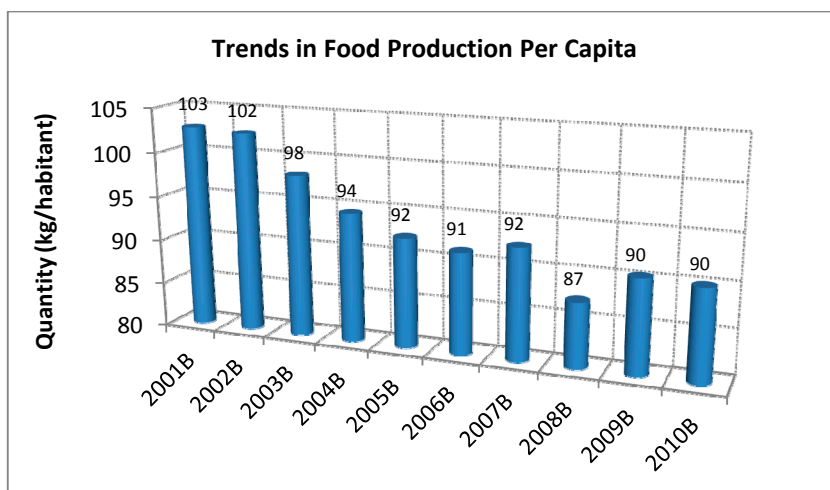
3.1. Increasing Productivity in Sectors with Growth Potential

3.1.1. Improving agricultural, livestock, and fisheries production

284. Agriculture, livestock farming, and rural development in general play a critical role in any poverty reduction strategy. Some 90 percent of Burundi's population and 97 percent of its poor live and work in rural areas. In most regions, food crop production is insufficient to ensure food security for rural populations, and malnutrition rates are particularly high.

285. Although the share of agriculture and livestock farming in overall national economic activity is declining, the sector still contributes 44 percent of Burundi's GDP and 95 percent of its export revenue. In recent years, agriculture sector performance was mixed. From 2006 to 2009, primary sector growth was 2.8 percent, only slightly ahead of rural population growth, contributing little to per capita GDP growth and rural poverty reduction. In fact, demographic growth outpaced that of food crop production (and per capita food crop production declined accordingly), as shown in Figure 7.

Figure 7: Per capita food crop production, 2001-2010



286. This situation is the result of five main factors that should be considered in efforts to boost agricultural production: (i) insufficient financing, (ii) food insecurity, (iii) unfavorable climate conditions, (iv) low productivity, and (v) insufficient support for agricultural production.

287. **Increased but insufficient financing.** Funding for the agriculture sector has increased in line with the Maputo declaration, which provides that each African government should allocate 10 percent of its budget to the agriculture sector. However, despite the larger budget share for agriculture, representing 7 percent in 2011, funding for the sector remains quite insufficient and far from the objective of 10 percent. The agriculture sector was particularly affected by the crisis of the 1990s, and reconstruction programs for agricultural research and outreach systems have been slow to resume.

288. In light of private operators' limited involvement, rural operators have little access to the additional resources essential to modernization. The cooperative movement is in its

infancy, and coordination problems limit the effectiveness of interventions to support the sector.

289. **Food insecurity.** Galloping population growth combined with the shortage of land has led to the continuous fragmentation of agricultural operations, which have decreased in size from over 1 hectare per household in 1973 to 0.7 hectares in 1989, and only 0.5 hectares in 2009. Moreover, soil fertility is steadily declining because land is over-exploited, marginal lands are exploited, and farmers no longer leave fields fallow.

290. **Unfavorable climate and environmental conditions.** Climate conditions are often highly adverse – particularly for legumes, which are quite sensitive to climate variations – and regularly cause depletion of lakes in the northern region and drought in the natural region of Bugesera. Climatic disruptions regularly impact agricultural and livestock operations, accentuate vulnerability for production and populations, and may cause proliferation of insects, the vectors for human and crop disease.

291. Degradation of land is one of the factors impoverishing rural populations who lack the means to purchase the inputs and materials required to modernize their operations. Female heads of households are particularly vulnerable to this challenge. They face precarious land tenure, have limited access to credit, and their agricultural income is less than that of men and insufficient to meet their families' basic needs.

292. **Low agricultural productivity.** Insufficient access to inputs (selected seeds and plants, fertilizers, pesticides, and agricultural equipment) and improved breeds of livestock is a major constraint to increasing the productivity of food and livestock farming. The decline in coffee production, the leading export crop, also calls for special attention. Aging coffee orchards now produce every two years, and national production is in decline.

293. The infrastructure supporting production are inadequate and ineffective. Burundi has few agricultural storage facilities or processing plants, resulting in significant losses, particularly for perishable products (tomatoes, fruits, legumes, etc.). Such facilities would help create a value added chain for primary products. In addition, Burundi's few infrastructures supporting livestock and food crop production are poorly equipped. Transportation and marketing infrastructures are also inadequate: roads in poor condition, inadequate links between Burundi and the rest of the world (air cargo, railroad, lake transportation). In regard to hydro-agricultural resources, Burundi has an extensive network of rivers and streams but it is underutilized, despite droughts in the past decade, particularly in the north. The lack of hydro-agricultural infrastructures hinders the development of irrigation, which could be an important factor in reinvigorating agricultural production.

294. Despite these obstacles, the outlook for agricultural development is encouraging if Burundi can leverage its numerous assets such as:

- i) **good rainfall:** the amount of rainfall (7 to 9 months of rain each year) allows for two agricultural seasons and a wide range of temperate and tropical crops;
- ii) **a network of rivers and streams:** the network would support vast irrigation programs, added to the possibility of marsh development, which would permit staggered production throughout the year;
- iii) **relative fertility of land in certain regions** (Imbo, Moso, Buragane): this is favorable to intensified agriculture;
- iv) **a diverse climate (five natural regions):** favorable to specialized regional crops;

v) ***integration of agriculture and livestock breeding***: already implemented by many Burundi farmers, it could serve to transform traditional methods into a more intensive farming system, creating a symbiosis between agricultural and livestock productions;

vi) ***opportunities for diversification*** of export segments and the new outlets represented by the EAC markets.

295. The government has defined the principal strategies for future action promoting agriculture and livestock farming developments in the 2012-2017 National Agricultural Investment Plan (PNIA) validated by all the public and private partners in June 2011 and adopted by the Council of Ministers in November 2011.

296. The guiding principles for the PNIA are based on the government's specific approach for the agricultural sector, articulated as follows: "The fundamental rule of Burundi agriculture is to ensure food security in terms of quantity and quality for all Burundi people. To accomplish this, it must be transformed from subsistence agriculture to family-operated commercial agriculture, providing a decent income for households respectful of the environment and sound management of resources. This form of agriculture will be implemented in operations that must increase in size to an average of 1 hectare instead of 0.5, and sufficient fertility will be restored to soils to support yields comparable to the best African performance. The farmers who participate in these thoroughgoing changes will be organized operators who possess the technical qualifications necessary to realize the agriculture sector's mission."

297. The priorities defined are based on the following objectives: (i) a sustainable increase in production and food security; professionalization of producers and the promotion of innovation; (ii) development of segments and agribusiness, including livestock and fisheries, and (iv) strengthening of public institutions.

3.1.1.1. Sustainably improving production and food security

298. Protecting productive capital is a prerequisite to increasing production and productivity. Demographic pressure and high population density are causing fragmentation of plots, which results in over-exploitation and reduced soil fertility, which threatens to aggravate food security and disrupt social harmony.

299. In this context, increased production will require improved water management through irrigation and the use of fertilizer and proven agricultural techniques. Actions to control soil erosion and restore fertility are also imperative in the context of a comprehensive approach to develop catchment areas, including the introduction of cattle breeding, planting of forage crops, restoration of the forest cover. The development of provincial land use plans will also serve to promote sustainable production systems, making households less vulnerable.

300. The development of marshes and rehabilitation of irrigated perimeters are also indispensable to an intensified agriculture policy. Currently, only 12 to 15 percent of the marshes are developed, and irrigable planes are insufficiently and irrationally developed. Experiments are under way to establish the basis for future interventions that might be launched in the Imbo, Moso, and Bugerera regions frequently affected by drought.

301. Food crop production will be intensified by strengthening operators' capacities, developing seed production, access to fertilizers, and better organization of input supply chains. Intensified agricultural production will also be accelerated by integrating agriculture and livestock farming and through the introduction and development of permanent or semi-permanent livestock housing.

302. Intensified fish production will be addressed in a specific sub-program that will pursue three objectives: (i) increase the productivity and production of bodies of water while preserving natural ecosystems, (ii) increase the incomes of households involved in fishing and aquaculture, and (iii) diversify the sources of income and protein for households involved in the industry, to ensure balanced nutrition for the populations.

303. To better manage risks and mitigate the population's vulnerability, the government will encourage producer associations to establish community stocks (community bread baskets) to help cope with cyclical shortages. It also plans to improve the early warning system (SAPSSA) to ensure that populations and decision-makers are timely informed of developments in the food and nutritional situation and can take appropriate measures. The objectives of the sub-program are to (i) improve food security and the nutritional status of vulnerable populations in the provinces, where the rate of chronic malnutrition is particularly high, and (ii) increase access to education and develop the capacities of vulnerable mothers.

3.1.1.2. Professionalizing producers and promoting innovation

304. Organizing and strengthening the capacities of producers are key factors to boost the agriculture sector. The government will encourage the creation of farmers organizations capable of defending their members' interests. It will also restructure the production of segments to create strong national cooperative associations based on the same conception now used in the coffee segment. Support will also be provided to groups of cooperative associations to promote the production of large share marketable surpluses.

305. The reform of agricultural outreach will confer an essential role on professional producer organizations, which will gradually assume new responsibilities as local service providers for their members. This approach allow the government to gradually withdraw from the sector. Outreach will also promote entrepreneurship among women and the young.

306. Support in the creation of networks for production and marketing inputs is indispensable to facilitate access to these factors of production. Burundi farmers use fertilizer and other agricultural inputs only to a very limited extent. Encouraging the use of inputs will be a key element in agricultural intensification.

307. Incentive measures will be implemented for this purpose, including improving the legal and regulatory framework and creating a seed control and certification body (ONCCS). The government plans to promote local services to promote community-based services to support professionalization of former organizations, by implementing "service centers." The centers, initially supported by the public sector and eight institutions, will gradually be taken over by private operators. These initiatives are expected to promote entrepreneurship among young people and women, two groups particularly hard hit by rural poverty.

308. In the short and medium term, it will be very important to revive agricultural research and development; restructure agronomic, zoological, and forestry research; and organize and transfer innovations. The recruiting and training of qualified scientific personnel and the equipping of laboratories will require increased budget appropriations. To encourage the transfer of innovation, open-door conferences will bring together producers and research (Institute of Agronomic Sciences, Faculty of Agronomic Sciences, and other research institutes).

309. The establishment and strengthening of appropriate institutions to finance agriculture is a priority for improving the sector's productivity. This will involve, in particular, strengthening microfinance institutions and implementing new financing services as well as

an insurance scheme adapted for the sector. To this end, measures will be taken to introduce a decentralized financing mechanism for sub-projects meeting the needs of producers whose low incomes limit their borrowing capacities.

3.1.1.3. Developing agricultural segments and agribusiness

310. This objective includes intensification and diversification of export crops and food crop production. This program will be sustained by improved infrastructures and the creation of an environment attractive to private investment. The ultimate objective is to help households escape from subsistence agriculture to activities with higher added value.

311. In regard to infrastructure, facilitating activities upstream of production is of critical importance, particularly marketing and conservation of products. It is also important to support the processing of primary products in order to create a value-added chain.

312. **The principal export segments** are coffee, tea, cotton, and cinchona.

i) **Coffee** is a source of substantial growth. In recent years, however, production has been in decline. Increased production and higher-quality beans are indispensable objectives, which can be achieved by rejuvenating orchards, periodic ratooning, and modernizing washing facilities. Over time, the restructured segment and stronger coffee growers' organizations will generate a larger share of revenue for farmers, while a new marketing strategy will aim to promote the production and sale of Burundi coffee as a niche product.

ii) **Ecological conditions enable Burundi to produce high-quality tea.** Efforts in recent years (restructuring of the segment, rehabilitation and modernization of production tools) have made tea the second largest export. The liberalization of the segment currently under way and the intervention of new private actors point to a promising, attractive, and profitable market. However, the current context is fragile and a significant challenge lies ahead in structuring the segment in order to reduce the likelihood of disputes between entrepreneurs and to ensure a stable, regular income for producers. Also, in order to comply with new international requirements in terms of enhancing the value of Burundi tea, the implementation of a quality certification and control system is another imperative.

iii) **Cotton production** is in decline. The government expects to maintain this activity by providing growers a larger share of the income and restructuring the government-owned cotton concern, COGERCO. The process of privatizing this company is under way and must continue.

iv) **Concerning cinchona**, the government plans to expand the areas planted and identify more productive varieties.

313. The strategy of diversifying exports will entail promoting non-traditional crops such as horticultural products and fruits, essential oils, medicinal plants, avocados, and macadamia nuts. The production of these crops will become more profitable as supplies are increased and storage, refrigeration, and marketing infrastructures are created.

314. Increasing food crop production will address the dual objective of ensuring food security and generating a marketable surplus. Cultivating food crops is the main occupation of Burundi's people, but total production falls short of meeting the country's needs. Moreover, it does not generate sufficient income to overcome poverty and malnutrition in rural populations. For these reasons, the government intends to both stimulate the production of traditional food crops that are the staples of rural consumption (bananas, cassava, potatoes, sweet potatoes, beans) and diversify production through increased emphasis on oleaginous

crops (oil palm, soy, sunflower, groundnut), sugarcane, wheat, maize, barley, sorghum, and rice.

315. To reduce Burundi's dependence on imports, the government's strategy provides for promoting and expanding segments such as rice, beans, and cassava. In particular, rice culture will be intensified by distributing higher-yielding seeds and inputs, providing processing infrastructures, and organizing producers.

316. With respect to the oil palm, the aging palm stand in the Rumonge and Nyanza Lac regions is being converted. The government also recommends extending this activity to other regions where ecological conditions are favorable. Capacity-building activities for palm growers will focus on limiting losses in artisanal oil production. In addition, industrial cultivation of sugar cane will be developed in the Moso, Buragane, Imbo, and Bugesera regions in conjunction with the development of small farming operations.

317. **Livestock farming will play an important role in improving agricultural productivity**, and represents a source of income for the majority of rural households. The demand for livestock products is strong, and prices serve as an incentive. However, without massive investment in the sector, the country will have a net deficit of livestock products, particularly meat and dairy products, by 2020.

318. Currently, the supply of dairy products, meat, and eggs is far below what is needed to meet the growing demand generated by population growth and a more diversified diet. According to analyses and projections, if nothing is done to increase livestock production, the deficit could reach 86 million tons of meat, 39 million liters of milk, and 18 million eggs by 2020.

319. Such a development would have serious consequences for average per capita consumption, imports of animal products, the country's economic balance, and its dependence on imports to ensure households' food security. In addition, resorting to massive imports of animal products entails the risk of introducing diseases and harming local products' competitiveness.

320. Livestock farming would be developed by mobilizing direct investments in areas of potential added value and continuing the government's program of rebuilding livestock herds initiated in 1998. In addition, extensive livestock farming operations should be gradually reduced in favor of more intensive systems. Accomplishing this will require providing forage seed to breeders, diversifying non-grazed feed inputs, etc.

321. Promoting artificial insemination will require strengthened capacities; to this end, the government will place high priority on rehabilitating veterinary infrastructures and supply chains for veterinary inputs and products. The intervention capacities of veterinary technicians and instructors will be strengthened to improve animal health. The government also plans to diversify and modernize the small stock production, which represents an important component of food security and, significantly, a safety net for poor rural households.

3.1.1.4. Strengthening public institutions

322. In implementing the PNIA, the government plans to apply the following principles: (i) streamline essential Ministry of Agriculture (MINAGRIE) functions, in particular planning and implementation; (ii) harmonize national planning instruments with agricultural planning instruments to establish the credibility of the planning process vis-à-vis Burundi's partners; (iii) involve all public and private sector actors and national and international

financial institutions. Close cooperation and synergies with other ministries (particularly the ministries of energy, finance, trade, the environment, and transportation), the development partners and the private sector will contribute effectively to achieving the vision for national agriculture; (iv) since capacity building for all stakeholders is a crosscutting concern, every program or project will include a specific capacity-building component; (v) a participatory approach, community empowerment, and management by community development committees and producer organizations will be the rule for every program and project; and (vi) consideration of the interests and needs of vulnerable groups, in cooperation with the ministries responsible for women's issues, health (in regard to HIV/AIDS), and repatriates and displaced persons, will be a common theme for all development actions included in the PNIA.

323. The purpose of the program is to strengthen MINAGRIE capacities and performance through (i) reform of its organization and operations and building personnel capacities; (ii) improving the work environment and working conditions for MINAGRIE personnel; and (iii) supporting implementation of the PNIA under a program approach.

324. The objective in reforming MINAGRIE is to promote a new institutional vision and establish an implementation strategy accompanied by capacity building for MINAGRIE personnel.

325. Improving the work environment and working conditions will include broader reflection on performance-based compensation (contracting) and providing resources to personnel.

326. In implementing the PNIA, the government decided to refocus objectives and activities on the program approach, which will gradually replace the traditional project approach. The government's withdrawal and decentralization requires the introduction of the programming process and participatory, effective monitoring and evaluation. To this end, a statistical database should be implemented to establish the initial values to form the basis of a monitoring/evaluation system for each program and sub-program. The units concerned will be provided with the communications and IT tools required for programming, monitoring, and evaluation of the PNIA.

3.1.2. Rational development of mines and quarries

327. The mining sector is characterized by the expansion of artisanal activities and the near absence of modern operations, reflecting the combined effects of the long conflict, the lack of basic infrastructure – particularly power supply (both quality and quantity) – and the lack of a clear sector policy. Moreover, the international financial crisis has halted investments and exploration. These factors account for a portion of the drop in mining production in 2009 and 2010 (after several years of steady growth culminating in 2008).

328. Unlike the modern sector, artisanal mining is expanding, often in the form of informal sector activities. This accounts in part for the foreign trade structure of mining products: a significant proportion of exports recorded in the official statistics merely transit through Burundi, while an appreciable portion of local production leaves the country by clandestine means. Moreover, as currently practiced, artisanal operations have a number of adverse effects, such as environmental degradation caused by rudimentary techniques, child labor and exposure to disease, and low wages, particularly for the young.

329. The tax exemptions, particularly VAT exemptions, provided to mining sector operators are intended to promote private sector investment. However, the mining sector's contribution to national production and the balance of payments is still quite small, only 3 percent of export revenues and 1 percent of GDP in 2010.

330. The mining sector offers significant potential which, if realized, could have a substantial effect on growth and job creation. For example, a kilogram of nickel (after refining) commands up to US\$30 on the international markets. In addition, as a labor-intensive sector, it has strong potential in terms of poverty reduction. Table 7 provides estimates of the principal reserves.

Table 7: Burundi's mining potential

Mineral	Location	Estimated reserves	Content
Nickel laterite	Musongati/Rutana	180 MnT	1.62% Ni
	Nyabikere/Karusi	46 MnT	1.45% Ni
	Waga/Gitega	35 MnT	1.38% Ni
Vanadium	Mukanda/Gitega	9.7 MnT	0.63% V
Phosphates	Matongo/Kayanza	270,000 T	14.9% P ₂ O ₅
Carbonatites	Matongo/Kayanza	9.44 MnT	45.19% Ca O
Peat	Nyamuswaga	36 MnT	11% humidity
	Ndurumu		
	Buyongwe		
	Nyavyamo		
Calcareous	Cibitoke	2.2 MnT	40,32% Ca O
	Busiga/Ngozi		2,2% MgO

Source: Ministry of Energy and Mines.

331. The modernization of the legal framework began with the revision of the Mining Code. To reassure potential investors, the code and accompanying action plan should be strictly applied. The preparation of a sector policy is under way and represents an important step toward better management of Burundi's energy and mining resources. These measures will help create a more favorable climate for long-term investment.

332. In the short and medium term, the objective is to support research, extraction, and processing of mining resources while protecting the environment and improving productivity of artisanal operations. The measures will include technological capacity building and education and training in environmental issues. Support for artisanal mining will focus on improved oversight and will promote the creation of industry associations and small and medium-sized enterprises. The transition from informal to formal operations will also increase tax revenue generated by the sector, which currently contributes little to the government budget.

333. In regard to the development of modern mining operations, technical studies for processing nickel have recently been completed. Industrial-scale extraction with refining will require the production of up to 150 MW of power for Musongati alone, although current installed capacity, including thermal plants, is slightly over 45 MW.

334. This energy gap could be filled by constructing a group of medium-capacity hydroelectric plants or one high-capacity thermal plant. The refining capability will sharply decreased the tonnage to be exported, yet the transportation system must be rehabilitated and improved in any case to facilitate all the transactions with neighboring countries.

3.1.3. Promoting industrial and artisanal activities

3.1.3.1. Strengthening industrial activities

335. Burundi's industrial fabric includes import substitution industries, extractive industries, and micro-industry. The industrial sector is underdeveloped in general (contributing on the order of 5 percent of GDP) and faces a number of constraints including: (i) outdated equipment, (ii) the use of obsolete technologies, (iii) underutilization of installed capacities, (iv) weak competitiveness, (v) insufficient energy, and (vi) a high tax burden.

336. This combination of factors explains the sector's poor performance. However, recent trends in the index of industrial production appear to indicate a recovery, as suggested by the data in Table 8 below.

Table 8: Index of Industrial Production, 2005-2010

Year	Food industries	Chemical industries	Textile industries	Other	Weighted index
2005	72.7	8.9	9.5	0.7	91.8
2006	83.0	6.0	5.5	0.6	95.2
2007	90.5	5.3	0.0	0.7	96.5
2008	90.2	7.6	0.0	0.4	98.2
2009	88.5	6.9	0.0	0.6	95.9
2010	92.1	7.5	0.0	1.1	100.7

Source: BRB, 2010 report.

337. Given the increased competition since Burundi joined the EAC, all industrial enterprises must now promote research and employ technologies that will maximize local value added, significantly improve the quality of products, and strengthen competitiveness, particularly in production geared toward exports.

338. The government's main objectives for the future are based on (i) reviving industrial activity, (ii) promoting segments with growth potential, (iii) accelerating measures to remove administrative obstacles, and (iv) improving the legal and institutional framework governing industrial property.

339. Reviving industrial activities depends largely on the effectiveness of programs to restructure and upgrade enterprises and other factors such as access to financing, availability

of energy, a supply of qualified labor, the rational use of new technologies, the development of industrial zones, and the preparation of a coherent sector development strategy.

340. Promoting SMIs/SMEs, including initiatives for youth and women's entrepreneurship, will continue to be a key component of an industrial development policy. In this context, it is important to support the creation of joint ventures, identify natural resources with strong growth potential, and encourage technical, managerial, and marketing expertise.

341. Developing segments will focus on agro-industry and non-agricultural sectors with growth potential. Regarding agro-industry, Burundi already has coffee, tea, oil palm, wheat, and sugar processing firms. Experience shows that these enterprises are a lucrative outlet for agricultural production and encourage farmers to improve performance.

342. Additional investments will be made to increase competitiveness vis-à-vis the EAC member countries.

343. The exploration of new segments will also be encouraged, particularly in regard to livestock products and fruit and vegetable processing.

344. To reduce the economy's heavy dependence on traditional export crops, the government, in partnership with the private sector, will promote activities with growth potential and expand opportunities for local processing of food crop, livestock, poultry, fish, and forestry productions. An information system will also be implemented to disseminate, inter alia, existing studies on developing the country's natural resources.

345. Efforts to strengthen the legal and institutional framework will focus in particular on developing a national industrial property policy, simplifying procedures for establishing enterprises, and improving dialogue between the public and private sectors.

3.1.3.2. Promoting artisanal activities

346. Artisanal activities are expanding in the informal sector due to the underdeveloped legislative and regulatory framework, lack of information about opportunities available in new segments, and poorly organized distribution channels.

347. Accordingly, a study will be conducted to identify and address problems relating to development of partisan industries, establish an institutional and legal framework adapted to sector needs, and introduce more appropriate financing mechanisms.

348. In the same vein, collective entrepreneurship will be encouraged, including the establishment of women's and youth associations, to enhance the appeal of artisanal activities and make the sector more dynamic.

3.1.4. Promoting Burundi culture and tourism

3.1.4.1. Marketing Burundi culture and changing attitudes

349. Burundi culture has played a very limited role to date in national development policies and strategies. The share of the national budget allocated to cultural expenditures has consistently hovered around 0.1 percent.

350. However, it is increasingly apparent in economies around the world that culture can produce spectacular outcomes for organizations and governments alike when conceived as a catalyst and driver of performance and development. This is particularly true in emerging countries such as China, South Korea, Singapore, Malaysia, and Mauritius.

351. Drawing on the example of these countries, Burundi plans to attach increasing importance to its national cultural policy and promote positive cultural values, both to better respond to numerous socio-political and socioeconomic challenges it has faced for many years and to fully realize the opportunities offered, such as regional integration, new information and communications technologies, and exploitation of the vast potential of its natural riches, which have remain virtually untapped until now.

352. This program will require the development and implementation of a strategy to change Burundi attitudes and behaviors – as stated by the president in his August 2010 speech inaugurating his second term, and as recommended in the recently adopted Vision Burundi 2025, which specifically includes changing attitudes as imperative to realizing the vision.

353. It will require re-engineering Burundi culture and transforming it into a society based on positive fundamental values in which leadership for good governance is particularly characterized by integrity, excellence, patriotism, and dedication to the peoples' interests.

354. **Burundi culture** offers significant potential and represents an important opportunity for job creation. However, the development of cultural activities is hampered by the lack of a genuine cultural industry and competent professionals (choreographers, film directors, museum curators, musicologists, archivists) capable of profitably exploiting the available opportunities. Weaknesses in the institutional and legal framework governing intellectual property rights are also an obstacle to developing the creative spirit of Burundi artists.

355. In fact, although laws were adopted to protect author's rights, they continue to be violated today. The establishment of the Burundi Copyright Office planned by the government could generate greater interest among artists and consolidate national cultural values. From the same perspective, the government plans to ratify the Bern Convention.

356. In the short and medium term, the economic value of Burundi's cultural heritage will depend on specific, practical measures to: (i) and ensure protection for artistic works, (ii) combat piracy of artistic works, and (iii) promote the cultural heritage.

3.1.4.2. Developing tourism

357. After a period of encouraging progress, tourism was severely impacted by the insecurity throughout Burundi in recent years. The decline of tourism activities is reflected both in supply and demand.

358. In terms of supply, the country has significant potential in the form of national parks, numerous lakes including Lake Tanganyika, and protected areas such as the Kibira and Ruvubu areas and tourist sites (Gitega, the source of the Nile, hot springs, etc.).

359. Hotel capacity is quite limited and concentrated in Bujumbura. There are currently 1,387 rooms in 68 hotels that are not yet classified. Facilities for international conferences are rudimentary or nonexistent, and there are no international chains that would serve to anchor a large network supporting cooperation with travel agencies and providers of related services. The country has no effective tourism statistics system. The sector is underfinanced, complicating marketing and promotional activities directed toward foreign tourists. Lastly, the sector lacks qualified personnel, which impedes current and future investment.

360. After a period of rather mixed growth from 1996 to 2001, demand increased consistently beginning in 2004, when security conditions improved. The number of international arrivals, estimated at 27,000 in 1996, jumped to 85,206 in 2003 and 198,186 in 2007. However, these figures are far lower than those of neighboring countries such as Kenya and Tanzania, visited by 1.840 million and 644,000 travelers, respectively, in 2007.

361. The government recently adopted a national sustainable tourism development strategy for 2011-2020. The strategy aims to boost the number of tourists by structuring supply, stimulating demand, and improving the tourism information system.

362. The strategy to **structure and improve supply** aims to (i) identify and develop tourist areas, (ii) effectively organize tourist routes, (iii) strengthen incentives to attract and secure investments, (iv) provide training for stakeholders to improve the quality of services offered and acquaint them with marketing techniques, (v) develop conference tourism, and (vi) adapt artisanal products to tourists' expectations.

363. To **stimulate demand**, the strategy recommends improved targeting of the local and regional market to development a thorough understanding of opportunities; an active partnership with tour operators to development a more organized approach to international prospecting, and support measures such as use of the internet.

364. Because tourism offers strong potential for accelerating growth (through spillover effects on other economic activities (agrifood, artisanal industries, banks, jobs and public revenue), **regular, reliable tourism statistics will be essential** to better monitor tourist activity and program the necessary investments. Efforts will therefore be undertaken to improve collection of the information required to adequately meet demand in terms of quality of services and capacity of accommodations.

3.1.5. Promoting trade

365. Trade plays a relatively modest role in the Burundi economy: it represents only 2 percent of tertiary sector production, which is still dominated by the public administrations.

366. **Domestic trade:** the long period of armed conflict, destruction of trade centers and the loss of many operators' business assets disrupted the commercial trade dynamic. In addition, numerous taxes, burdensome procedures required to establish companies, and ill-adapted laws combine to favor the development of an informal sector, which dominates commercial activities in Burundi.

367. Domestic trade is also constrained by the lack of information on the nature and volume of supply in Burundi's different regions, the result of low penetration of modern communications facilities in rural areas.

368. Significant measures have been taken in recent years to address these issues, including rehabilitation and modernization of trade centers, strengthening the legal and regulatory framework (amendment to the Commercial Code and Public and Private Corporations Code), the organization of expositions, and full liberalization of the sector.

369. The priority actions during implementation of the PRSP-II are to continue efforts undertaken to modernize trade centers, support information channels on supply, professionalize distribution systems, and improve surveillance of prices and quality standards.

370. In this context, consumer protection is an important element of trade promotion. Partly in response to this concern, the government created the Burundi Standards Bureau (BBN).

371. From this perspective, the BBN should be adapted to the imperatives of ongoing quality surveillance for products marketed and compliance with international standards. The recommended actions focus on (i) strengthening BBN capacities (personal training and rational enforcement of applicable laws), (ii) support for the competitiveness of Burundi enterprises through strict adherence to quality standards, (iii) providing the BBN and with

appropriate infrastructure and equipment, and (iv) establishing BBN units at border posts and other strategic locations.

372. **Foreign trade:** Burundi has a structural trade deficit, with imports exceeding exports by a wide margin. As shown in Table 1 below, imports cover only a small proportion of export revenue (roughly 20 percent).

Table 9: Foreign trade, 2005-2010

Year	Imports (BIF million)	Exports (BIF million)	Exp – Imp (BIF million)	Coverage (Exp/Imp: %)
2005	289,124	65,762	-223,362	23
2006	442,511	59,893	-382,618	14
2007	346,100	63,653	-282,447	18
2008	477,781	82,581	-395,200	17
2009	494,829	84,162	-410,667	17
2010	626,271	124,596	-501,675	20

Source: BRB, 2010 report.

373. This situation is primarily the result of poor diversification of exports, which are dominated by commodities of low added value that are highly vulnerable to the external shocks seen in recent years. International trade is also hampered by Burundi's inaccessibility in terms of transit ports and the persistence of non-tariff barriers such as corruption, border posts' irregular operating hours, rules governing per-axle loads, and lack of harmonization of national laws with regional and international trade regulations.

374. The government's objective is to better structure the system of organizing trade through better supervision of the sector, adaptation of the legal framework, and investment incentives for national operators.

375. The government also plans to (i) finalize the diagnostic study of trade integration and implement the associated action plan, (ii) prepare a national export promotion strategy, (iii) diversify export outlets and sources of supply, notably by strengthening embassy trade missions. It also plans to continue negotiating international trade agreements, including with emerging countries, and improve monitoring of conventions signed under the auspices of the WTO.

3.2. Promoting the private sector and job creation

3.2.1. The private sector as driver of growth and poverty reduction

376. Promoting more rapid growth is one of the objectives of Vision Burundi 2025 and the PRSP-II and is a condition for substantial progress toward poverty reduction (Pillar 3 of Vision 2025). To date, the public sector has played the leading role in promoting growth through relatively high tax revenue and public development assistance. The government expects that development assistance will continue to increase during and after the PRSP-II period, but it recognizes that it cannot rely solely on assistance to stimulate growth.

377. Therefore, Vision Burundi 2025 and the PRSP-II rely on the private sector as the primary engine of development and accelerated growth. Participation by a structured,

efficient private sector is one of Burundi's basic objectives, not only to create a middle class of economic operators but also to develop the bases for strong, sustainable economic growth, a source of wealth and job creation synonymous with security and social harmony.

378. The private sector is still small and dominated by enterprises in the informal sector. Currently, about 3,000 formally registered firms employ 37,000 workers. The firms are mostly SMEs and rarely have the resources or capacities needed to expand and quickly modernize their activities. The World Bank's 2011 Doing Business report ranked Burundi 177th out of 183 countries.

379. Remarkable progress was made in 2011, raising Burundi to 169 in the 2012 Doing Business report. It should be noted that the more successful reforms concerned: (i) obtaining construction permits, (ii) investor protections, and (iii) payment of taxes and fees. Also, while times and costs of administrative formalities remain high, they are beginning to approach regional standards as shown in Table 10 below. This progress must be consolidated, with particular emphasis on the areas where Burundi is still weak, i.e., access to electricity, obtaining loans, and cross-border trade.

Table 10: Burundi's Doing Business ranking

Country	Overall Ranking	Enterprise creation			Obtaining construction permits		
		No. of procedures	Cost (% per capita GDP)	Time required (days)	No. of procedures	Cost (% per capita GDP)	Time required (days)
Burundi 2010	177	11	129,3	32	25	7047,6	212
Burundi 2011	169	9	116,8	14	22	4065,7	135
Kenya	109	11	37,8	33	8	160,9	125
Uganda	123	16	84,5	14	15	946,8	125
Rwanda	45	2	4,7	3	12	312,0	164
Tanzania	127	12	28,8	29	19	1040,5	303

Source: Doing Business East Africa 2011.

380. The government has taken numerous steps in the past five years to improve the business climate.

381. Some of the more notable such initiatives are:

- (i) In 2006-2007, arrears vis-à-vis the private sector were cleared, restoring the financial soundness of numerous large and small enterprises;
- (ii) In 2007, Burundi became a member of the East African Community, and it can expect to benefit from the opening of the regional market and facilitation measures for transport of imported and exported products;
- (iii) In 2008, a framework for public-private sector dialog was created, a new Investment Code was adopted, and the Commercial Code was revised;
- (iv) In 2009, the government created the Investment Promotion Agency (API);
- (v) In 2011, the Commercial Companies Law was amended; and
- (vi) Work has begun on preparation of a national strategy for private sector development.

382. The government is also pursuing its program of privatizing public enterprises and began restructuring the coffee segment. The private sector, in turn, reformed professional associations and created the Federal Chamber, which is supported by 13 sector chambers (representing the principal sectors).

383. Private investment has increased sharply (from 2.2 percent of GDP in 2000 to 8–9 percent in recent years), but is far from dynamic. Private investment represents only 20–25 percent of gross fixed capital formation, and many obstacles continue to limit its growth.

384. Economic operators view the regulatory framework as a major constraint on their development. The obstacles to development cited are the procedures for creating enterprises in particular, and in general, many other administrative procedures, personnel training, the quality of business advisory services, high tax burden, access to financing, commercial dispute resolution, and the condition of infrastructures.

385. The procedures for creating enterprises are being simplified. The API's role as "one-stop window" for enterprise creation should be strengthened. This would reduce the time required to complete formalities, fixed at two days, and the associated costs.

386. The human resources problem is a serious one. Burundi lacks professional training organizations and programs in sectors such as agrifood and tourism, two sectors with growth potential in which Burundi enjoys a recognized comparative advantage. The lack of continuing education programs prevents the know-how developed by enterprises from being adapted to changes in trades and technologies. Finally, private companies lack the resources to develop and finance such activities.

387. Support services for enterprises are still lacking. The lack of agencies capable of providing practical advice to enterprises in a number of areas such as production and marketing strategies and technologies is a deficiency that should be gradually corrected. Chambers of commerce will be involved in the process through activities such as the creation of an enterprise forum ("espace enterprise").

388. The role of the forum will be to advise future entrepreneurs and provide technical assistance in the preparation of business plans and the areas mentioned above.

389. The problem of financing is a key constraint for private sector development. Banks and financial institutions lack long-term resources and their products are expensive for reasons including the risks associated with potential contract management weaknesses and lack of protections for private property.

390. Access to credit remains limited and dependent on the guarantees offered by borrowers, and is hampered by the lack of guarantee fund. Women entrepreneurs are the system's main victims, and women lack access to mortgage financing. The financial sector has yet to develop a sufficient range of products to meet the diverse needs of investors, particularly farmers. The regulatory framework should therefore be modernized to permit the introduction of new products such as capital leasing.

391. The microfinance sector is developing rapidly, but lacks resources due to lack of access to refinancing mechanisms. Microfinance institutions lack the resources needed to meet the needs of their main clientele, those excluded from the traditional financial system. To consolidate the private sector's role in developing and accelerating growth, the strategy recommended by the government addresses the seven objectives discussed in the following subsections.

3.2.1.1. Promoting entrepreneurship and facilitating enterprise creation

392. The government aims to usher in an entrepreneurial culture and prepare young candidates for entrepreneurship through vocational and professional education and higher education. Entrepreneurial preparation should be integrated into university curricula. Also, given the rise in unemployment among women and the young, special efforts should be made to increase awareness and interest among target groups. Among the specific measures to support future entrepreneurs, the principal effort will be the implementation of a reliable statistics system on the key sectors of economic activity, which will enable future investors to better identify investment opportunities and prepare projects.

3.2.1.2. Modernizing the legal and business framework

393. Substantial measures have already been taken to improve the legal framework in which enterprises operate. The government will continue these reforms and will begin the process of harmonizing Burundi tax laws with those of other EAC member countries in order to improve the competitiveness of Burundi enterprises within the community.

394. It is frequently observed that the implementation of new laws and statutes is delayed by the lack of regulatory texts clearly defining how the laws and statutes should be implemented. Accordingly, the government should not only continue the reforms under way but also make preparing and adopting the respective implementing regulations one of its highest priorities.

395. In the same vein, it is important to improve the quality of services delivered to the private sector, and in particular to ensure adherence to the procedures and time limits for obtaining requested documents. Certain procedures should also be reviewed in terms of their justification and effectiveness, and appropriate adjustments and updates should be implemented.

396. Interconnection of various agencies and the introduction of new information and communication technologies will serve to build capacities and improve the quality of services. Eventually, the program should allow business owners to complete most of their requests and reports online (e-Registry) to speed the process of obtaining required administrative documents.

3.2.1.3. Improving infrastructure quality

397. In parallel with efforts to increase energy production and improve transportation infrastructures, a system of special economic areas, integrated industrial centers dedicated to industrial and commercial activity, research, and professional education is expected to promote and attract domestic and international investment.

3.2.1.4. Improving the quality and competitiveness of Burundi products

398. Few measures have focused on encouraging the fabrication of high-quality products. The BBN will be strengthened to provide enterprises with the appropriate assistance. A regulatory framework should be established to prescribe applicable standards. Efforts will also support the BBN in obtaining accreditation to issue internationally recognized quality certifications. In addition, the modernization of enterprises, adaptation of technologies, and improvement of products should be encouraged and supported by agencies capable of assisting enterprises in terms of access to information and the selection and transfer of technologies.

399. The quality of products is highly dependent on the quality of labor and the use of appropriate technologies. Training workers begins at school, through measures such as the development of technical and vocational training. To this end, a study should be conducted to identify skills deficits and propose integrated training programs tailored to enterprises' priorities. The study should evaluate not only current needs but also – and more importantly – future needs, estimated in light of anticipated trends in Burundi's economy.

400. Another important reform concerns the development of continuing education for employed personnel to help them adapt to the evolution of new technologies and new demands of the workplace.

401. Although their capacities in this area are limited, companies should initiate research and development activities. Two types of measures could facilitate this effort: first, the government will establish an R&D support fund to provide financing to firms that submit promising R&D projects, and second, since most firms lack the resources to create R&D departments, initiatives could be launched to develop ties between companies and existing research institutions.

3.2.1.5. Improving private sector financing with emphasis on SMEs and microenterprises

402. Private sector access to financing is a major challenge, and special measures should be considered for SMEs, which dominate Burundi's private sector.

403. The first set of measures aim to **strengthen the banking sector**. The government will continue the actions initiated to reduce commercial banks' vulnerability by creating incentives for them to comply more fully with prudential standards and minimize portfolio deterioration. Constructive dialogue between banks and enterprises in difficulty will also be encouraged to find appropriate solutions enabling enterprises to survive and overcome temporary crises. Additional significant reforms will include creating a regulatory framework for capital leasing, continuing the payment system modernization program, and creating financial and securities markets to mobilize long-term resources to finance investments.

404. With respect to SMEs' and microenterprises' access to financing better suited to their needs, the government plans to mobilize additional (less expensive) funding from donors and take part in creating a guarantee fund to support sound projects proposed by enterprises that are viable but unable to provide the guarantees generally demanded. Banks should also consider new forms of guarantees based, inter alia, on business assets, movable property, and warrantage.

405. Regarding microfinance in particular, the government and its partners must play a key role in mobilizing resources to enable microfinance institutions to refinance their operations at affordable rates. Particular attention will be given to promoting and financing women's entrepreneurship. The measures planned to achieve this objective include training, support services, reform of laws to allow Burundi women to use family assets to provide guarantees, and mobilizing financing from donors adapted to the particular constraints of SMEs and microenterprises managed by women.

3.2.1.6. Developing a legal framework for public-private partnerships

406. The fact that the great majority of Burundi's private enterprises are SMEs necessarily influences the nature of policies and programs deployed to accelerate growth and promote private sector development. SMEs require technical assistance and financial support to develop and modernize their operations. Despite the government's wish to withdraw from the trade sector, it must continue its involvement to facilitate the sector's development.

407. Continuation and acceleration of the program to privatize public enterprises is integral to the strategies for private sector promotion. To the extent many of the country's largest companies are public enterprises, the privatization program will shift the structure of the private sector slightly toward larger companies. In the long term, however, the private sector development programs will remain focused primarily on the needs of SMEs and microenterprises.

3.2.1.7. Strengthening partnerships with development partners

408. Multilateral and bilateral donors play an important role, essentially providing advice to the government, the financial sector, and enterprises and providing financial support to banks and financial institutions specializing in financing for SMEs.

409. The advice to the government focuses primarily on measures to improve the business environment, including procedures governing the creation and operations of enterprises; the tax system; restructuring of the financial system; privatization of public enterprises; and exploiting the development opportunities offered by the EAC.

410. The advice to the financial sector should address measures to consolidate and improve monitoring of banks' portfolios; assist and encourage banks and financial institutions to establish procedures and products adapted to SMEs' needs, and improve their capacities in SME financing. These actions could include the creation of SME departments within financial institutions to more effectively handle problems specific to those enterprises. Also, the government hopes to mobilize financial assistance from donors to support the implementation of special credit lines for SMEs by banks and financial institutions that have developed capacities in this area.

411. The advice to enterprises should serve to build capacities in regard to management (including business plan preparation), marketing, adaptation of accounting systems, and human resources management.

3.2.2. Promoting employment

3.2.2.1. The national context

412. According to the 2008 census, the employment rate is on the order of 98.4 percent and is reflected in particular in rural areas. In reality, however, rural inhabitants often report that they are employed in agricultural activities when in fact they are underemployed. Statistics mask several forms of disguised unemployment. The high concentration of the workforce in the primary sector weakens the Burundi economy's capacity to modernize and absorb qualified workers. The size of the informal sector -- which employs more than 76 percent of the workforce, albeit at low wages -- should be borne in mind in this context.

413. Unemployment is largely urban and impacts women and young people disproportionately.

Table 11: Distribution of jobs by sector

Proportion	2006	2007
Jobs in the administration	10.1%	10.0%
Jobs in public enterprises	5.4%	7.5%
Jobs in the formal private sector	1.2%	2.5%
Jobs in the informal private sector	78.8%	76.3%
Jobs in associations	4.5%	3.7%

Source: MFP/SS, 2010.

414. The employment rate for secondary school graduates is lower than for those who completed only primary school, and is lower still for persons with advanced degrees.

Agriculture employs 95.3 percent of the workforce, most of them primary school graduates: only 1.4 percent of Burundi's employed in agriculture (essentially in export agriculture) received a secondary or higher education.

415. In the extraction and construction sector, over 85 percent of employees completed primary school, and only 10.8 percent received a secondary or higher education. In urban centers, unemployment is more pronounced among the young, particularly young graduates. The unemployment rate is 14.4 percent in Bujumbura Marie, 9 percent in Gitega, and 6.5 percent in Karusi. However, the average age of all unemployed persons is about 29-30, demonstrating that young people are the hardest hit by unemployment.

416. A 1-2-3 survey was conducted in the cities of Bujumbura, Gitega, Makamba, and Kirundo in 2006, 2007, and 2008. The overall unemployment rate for the four cities was 54.4 percent in 2008 compared to 48.3 percent in 2007. The rate increased to 51.9 percent under the definition of employment used by the ILO. In urban areas, 11.7 percent of the workforce is unemployed. The rate for women is higher (13.5 percent) than for men (10 percent). The unemployment rate varies by age and is higher for the 15-29 segment in three cities (Bujumbura 17.1 percent, Gitega 10.9 percent, Kirundo 7 percent). Makamba is an exception, where unemployment is higher at ages 10-14 (16.7 percent) and affects only boys.

417. Responses to date to the issue of youth unemployment have consisted of promoting temporary work program for demobilized persons, conducting a number of pilot projects to stimulate local economic activity, or reintegrating groups affected by the crisis.

418. In addition, trainee positions arranged for young graduates, support in accessing microcredits, and the creation of community youth centers provided a number of young people with paid work or work experience that should be put to productive use.

419. Eventually, these interventions targeting specific categories of the young should be reexamined to go beyond the emergency and promote sustainable jobs in the context of the overall problem of youth employment. Indeed, providing jobs for the young is an essential element of a growth and poverty reduction policy.

420. In this context, and priorities for peace consolidation in Burundi (2011-2015) emphasized the objectives of (i) promoting youth entrepreneurship, access to credit, and job creation; (ii) improving supervision of the young; (iii) promoting human rights and rights of young people; and (iv) promoting the right of young people to decent work. The national strategy for economic recovery and socioeconomic reintegration of persons affected by the crisis defines the principles that should guide the economic reintegration policy. Its goal is to adapt reintegration programs to the demand for work and promote segments with strong potential and labor-intensive projects – all of which comports fully with Millennium Development Goal 8, target 16.²²

421. However, Burundi has yet to develop an overall approach to the problem of employment. The current situation reveals: (i) the lack of a national employment policy and misunderstanding of the labor market; (ii) problems of governance in managing job opportunities; (iii) a mismatch between preparation and job requirements; (iv) the prevalence of traditional financing mechanisms inaccessible to the young; (v) inadequate structures for

²² Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.

supervision of the self-employed; (vi) lack of diversification of segments with job-creation potential; and (vii) temporary, unstable jobs and “in-work” poverty.

3.2.2.2. Overall approach to promoting employment

422. In response to these challenges, the government plans to define a consistent employment policy (to gradually reduce unemployment and underemployment, which falls most heavily on women and the young) and implement macroeconomic and sector policies to stimulate job creation. Under this approach, employment will not only result from economic growth; more importantly, it will be a catalyst for growth and a key factor in poverty reduction. The employment policy must detail the inter-sector coordination required to achieve the objectives, i.e.: (i) expanding job opportunities, (ii) adapting training and education to job requirements and supporting initiatives for the young, (iii) improving the effectiveness of the job market; and (iv) promoting voluntary service for youths.

423. **Expanding job opportunities** will require establishing incentives in advance to create numerous jobs in industry and service enterprises, create SMEs, and promote nonprofit activities and self-employment in order to reduce underemployment and unemployment.

424. **In adapting training to job requirements**, the emphasis will lie in expanding supply by intensifying and diversifying technical and vocational training capacities and establishing active partnerships with emerging countries to strengthen professional training capacities. In the same context, greater support should be provided for youth entrepreneurship by establishing and mobilizing entities promoting youth initiatives; improving access to bank financing and microcredit by creating a guarantee fund; and providing support for the organization of specific training, workshops, and refresher courses directed toward young job seekers and women employed in the modern sector.

425. **With respect to job market effectiveness**, the National Observatory on Employment and Professional Training (ONEFP) will embark on its mission to better monitor employment-related issues, strengthen national governance in regard to employment, and improve the transparency of the labor market.

426. To this end, particular attention will be paid to the systematic collection, processing, and dissemination of available information on the job market. In addition, monitoring and evaluation mechanisms will be introduced to better monitor employment trends using previously defined indicators and identify corrective measures to be taken, particularly in terms of implementing the national employment policy and associated reforms.

427. **Promoting voluntary service for youths** will have a clear impact on community welfare and, in view of its spillover effects for training, will offer youths a credible avenue into the labor market or springboard for self-employment.

428. In this context, the government plans to create a national volunteer service program whose principal goal will be to offer young technical secondary school or university graduates without job experience who have demonstrated their capabilities the opportunity to take on a general-interest project for 6 to 12 months in the communities. They would support associations, different development projects, communities implementing decentralization initiatives, and various decentralized government agencies in priority areas identified during consultations to devise targeted programs such as education, literacy, vocational education for youths, health, agriculture and livestock farming, environmental protection, or support for local governance. Each year, the national volunteer corps could contribute to poverty

reduction and peace consolidation efforts while gaining experience and skills that will enhance their own employability.

3.2.2.3. Leveraging sports to diversify jobs

429. The development of sports' commercial potential is constrained by a number of problems and challenges for which appropriate solutions must be found.

430. **Legislative and regulatory issues.** A new law was adopted in November 2009 to replace the framework law of 1982, which was ill-suited to the evolution and needs of modern sports. The new law defined the role of the Ministry of Youth and Sports and clarified the operations of the Federations, which must have at least three association members with at least three member clubs each. The law also clarified the terms and conditions for issuing licenses and transferring them between clubs.

431. **Issues of financing for sports activities.** The domestic and external resources available for sports activities are quite limited. Substantial support must be found to facilitate the development of sports in general as well as the potential of athletes and talented players.

432. **Gaps in supply and quality of sports infrastructures.** The lack of infrastructures in communes and provinces hinders the organization of sports activities. Similarly, the lack of sports arenas meeting international standards strains the development of sports and prevents Burundi from hosting regional and continental competitions.

433. **Lack of medium- and long-term planning to develop sports infrastructure.** The problem of reservations during subdivision of areas intended for sports infrastructure jeopardizes the harmonious development of sports.

434. The Physical and Sports Education Institute (IEPS) existing sports and administrative infrastructures no longer serve the needs of a national sports training facility. The IEPS no longer meet current needs because it operates with aging infrastructure that no longer comply with international standards.

435. **Administrative and management problems in sports organizations.** Federations, associations, and clubs fail to comply with national laws, and the management of funds allocated to the federations leaves much to be desired. This is particularly true for the use of funds provided by international federations.

436. **Weaknesses in consultation and cooperation among sports sector partners.** More consultation and better cooperation among all sports sector managers are necessary.

437. **Weaknesses in regard to athletes' training, the development of athletes in Burundi, and local authorities' involvement in developing sports infrastructures.** Sustained training is required to turn players and athletes into professionals. Local governments should raise awareness and mobilize residents to develop available fields for the practice of physical activities and sports.

438. **Education and sports leadership to develop mid-level teams and train officials: primary school, communal team.** IEPS laureates are the only personnel trained in physical education, but this training involves only a small proportion of the sports hierarchy, i.e., secondary schools and advanced teams, while ignoring the base: primary schools, communes, etc.

439. To restore a national image somewhat tarnished by many years of civil war, **the development of sports and revival of the practice of physical activities** is intended to improve the competitiveness of Burundi athletes, thereby creating new opportunities to earn

incomes, particularly for young talent. The efforts in this direction will establish an appropriate policy to manage existing infrastructures and extend those infrastructures throughout the country; quickly identify young talent and provide regular monitoring; and restructure and associations based on the different disciplines to strengthen technical training.

3.3. Improving Access to Quality Economic Infrastructures

3.3.1. Improving the energy supply

440. Energy is an important factor for populations' welfare and a prerequisite for the growth and competitiveness of Burundi's economy. Access to an adequate supply of energy is essential to meet needs relating to (i) mechanizing agriculture and conserving agricultural products; (ii) mineral extraction and processing; (iii) developing and diversifying economic activity; (iv) improving the business climate to attract private investment; and (v) improving the health and education systems.

441. The achievement of these objectives is gravely jeopardized by inadequate electric power production in Burundi. Indeed, firewood and coal supply over 90 percent of energy consumption, a harmful situation for natural resources, especially forests and afforested areas. Although these resources are renewable, their decline has already caused serious environmental damage such as erosion, landslides, and reduced soil fertility. In addition, collecting wood is a laborious process falling mostly to women and children, who must devote a considerable amount of their time to the task.

442. Electricity consumption is quite low. According to the 2008 RGPH, only 4.8 percent of households have electricity, with considerable disparities between urban (39.6 percent) and rural areas (1.2 percent). The dispersion of the population poses a substantial challenge insofar as it complicates the process of connecting communities to the distribution network. Moreover, electricity is basically an urban product and consumption is heavily concentrated in the capital (approximately 90 percent of national consumption). Low penetration in rural areas limits access to basic social services such as health centers, and reduces the time available for work or study.

443. National production capacity depends on two types of sources: (i) several hydroelectric plants, the largest of which are Mugere and Rwegura, totaling 30.6 MW, and (ii) a 5 MW thermal plant. The total installed capacity is roughly 45 MW.

444. Burundi is highly dependent on imported electricity (Ruizi I, 13.3 MW, and Rusizi II, 1.71 MW), which accounts for over 40 percent of national consumption. In 2010, the total supply increased by 20 percent as total demand obliged the country to increase imports.

445. According to REGIDESO projections, the electricity deficit will continue to increase in the coming years to the extent the recommended investments will not produce additional energy before 2015. According to the same projections, the deficit could reach 10 MW in 2012-2013 and 20 MW in 2014-2015, and equilibrium will not be restored until 2016-2017. Electricity supply problems will persist until then and become more acute during the dry season, when hydraulic capacities may decline by as much as 50 percent.

446. The widespread power supply interruptions caused by frequent electricity shortages have serious consequences for the economic situation and private sector performance. The electricity deficit was particularly severe in 2010, and required alteration of the Bujumbura thermal plant and the lease of an additional 10 MW thermal plant.

447. Electric power is distributed over an estimated 750 km of high-voltage (110 kV) and medium-voltage (30 kV) lines. Most lines are in need of urgent rehabilitation work.

448. In general, the distribution network is old and outdated, and the extent of the problem causes technical losses estimated at 22 percent in 2010.

Table 12: Electricity production and consumption (Gwh)

Year	Total Supply	National Production	Production Sold	Rate of Coverage (Supply/Nat. Production) (%)	Loss (Supply – Sales) (%)
2006	149.9	93.3	105.0	62	30
2007	193.1	117.5	142.6	61	26
2008	207.0	111.8	160.2	54	23
2009	204.0	121.2	165.7	59	19
2010	241.0	142.0	189.1	59	22

Source: REGIDESO

449. These technical losses increase costs for REGIDESO, which has operated at a loss for many years due to higher operating expenditures and low revenue, a situation exacerbated by the fact that tariffs have not been adjusted since 2007.

450. Ultimately, the electricity shortages, an unreliable network, and REGIDESO's operating deficit represent a major constraint to achieving the government's ambitious growth objectives. To cite one example, nickel extraction will require a capacity of up to 150 MW (during the processing phase).

451. In regard to hydrocarbons, Burundi is entirely dependent on imports and is therefore vulnerable to exogenous shocks resulting from fluctuations in petroleum product prices.

Table 13: Fuel imports vs. total exports, 2006-2010

Year	Fuel imports (BIF million)	Total exports (BIF million)	Coverage (%)
2006	57,488	59,893	96
2007	61,005	63,653	96
2008	104,902	82,581	127
2009	69,070	84,162	82
2010	116,011	124,599	93

Source: BRB, Monthly Bulletin, April 2011.

452. Table 13 above shows the influence of fuel imports on the national economy. Those imports alone represent over 90 percent of foreign currency receipts from all Burundi's exports, making the country highly vulnerable to shocks from international petroleum prices.

453. In view of the increased demand produced by strong demographic pressure, development of urban centers, and expected progress in industrialization, one of the government's priorities will be to adapt supply and demand, in particular by increasing the national capacity for electricity production.

454. The increased capacity will come from numerous projects already programmed, including the construction of a series of hydroelectric plants -Kabu 16 (20 MW) and Mpanda (10 MW) -- and the signature of concession agreements and public-private partnership agreements to construct new hydroelectric plants.

455. In addition, Burundi is supporting regional programs initiated in conjunction with neighboring countries -- such as the Rusumo falls and Rusizi III plant currently under construction (studies have also begun for a potential Rusizi IV). Each of these plants will provide the subregion additional capacity of at least 60 and 80 MW. The government also plans to pursue complementary objectives concerning (i) rehabilitating and extending the network; (ii) strengthening REGIDESO financial capacities; (iii) diversifying energy sources; and (iv) liberalizing and regulating public electricity service.

456. Rehabilitating and extending the network will involve adapting the national network to the technical requirements of effective interconnection with the regional network, specifically the 220 kV interconnection with the CEPGL network and the AC network. These will also require protection of the entire national network and renovation work.

457. To strengthen REGIDESO capacities, a revision of the tariff structure based on actual operating costs will be imperative. An analysis should also be conducted into the causes of technical losses to determine the measures to be taken to provide a lasting solution to the problem, as provided in the model contract between REGIDESO and the government.

458. Promoting new and renewable energies – such as solar, biogas, geothermal, peat, and micro-hydro plants – is justified by the need to rationalize firewood consumption. New energies are also an alternative to supplies from the central network for regions that are difficult to access, including for the delivery of basic social services. Solar energy offers great potential, but the startup costs are high and are liable to pose an obstacle to widespread use. Burundi is developing peat reserves of sufficiently high humidity to be economically viable (roughly 50,000,000 tons), but studies should be undertaken to determine the conditions of effective utilization of this resource. Studies should also be conducted in regard to wind energy potential.

459. Lastly, regular fuel supplies and strict monitoring of international prices are critical steps that will help identify the measures to be taken in case of shocks of a certain magnitude. It would also be useful to increase storage capacities and initiate prospecting programs to determine national potential in this area.

3.3.2. Rational organization of transportation modes

460. In view of its pivotal impact and spillover effects on other socioeconomic activities, the development of transportation is key to linking rural areas to markets, strengthening the competitiveness of national production, and promoting regional integration. It is therefore a catalyst that should precede or support the promotion of socioeconomic activity in Burundi. The policy recommended for many years in this sector promotes a multimode transportation system combining (i) road transportation, (ii) lake transportation, and (iii) air transportation.

461. **Road transportation:** Burundi has a fairly dense network of roads totaling an estimated 7059 km (including 1,950 km of national roads, 2,522 km of provincial roads, and

2,587 km of communal roads). This network is supplemented by 7,310 km of rural roads (linking communes with seed markets and production, collection, and export facilities for crops such as coffee, tea, and cotton) as well as roads through forested areas.

462. In terms of international links, investments to date provide a number of alternative routes: Central (Bujumbura-Dar es Salaam), North (Bujumbura-Mombasa), and South (Bujumbura-Durban via Mpulungu) corridors.

463. There are also other alternatives to the Bujumbura-Kobero-Mwanza (Tanzania)-Isebania (Kenya)-Nairobi-Mombasa itinerary: Bujumbura-Kobero-Bukoba (by road), Bukoba-Kisumu (by lake), and Kisumu-Nairobi-Mombasa (by road), a new route that will be operational in the near future.

464. In parallel with modernization of the national network, substantial programs were begun to maintain dirt roads and the paved network. Reforms such as creation of the National Highway Fund and implementation of the Equipment Leasing Agency have improved road maintenance by involving the private sector. In reference to the paved network -- designed to withstand use for a period of 15 to 20 years -premature degradation has been observed over a large portion of the network. Additional resources will therefore be needed to rehabilitate the network.

465. Dirt roads are not systematically maintained throughout the year, and traffic jams occur from time to time, particularly during the rainy season. This situation serves to increase the cost of local transportation of merchandise, and exacerbates the isolation of certain regions.

466. In general, considerable challenges remain to ensure normal traffic circulation at the lowest possible cost to serve all regions. The challenges arise primarily from inadequate planning for the road sector, lack of studies to prepare the construction of new roads, ineffective road inspections, lack of data, and aging or obsolete equipment, aggravated by an undependable supply of spare parts and inadequate financial resources.

467. In the medium and long term, the government's strategy will be to significantly reduce transportation costs and facilitate access to the local and international markets.

468. Implementation of this policy will depend on the achievement of four objectives: (i) extending the paved network to make all areas with high economic potential of accessible; (ii) promoting public-private partnerships to support the development of competitive construction and engineering firms; and (iv) diversifying international routes used for the country's supplies.

469. The **paving program** should expand the paved network from 1,414 km to roughly 1,715 km by 2015, in order to consolidate the integration of the country's different regions while protecting the environment. Extension of the urban road, rail, and waterways network will also continue to figure in the annual government budgets.

470. To ensure a smooth flow of traffic throughout the year and protect the investments and modernizing road infrastructures, **road maintenance will be intensified** with respect to both dirt roads and rehabilitation of the paved network. The maintenance programs will also include rural roads in order to ensure reliable links between communes and facilitate access to tourist sites and trade and business centers. The same will apply to the urban road, rail, and waterways network.

471. **Encouraging the development of SMEs in the infrastructure sector** is also of great importance to strengthening project management and increasing the available potential in terms of competitive local enterprises and firms.

472. With respect to **diversifying access roads**, the government attaches particular importance to the following projects: (i) the Dar es Salam – Isaka - Kigali/Keza – Gitega - Musongati railroad; (ii) the Dar es Salam – Kigoma - Lake Tanganyika - Bujumbura Port railroad; and the Grand Lacs railroad (Kasama – Mpulungu – Bujumbura – RDC - Rwanda-Uganda).

473. The steps taken to modernize highway infrastructure have had very positive effects on land transportation (reduced travel times and vehicle operating costs). However, despite the tax advantages provided by the government for imported utility vehicles, private investment in domestic transportation of persons and goods is still limited.

474. The fleet of public transportation vehicles is aged, although the government transportation company OTRACO's acquisition of new buses improved the situation somewhat.

475. In regard to domestic transportation, a major challenge is expanding and maintaining the fleet of vehicles used to transport persons and merchandise in the effort to provide all regions with links to markets. Other problems concern (i) road safety, which must be improved to prevent and reduce accidents, and (ii) requirements for infrastructures and equipment, especially parking facilities and bus stations, to organize and manage transportation.

476. In regard to administrative transportation, an ambitious program to reform the government's vehicle fleet was initiated in 2009 and has significantly reduced the number of central administration's vehicles, which is now approaching zero, including quasi-public enterprises.

477. To increase the efficiency of domestic transportation, the objectives defined are to (i) improve transportation services through better regulation of the sector; (ii) improved road safety; and (iii) complete the reform of the government vehicle fleet, including the adoption of supporting measures to ensure the effective operation of public services.

478. In regard to international transportation, the country's landlocked position continues to drive up transportation costs, which represent up to 40 percent of import/export prices. The main challenge has been to reduce the cost of transporting imported and exported products and shipping delays. The solutions contemplated include: (i) improving transportation infrastructure (particularly along the Central Corridor); acquiring space for Burundi's use at seaports close to international shipping lanes (Dar es Salaam, Mombasa, etc.) to reduce congestion at those ports; (iii) eliminating all non-tariff barriers along the transit corridors (institutional harmonization in the sector, harmonization of axle inspections, introduction of an automated one-stop window system (Electronic, Single Window System e-SWS, etc.).

479. Burundi has numerous lakes and rivers to support the development of lake transportation. The use of those lakes and rivers should be reorganized in order to consolidate multimode transportation, better integrate certain regions of the countries, and reduce costs. To this end, particular attention should be given to Lake Tanganyika, and in fact the AC Transportation and Road Sector Development Strategy has approved priority projects to integrate Burundi. These include development of transportation on Lake Tanganyika and

modernization of Port Bujumbura (as part of the Dar es Salam – Kigoma - Bujumbura corridor).

480. Lake transportation is still underdeveloped, largely because of the lack of quality multimode connections (particularly rail-lake), the lack of a shipyard and resultant poor condition of the fleet, declining lake water levels, and multiple laws governing the same lake (Tanganyika, for example). In the particular case of Lake Tanganyika, where Port Bujumbura is the largest and the least costly route to the South Corridor, pollution and the poor condition of port equipment are serious obstacles to the development of lake transportation and the efficient operation of ports already handicapped by management problems.

481. The existing potential for lake transportation could be fully exploited if the following conditions were met: (i) effective implementation of a lake transportation regulatory authority; (ii) master-planned four-port development and implementation of a regulatory framework for port operation concessions; (iii) ensuring that the ocean search and rescue framework is fully operational; (iv) creating opportunities with South Corridor countries to establish an institutional framework for transport and transit facilitation on the corridor; (v) producing a hydrographic map for the lake and system of markers; (vi) improving meteorological services, with particular emphasis on lake transportation; (vii) harmonizing regulations with the subregion; (viii) joining the International Maritime Organization) and applying its standards for lake navigation safety and security; (ix) acquiring a shipyard at Bujumbura Port; (x) strengthening capacities; and (xi) establishing and strengthening a monitoring “team” to prepare and mobilize financing for investment projects in the context of the corridors serving the regional groups to which Burundi belongs (the EAC, the Economic Community of Central African States (ECCAS), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the Commission for East African Cooperation (CEAC), etc.).

482. Table 14 below presents recent traffic trends for Port Bujumbura. The figures demonstrate the port’s development potential, particularly with a direct ferry link to the Port of Dar es Salaam.

Table 14: Traffic at the Bujumbura Port

Year	Arrivals	Departures	Total
2006	172.1	10.5	182.6
2007	123.6	12.5	136.1
2008	107.3	8.5	115.8
2009	167.6	5.8	173.4
2010	222.8	22.8	245.6

Source: BRB, Monthly Bulletin, April 2011.

483. However, the profitability of transportation on Lake Tanganyika is impacted by the imbalance between arrivals and departures, a structural problem of Burundi’s economy. Lake and river transportation should be developed nonetheless in view of its impact on transportation costs and to provide service for areas difficult to access by land. The navigability of Lake Tanganyika and other Burundi lakes should be improved by

(i) procuring suitable equipment, and (ii) adopting a coherent regulatory framework for lake and river transportation.

484. Air transportation is insufficiently competitive due to aged infrastructures, operating tools (airplanes for Air Burundi), and airport equipment incompatible with the requirements of international civil aviation and international air transportation; the weak capacities of agencies responsible for the air transportation sector, and the sector's failure to adapt to the competitive environment – in particular, the absence of harmonized competition rules.

485. Despite these difficulties, air transportation has developed substantially in recent years, producing increased traffic and more frequent international flights, an important factor for promoting tourism and foreign investment. Table 15 below presents figures for freight and passenger activity at the Bujumbura Airport.

Table 15: Traffic at the Bujumbura airport

Year	Arrivals		Departures	
	Passengers	Freight	Passengers	Freight
2006	73704	2590	64230	210
2007	89538	2251	62751	278
2008	95926	2184	68709	365
2009	103410	2416	79350	275
2010	116451	3114	78943	331

Source: BRB, Monthly Bulletin, April 2011.

486. Passenger movements have recovered somewhat since 2006, but freight volumes remain relatively limited. In this context, the Burundi government, acting through the national airline Air Burundi, plans to acquire airplanes appropriate to the regional and subregional competitive context initially, and undertake international activities thereafter.

3.3.3. Developing information and communications technologies

487. The development of information and communications technologies (ICT) is important for the economic emergence desired by the government. The government has therefore decided to fully liberalize the sector. The 2008 RGPH estimated the proportion of households with mobile telephones at 5.6 percent and the number with Internet access at 0.1 percent.

488. The development of ICT will also create new jobs. A national ICT development policy was adopted in 2007 and revised in 2011, but has yet to be fully implemented.

489. The obstacles to expansion of the sector include the high cost of services, the limited geographic coverage of mobile telephone service, inadequate infrastructure and equipment, and lack of national expertise.

490. Another factor constraining access to ICT for public and private stakeholders and the population in general is limited access to the Internet. The development of ICT is also hindered by an inadequate legal and regulatory framework.

491. Given the importance of ITC is a factor of growth, the PRSP-II identifies several objectives in this area which aim to: (i) develop national expertise; (ii) create a favorable

environment for development of ICT; (iii) develop infrastructures and management structures; (iv) promote the implementation of ICT applications in the country's various economic and social sectors; (v) improve rural connectivity and provide universal access to telecommunications services; and (vi) promote research and development. Specifically, the government expects to speed development of the national fiber optic network linked to the EAC regional network with two cable landing stations in the Indian Ocean (Mombasa and Dar es Salaam).

492. In regard to communications, note that the sector plays an important role for public authorities as well as the beneficiaries or consumers of information. It includes public and private radio and television stations, newspapers, and press agencies.

493. The audience percentages vary according to urban or rural location and gender. The finding is that the number of public sector radio and television stations, newspapers, and press agencies is quite small and was unchanged between 2008-2009. In the private sector, the number is considerable and increased significantly, as shown in the table below.

Table 16: Press outlets in Burundi

<i>Indicators</i>	<i>Public</i>			<i>Private</i>		
	<i>2008</i>	<i>2009</i>	<i>Change</i>	<i>2008</i>	<i>2009</i>	<i>Change</i>
No. of radio stations	1	1	0	15	19	4
No. of television stations	1	1	0	2	3	1
No. of newspapers and periodicals	6	6	0	12	12	0
No. of news agencies	1	1	0	4	6	2
<i>Radios and TV audiences</i>						
	<i>Male</i>		<i>Female</i>		<i>Combined</i>	
% Radio audience	85%		74.1%		79.3	
% Television audience	21.7%		22.7%		22.2	

Source: Ministry of Telecommunications, Information, Communication, and Parliamentary Relations

494. The trend satisfactory overall, although tremendous work remains to ensure universal access to ICT in order to realize the positive externalities defined in the Burundi context.

3.3.4. Modernizing and expanding the postal system

495. The primary mission of the National Postal Service (RNP) is to ensure universal postal service, including expanding post offices to all Burundi communes. In this context, the RNP must provide all the services of a national postal service to facilitate the delivery and receipt of written or electronic messages and merchandise at accessible prices. The RNP also offers financial services through the Postal Bank.

496. Because the RNP is required to provide services throughout the national territory, its operations are constrained by a number of internal and external factors.

497. The domestic challenges primarily concern: (i) inadequate automation and interconnection of post offices; (ii) insufficient modernization of mail collection and distribution processes; and (iii) lack of regulations, which discourages private sector development in this area.

498. The external challenges involve: (i) low household income, which limits demand for postal services; (ii) lack of infrastructure, particularly transportation infrastructure (national and international); (iii) inadequate access to electricity in numerous communes, which complicates the process of automating bureaus and expanding electronic communication resources.

499. The priority actions planned to address these challenges include: (i) improving the legal and institutional framework to conform to regional and international standards; (ii) improving universal postal service by expanding the network so as to provide each commune with a post office; (iii) improving the RNP's banking activities to enable it to extend banking services to rural populations; (iv) improving customer service; and (v) improving economic infrastructures (transportation, rural electrification) to facilitate written and electronic communications.

3.4. Regional Integration

500. Burundi occupies a geostrategic position which could ultimately make it a subregional, regional, and international attraction. This is one of the factors that prompted Burundi to join several regional, political, and economic groups: Burundi is a member of the Economic Community of the Great Lakes Countries (ECGLC), the Nile Basin Initiative and the International Conference on the Great Lakes Region. It also belongs to the Economic Community of Central African States (ECCAS), and in 1994 it joined the Common Market for Eastern and Southern Africa (COMESA).

501. In 2004, Burundi joined the EAC free-trade area and eliminated its remaining tariffs on imports from EAC member countries. Burundi has been a member of the EAC since July 2007; it applied the provisions of the EAC Customs Union Protocol on July 1, 2009 and the Common Market Protocol on July 1, 2010.

502. Burundi is participating in negotiations to form the COMESA-EAC-SADC tripartite free trade area expected to be established in 2016. This will represent considerable progress toward achieving the objective of the Abuja Treaty, the creation of an African Economic Community by 2028.

503. Burundi's membership in multiple organizations presents not only advantages but also costs and disadvantages. In addition to the multiple financial contributions, there are incompatibilities between the regional communities and insufficient resources to honor Burundi's commitments to the different organizations and monitor their activities. Accordingly, the Burundi government is conducting a strategic review of the costs and benefits to Burundi of each regional community in order to better assess its priorities. The problem of the working language has gradually been resolved through improved language capacities. At the same time, Burundi has submitted a proposal to the Secretary General of the EAC to adopt French as a working language of the EAC, also in anticipation of the larger EAC-COMESA-SADC free trade area. Burundi's future appears to be bilingualism, however, given Burundi's positioning between the EAC and Francophone Africa.

504. To fully benefit from the opportunities of regional integration, Burundi must address a number of domestic challenges, including (i) developing its untapped natural resources; (ii) the growth rate of a population highly dependent on food crop production; (iii) underdevelopment of the private sector, a source of wealth in neighboring countries; (iv) weak economic infrastructures (transportation and electricity), (v) a business environment requiring substantial change to attract foreign investment; and (vi) non-tariff barriers still to be addressed, particularly in regard to rules of origin and mutual recognition of regional standards.²³

505. These obstacles to Burundi's integration in the regional and global economy are one of the factors explaining the modest levels of foreign direct investment (FDI) (close to \$48 million in 2008, or 4.4 percent GDP, much less than in other countries of the subregion).²⁴ Moreover, trade flows between Burundi and PAC member countries are among the region's lowest. The average time to import merchandise to Burundi is 54, compared to 31 in Rwanda and 34 in Uganda.

506. In light of these factors, Burundi decided to make integration in the EAC a political and economic priority. Since joining the EAC in July 2007, Burundi has attached great importance to deepening its integration in the community, which intends in time to become a common market, monetary union, and political federation. Through its membership in the EAC, Burundi hopes to find a definitive solution to its geographic isolation. The membership also represents the surest means to establish the political stability and security conditions required for sustainable economic and social development.

507. Since joining the EAC, Burundi has made remarkable progress in the integration process. The country is currently implementing all the community undertakings provided in the accession treaty.

508. The measures already taken to implement the community agenda include (i) creating a ministry for EAC affairs, which became the Presidential Ministry for East African Community Affairs on August 29, 2010; (ii) implementation of the Customs Union Protocol as of July 1, 2009, which includes the introduction of a three-tier common external tariff (25 percent for consumer goods, 10 percent for intermediate products, and 0 percent for commodities and equipment); (iii) negotiation, signature, ratification, and implementation of the Common Market Protocol as of July 1, 2010; (iv) full participation in community activities, projects, and programs; (v) a communication and outreach campaign to enlist the Burundi people's support for integration; and (vi) elevation of the Governmental Retreat as the standing mechanism to evaluate steps taken and the future outlook for regional integration in general and in the EAC in particular.

509. Integration should eventually bring a number of sustainable effects: a reduction in transportation costs and associated costs, which are still too high; the elimination of regional barriers; greater mobility of factors of production (including labor); and access to the vast regional market. Access to the EAC common market is a significant trade opportunity. The combined GDP of the EAC countries is roughly \$75 billion, and the combined population is more than 132 million. Accordingly, regional integration will help Burundi realize returns to scale.

²³ National monitoring committees have been established to identify, control and eliminate such barriers.

²⁴ In 2008, total FDI represented 6.1 percent of GDP in Rwanda, 6.6 percent in Kenya, 25.3 percent in the DRC, 28.8 percent in Uganda, and 37.2 percent in Tanzania. In 2006-2008, FDI flows represented \$0.04 per capita in Burundi compared to an average of \$11.20 for EAC countries.

510. Burundi's membership in the EAC also creates additional pressure to carry out economic and structural reforms that would otherwise be executed more slowly. The same applies with respect to negotiating community trade agreements, which will encourage other countries and regions to conclude free trade arrangements with Burundi. Ultimately, the benefits of membership in the EAC will come from the community's stabilizing and mobilizing role in areas favorable to economic and social development.

511. While negotiation of the protocol creating the EAC Monetary Union began in February 2011, Burundi has been working with its EAC partners to establish a Political Federation, the ultimate objective of the EAC. Domestic consultations within each member country have concluded, and the expert report on the fears, concerns, and challenges was presented to the community heads of state during their November 30, 2011 summit. The summit adopted the experts report and asked the Secretariat-General of the East African Community to begin work on the action plan to implement the specific recommendations contained therein and present its report to the 14th Summit of Heads of State.

512. To promote successful integration in the EAC, the government also decided to step up implementation of the required reforms through: (i) consolidation of progress to date; and (ii) closer surveillance of the macroeconomic convergence criteria.

513. To consolidate progress, it will be important to closely monitor the remaining steps, i.e.: (i) implementation of the Common Market Protocol in terms of its four freedoms and corollary right to establish residency, (ii) harmonization of national laws implementing community law, particularly in the key areas of immigration, trade, finance, investment, security, governance, and food security; (iii) continued liberalization of services; (iv) negotiation of the Monetary Union Protocol; and (v) continued negotiations in connection with the EAC-COMESA-SADC tripartite agreement.

514. Meeting the convergence criteria is also an important objective for the government, which hopes to strengthen the macroeconomic environment to gradually move toward compliance with the agreed convergence criteria. The EAC convergence criteria are based on strong economic growth (7 percent), fiscal consolidation (6 percent deficit excluding grants and 3 percent including grants), inflation capped at 5 percent, stable exchange rates, sustainable reserves (four months) and debt reduction. Despite difficulties encountered, notable progress has been made: Burundi's debt has decreased in recent years since achieving the HIPC completion point in 2009. Control of inflation has improved since then, and at end-2010 the inflation rate was only 4.1 percent, the exchange rate had stabilized around BIF 1250 = US\$1, and official reserves represented about five months of imports. However, because of the rise in food and petroleum prices, CPI inflation could approach 14 percent at end-2011.

Table 17: EAC economic convergence criteria in 2010

Leading criteria	Convergence objective	Burundi	Rwanda	Uganda	Kenya	Tanzania
<i>Total deficit excluding grants/ GDP</i>	6%	34.9	13.3	8	7.2	12.9
<i>Total deficit including grants/GDP</i>	3%	3.2	0.1	3.2	6.1	6.5
<i>Maximum inflation - average</i>	5%	6.4	2.3	4.5	6.8	6.3
<i>- end of period</i>	5%	4.1	0.2		13.3	7.5
<i>Reserves (months)</i>	4	4.8	5.2	4.8	3	4.7
Additional criteria						
<i>Real GDP growth (minimum)</i>	7%	3.9	7.5	6.4	5.4	6.5
<i>Sustainable reduction of domestic and external debt (% GDP)</i>		48	14.9 (ext)	22.6	46.9	35.1 (ext)

Source: IMF Economic and Financial Survey, April, 2011.

515. The figures provided in Table 17 above show that Burundi continues to be highly dependent on budgetary assistance. It is the EAC's most indebted country by far, with a deficit of more than 30 percent excluding grants. Moreover, the growth rate the government hopes to achieve (8.2 percent) will require significant resources and unprecedented efforts to mobilize them.

516. It should be noted in regard to the Economic Community of the Great Lakes Countries (ECGLC), formed by Burundi, the DRC, and Rwanda, that the areas of focus are regional economic integration; free movement of persons, goods, capital; regional security, and the financing of common institutions in the area of finance, agriculture, research, and energy.

517. In July 20 11th, the ECGLC Council of Ministers, at its fourth meeting in Bujumbura, (i) validated its action plan; (ii) established priorities for the coming five years for peace and security, democracy and good governance, energy and infrastructures, and agriculture and food security; and (iii) proposed amendments to the basic ECGLC community texts. Specifically, the initiatives Burundi considers urgent are infrastructure projects, particularly in the areas of energy (tripartite dams on the Rusizi River) and transportation (highway axes, railroads, lake transportation); and social cooperation and educational projects such as the Great Lakes University network, which includes 24 universities in the three countries.

518. The Burundi government, in cooperation with the Secretariat-General of the East African Community organized the Lake Tanganyika Basin Development Conference this past November 28-29, 2011 in Bujumbura. The conference's recommendations placing Burundi at the center of the Lake Tanganyika development area will be quickly implemented.

519. More generally, it should be noted that regional integration is essentially crosscutting and, as such, the realization of integration strategy objectives depends on the performance

and dynamism of the other sectors. The objectives are to: (i) establish an effective, rational institutional and regulatory framework for Burundi and the region as well as the associated capacities needed to improve the business climate and manage the integration process. This must be supplemented by a framework for dialogue among all key actors in the process, including the private sector and civil society; (ii) improve coordination, consistency, and complementarity of the different ministerial departments; (iii) work to build capacities within the private sector, the driver of development; (iv) reflect on the comparative advantages Burundi derives from each regional entity to which it belongs, in order to define its long-term policy; (v) increase Burundi's visibility in each of the regional economic communities to which it belongs; (vi) in the context of the regional economic communities, articulate Burundi's positions on issues of regional development and integration more clearly; and (vii) ensure that benefits are equitably distributed within all three regional economic communities to which Burundi belongs.

Chapter 4 : Improving Access and Quality in Basic Services and Strengthening the Social Safety Net

4.1. Increasing Capacity and Improving Quality in the Education System

520. Recent developments in education show undeniable progress, although additional efforts are required to improve the sector's performance and ensure that the reforms are lasting.

4.1.1. Preschool

521. Preschool education, which has long been informal, is particularly important in preparing children to enter school. To this end, the government will continue to create awareness among communities and partners with a view to building community day care centers. The goal is to raise the level of alertness and sensory development of students entering primary school. In 2010, there were 185 public preschools, 338 community day care centers and preschool circles, and 92 private schools, as well as 3,109 public primary schools and 84 private primary schools. Clearly, much remains to be done in this area.

4.1.2. Primary school

522. A feature of PRSP I implementation has been significant improvement in access to primary school, which has been free since 2005. This improvement has been particularly beneficial to girls, who now equal the boys in number in primary schools (0.99 parity index). Yet these outcomes are still below target, as Table 18 shows. In 2009/2010, about 47 percent of children did not complete primary school. Under these conditions, the international goals of education for all will not be met by the planned date.

523. The proportion of repeaters is high. On average, one primary school student in three repeats every year and progress has not been on target with the sector development plan for education and training (PSDEF 2009-2016). Indeed, the repetition rate is climbing not decreasing. Multiple international studies have shown that repetition is discouraging, gives students an incentive to drop out of school, and does not improve the quality of learning. Repetition is very costly to the system and, consequently, detracts from investments in improving learning conditions and the quality of education. The assessment tests conducted in 2008²⁵ and 2011²⁶ produced scores averaging 36 percent in language learning (Kirundi and French) and 54 percent in mathematics. Linguistic proficiency, which is the basis of primary education, is far below the standard needed for sustainable population literacy. The factors that account for this poor quality are many and complex. In particular, they include insufficient teaching hours, uneven distribution of teachers, programs that are not suited to real class conditions, and weaknesses in initial and continued teacher training.

²⁵ PASEC

²⁶ Burundi Education System Evaluation Commission

Table 18: Education Sector Monitoring Indicators 2005-2010

	Status 2004/2005	Statistical Yearbook 2009/2010	Target Value in the PSDEF: 2009/2010	Indicative Framework of Education for All
System				
Share of the budget allocated to education	22.3%	27% ²⁷	27%	20%
Share of primary education in the sector budget	49.8%	53% ²⁸	56% ²⁹	50%
Preschool				
Gross enrolment rate	4.3%	6.2%	7.1%	-
Primary School				
Number of students	1 038 859	1 849 861	1 844 107	-
Gross enrolment rate	107%	134.6%	132%	100%
Repetition rate	29.1%	35%	21%	10%
Gross admissions rate	171%	123.8%	123%	100%
Completion rate	37.5%	47.7%	57%	100%
Parity index	0.86	0.99	1	-
Annual teaching hours	709	865	896	850 - 1 000
Number of classrooms	14 298	22 241	20 766	NA
Student-classroom ratio	76	82	77	NA
Number of teachers	24 000	35 820	29 045	NA
Share D7 + Humanities	35%	37%	14.7%	NA
Student-teacher ratio	53	52	53	40
Disparate assignment of teachers	0.5	0.44	-	0
Cohorts on double vacation		61%	64%	-
Secondary School				
Actual primary-secondary transition rate	53.8%	59.3%	45.9%	-
Number of students	152 700	322 112	235 328	-
Completion rate	9%	14%	NA	-
Rate of access to the 7th year	21%	24.05%	26%	33%
Rate of access to the 10th year	11%	19.1%	14%	-
Repetition of middle school	23%	32% ³⁰	13.2%	-
Share of private education at the middle school level	7.1%	7.4%	11%	-
Transition rate from middle to high school	41%	46%	38%	-
Rate of access to high school	4.4%		5.5%	-
Rate of access to final year	3.3%	12.7%	3.6%	-
Repetition of high school	16.6%	24%	13.2%	-
Teaching the trades and vocational training				
Number of students	3 194 ³¹	5 063	9 155	-
Number of instructors	NA	1 054	277	-
Higher Education				
Number of students	18 802	29 269	25 717	-
Number of students per 100,000 inhabitants	238	353	268	-
Percentage of female students	NA	33 %	NA	-

Source: Bureau of Planning and Education Statistics

524. On average, school hours fall short of international guidelines (by 250-400 hours per year) and are far from meeting the goals of the PSDEF. This shortfall is caused by a number of factors, including repetition, which increases classroom size and creates additional “double vacations” (morning and afternoon shifts sharing the same classroom). The prevalence of this practice has decreased since 2005 owing to major classroom construction efforts (1,700 per

²⁷ = (Budget MEBSEMFP + MESRS) / (State Budget – Capital grants) for 2011

²⁸ Investment + operations

²⁹ Solely operations

³⁰ Communal colleges only

³¹ In 2006

year), but it still applies to 60 percent of cohorts. The lack of infrastructure and equipment, as well as population pressure, are also obstacles to educational development.

525. Recruitment objectives have been met (and even surpassed). However, the inadequate distribution of teachers has not been corrected, as indicated under the heading “Disparate assignment of teachers” in Table 18. Indeed, the areas considered attractive (urban areas) are privileged. About 44 percent of the teaching corps was inefficiently managed during the period 2005-2010. An initial teacher redeployment campaign in 2011 and a number of other administrative efforts have been a first response to this problem.

4.1.3. General secondary education and teacher training

526. Access to secondary education is also improving with the rapid development of communal colleges. The increased rate of transition from primary to middle school (59 percent in 2009 up from 54 percent in 2005) is proof of the democratization of secondary education. Middle school completion rates have also risen to 14 percent in 2009 from 9 percent in 2005. However, unlike primary school, the parity index is still low: 73 girls to 100 boys in general secondary education and teacher training, and only 56 to 100 in technical training. The proportion of middle school repeaters is rising, with the same impact as for primary school (wasted resources and dropouts).

4.1.4. Technical education

527. Technical education designates all the reforms on all levels of the education process involving, in addition to general knowledge, the study of associated techniques and sciences and the acquisition of practical skills, know how, attitudes, and understanding related to a profession that can be practiced in the different sectors of socioeconomic life. This subsector continues to be the poor relation of the system in the sense that there is a dearth of policy documents and/or clear strategies. However, the long-term objectives and short-term strategy as defined in the PSDEF (2009-2016) are benchmarks and milestones in technical education. In technical education, there is currently a network of 48 functional technical schools, of which 14 have received support from partners. Technical education at the secondary level has developed relatively slowly in recent years. Its high cost and the absence of a sector policy for the subsector are some of the reasons for these developments. Notwithstanding, the Burundi government is willing to improve access, institutional management, and quality of education and apprenticeships by adapting programs, acquiring teaching aids, and training teachers to meet the needs of the economy and society.

4.1.5. Vocational and professional education

528. This sector is very important because it helps reduce unemployment by preparing practitioners in the various trades. To this end, the government has adopted a policy of establishing a Trades Education Center (CEM) in every communality in the country and a Vocational Training Center (CFP) in each of the 17 provinces. Currently, 75 communalities have a CEM, three provinces already have a CFP, at 11 CEMs are being developed to eventually become CFPs.

529. Trade schools serve to regulate the flow of students by taking in both primary and middle school graduates as well as unschooled youths (through trade apprenticeships). Some

of these young people enter CEMs and others enter CFPs to acquire the basic trade skills that would enable them to participate in socioeconomic activities.

530. There are currently 5,063 students enrolled in trade schools and vocational education as opposed to a PSDEF objective of 9,155 in 2010. By contrast, the number of instructors recruited far exceeds plans (1,054 recruited over five years instead of the 277 planned). This system is therefore being inefficiently managed and the number of students per instructor is only 4.8. These trade centers are unattractive to the youth owing to their lack of equipment, supplies, and consumables and their low post-training placement rates.

4.1.6. Higher education

531. The number of students per 100,000 inhabitants has risen from 238 in 2005 to 353 in 2009/2010. Private education is largely responsible for this growth. The unregulated increase in access to higher education, especially in private establishments, is a source of negative pressure on the quality of education. It is a diploma mill that churns out graduates with little hope of fulfilling their aspirations. The situation of higher education in Burundi is difficult and characterized by ill-adapted programs, over-extended infrastructure and equipment, and little research. Furthermore, these universities are disconnected from their environment. In the context of a country that is being integrated into the regional and world economy, the problem of quality is increasingly important and requires the introduction of standards and effective regulation. The establishment of the National Commission on Higher Education in 2011 is a step toward regulating the system.

4.1.7. Crosscutting management of the education system

532. The progress made in the past five years must be consolidated and developed to attain the government's main objective, namely the development of a higher performing education system that is more equitable and better adapted to the labor market.

533. In September 2010, the government announced a new approach: basic education and the gradual shift from 6 to 9 years of primary schooling. This approach implies a reform of the entire education system over the course of the PRSP-II. The PSDEF will be updated with the most current diagnostic studies and multiyear expenditure models (spanning at least five years) with a view to identifying the how much leeway the government has to develop a more effective and balanced system. These choices and this balance will be determined at the beginning of 2011 and implemented starting in 2012/2013

534. Human capital development is imperative to sustained growth with job creation. In a global economy, education is a key determinant of labor productivity and an important instrument in reducing economic and social disparities. However, each level of education makes a different contribution to economic development, thereby warranting different types of public programs.

535. The first objective of investment in the education system is universal access to basic schooling. Besides the correlation between the educational level of the head of household and household income, widespread access to basic education has a major impact on the development of human capital (sustainable population literacy, improvement in reproductive health, reduction in infant mortality, etc.). Furthermore, primary school is the common foundation of all levels of the education system, from secondary to higher.

536. Investment in the education sector must also provide for training a skilled labor force and entrepreneurs, which is a prerequisite for private sector development. The vocational and technical branches and higher education are the best responses to the challenge of professional inclusion of the youth. They must provide quality training adapted to the economic and labor market prospects. Three crosscutting objectives emerge from this approach.

4.1.7.1. More effective and equitable resource allocation

537. Despite the government's considerable efforts during the past five years, resource allocation remains imbalanced, resulting in significant regional disparities in terms of enrollment and retention rates. The planning and programming of budget and extra-budgetary resources (cooperation projects) must therefore be strengthened to ensure more strategic allocation of resources (financial and human) targeting sector priorities and geographic areas where the need is greatest.

4.1.7.2. Improved monitoring of students' academic careers

538. At the basic education level, the objective is to take an entire age group to the end of the nine-year cycle. Therefore, to improve student flows, the first and most important step is to reduce the repetition rate. At the technical and vocational education level, the challenge is to increase the traffic of graduates in vocational placement centers. Lastly, at the level of general secondary, and higher education, student flows should be regulated on the basis of objective access and admission criteria based on merit, equity, and enrollment capacity. All these measures are must accompany efforts to improve the quality and relevance of training.

4.1.7.3. Improved educational management

539. In addition to the efforts that must be made to improve budget planning and programming, decentralization policies should lead to more efficient on-site management. The consolidation of the sector's key functions (financial management, public procurement, human resources, and steering reform) will be aimed at more efficient resource use to improve results, in a context where budgetary resources are relatively limited compared with previous years.

540. The specific programs to be implemented to meet these objectives are discussed below.

(i) Basic education

541. Basic education provides the opportunity for significant advancements in the development of human capital by extending the primary school curriculum for all the country's youth.

542. The transition from 6 to 9 years of free primary education is a considerable reform, which will require vast amounts of additional resources over many years. This reform will be integrated into a long-term financing scenario, which will be defined in early 2012 and applied starting in 2012/2013. The actual implementation of a basic education program would only be possible if the current challenges facing primary education are overcome. To this end, the following aspects require special attention.

- **Reduce the repetition rate** in order to increase the completion rate and release additional resources to finance the reform (construction and outfitting of classrooms, acquisition and distribution of textbooks, review of programs, ongoing teacher training, etc.).
- **Increase school hours** to approximate international standards (850-1,000 hours per year) and guarantee a minimum level of quality in apprenticeships. To achieve this, specific incentives that would increase teaching hours will have to be found.
- **Revise the school program and the curriculum** in a pragmatic way, avoiding the mistakes some countries have made: an overly complex revision of the curriculum that is too costly and unrealistic (for teachers and students).
- **Reform the initial training system for teachers and their professional career** (ongoing training, retraining, career management).
- **Improve management** for greater effectiveness, efficiency, and equity in resource allocation and use: annual planning, expenditure accounting and monitoring, public procurement management, assignment and management of teachers.

(ii) Vocational, professional, and technical education

543. Employment in Burundi is heavily dependent on the informal sector. Job training must take account of this reality and give priority to short-term, practical, and accessible training. The government is committed to developing vocational training to ensure that at least 20 percent of young people trained in the conventional education system can be self-employed. To facilitate the hiring of graduates, emphasis will be placed on the quality of training and matching the supply of vocational and technical training to market needs.

544. In cooperation with private sector stakeholders, the government will terminate obsolete and/or underutilized segments and create new ones, such as tourism and hospitality, new information and communication technologies, or agrifood processing. Programs in all segments will be overhauled. Apprenticeships and training combined with work experience will be encouraged by creating regulatory incentives for employers.

545. Currently, vocational training centers and schools are underutilized and overstaffed. This imbalance will be corrected with improved resource allocation. The management of centers/schools will be upgraded and emphasis will be placed on regular supplies of consumables and widely available units of production, which are both self-financing and provide a framework for honing students' practical skills.

(iii) General secondary education and teacher training³²

546. The reforms under way involve a thorough reorganization of general secondary education. The four years of middle school will be reorganized into a three-year cycle attached to a course of basic education that will last nine years. The content, financing and implementation of this reform will be fine tuned in 2012 with a view to implementation at the opening of the 2012/2013 school year.

³² Teacher training for basic education.

547. Secondary teacher training, which is currently a segment of general secondary education at the high school level, will specialize in training basic education teachers. The programs will be updated and emphasis will be placed on multidisciplinary teaching and on internships in basic education schools. Special financing will be provided for teacher training to improve leadership of this strategic segment for the entire education system.

548. General secondary education at the high school level (science, liberal arts, and economics) is designed to prepare students for higher education. Student flows will be controlled, based on the enrollment capacity in higher education. This implies close collaboration with the ministries responsible for these two levels of education. The main goal of resource allocation would be to improve the quality of education: program development, textbook purchases, training of secondary school teachers.

(iv) Higher education and scientific research

549. The aim is to improve the quality and relevance of training. Priority actions are recommended in the following areas:

- **Continue the reform of higher education** by (i) establishing a proper institutional framework; (ii) reorganizing the higher education curriculum by adopting the BMD³³ system adapted to the international context and to the East African Community; (iii) using ICTs in teaching and providing computer equipment; (iv) implementing a system for regulating quality assurance and improving the level of English.
- **Develop science, technology, and research** by (i) implementing a national science and technology policy; (ii) creating new areas of strategic training such as agrifood technologies, information and communication technologies, mining technologies, water and environmental technologies, fishing technologies, hospitality, and tourism.
- **Professionalize post-secondary education** by creating short-term post-secondary curricula for secondary school graduates who cannot attend university.
- **Improve educational management** through an effective strategy for human resource and infrastructure development and by balancing expenditures: controlling flows, controlling and the social costs of higher education (scholarships, housing for internships, cafeterias, etc.), and allocating resources with an emphasis on quality.

(v) Preschool, integrated early childhood development, and adult literacy

550. The policies and strategies for developing preschool and early childhood education and adult literacy will be continued and consolidated.

551. At present, preschool and early childhood education are largely the responsibility of the communities, with financial and technical support from certain NGO donors. Government support is mainly in the area of standards.³⁴

552. The government's literacy strategy is based first and foremost on investments to guarantee universal primary education. Indeed, international studies show that a young person who has attended primary school for six years will be a literate adult. Literacy for adults and unschooled adolescents is primarily the responsibility of certain donors and NGOs,

³³ BMD: Bachelor-Master-Doctorate

³⁴ In 2011, the share of the state budget allocated to preschool and early childhood education was 0.02 percent of the education budget.

with support from the government for annual literacy campaigns based on a network of 1,500 literacy workers.³⁵

(vi) Steering and coordinating the sector

553. To ensure the balanced and sustainable development of all levels of education, from preschool to post-secondary, the government will give priority to the following measures:

- Establish structured coordination between the different ministries responsible for education;
- Improve steering of the system using the key information produced by the Education Statistics and Information System (SIS);
- Improve annual programming based on the sector’s multiyear financing scenario;³⁶
- Improve the harmonization and coordination of foreign aid and extra-budgetary resources.

4.2. Capacity Building and Improved Performance in the Healthcare System

4.2.1. Relevant indicators

554. Despite the efforts made to increase the supply and demand of services, morbidity and mortality rates remain high even though they are trending downwards. Table 19 below presents the main health indicators.

Table 19: Health indicator summary

N°	Indicators	Values	Sources	Base year
1	Total Burundi population	8.5 millions	GPHC 2008	2010
2	Life expectancy at birth	49.6 years	GPHC	2008
3	Gross mortality rate	15 ‰	GPHC	2008
4	Infant mortality rate	59 ‰	DHSB 2010	2010
5	Infant-juvenile mortality rate	96 ‰	DHSB 2010	2010
6	Newborn mortality rate	7.2 ‰	DHSB 2010	2010
7	Maternal mortality ratio	499 per 100 000 NV	DHSB 2010	2010
8	HIV/AIDS prevalence rate (2007)	2.97%	SPS/HIV*	2007
9	HIV screening rate	12.00%	CNLS 2010	2009
10	PMTCT coverage rate	15.40%	CNLS 2010	2009
11	Prevalence of malaria in children (0-5 years)	59.00%	PNILP	2010
12	Mortality rate due to malaria	34.07%	PNILP	2010
13	Longer lasting insecticide net (LLIN) coverage rate	52.50%	DHSB 2010	2010
14	LLIN usage rate	44.00%	DHSB 2010	2010
15	Immunization rate (vaccinated population)	83.00%	DHSB 2010	2010
16	DPT3 coverage rate	95.40%	DHSB 2010	2010
17	Percentage of children sleeping under insecticide treated nets (ITNs)	45.00%	DHSB 2010	2010
18	Overall malnutrition rate	59.00%	DHSB 2010	2010
19	Rate of chronic malnutrition in children (0-5 years)	58.00%	DHSB 2010	2010
20	Rate of underweight children (0-5 years)	29.00%	DHSB 2010	2010
21	Coverage of prenatal checkups (at least one visit)	99.00%	DHSB 2010	2010
22	Deliveries assisted by trained personnel	60.00%	DHSB2010	2010
23	Contraceptive coverage	18.60%	DHSB2010	2010
24	Coverage of PMTCT services	10.8%	CNLS Report	2010

³⁵ In 2011, the share of the state budget allocated to adult literacy was 0.14 percent of the education budget.

³⁶ This financing scenario will be incorporated in a Medium-term Expenditure Framework (MTEF) for the sector.

N°	Indicators	Values	Sources	Base year
25	Antiretroviral (ARV) coverage	45%	RHP-HIV	
26	ARV coverage for children	15%	CNLS Report	2010
27	Rates of reporting of contagious cases (TPM+)	54 per 100 000	NTP Report	2010
28	Rate of reporting of all forms of tuberculosis	91 per 100 000	NTP Report	2010
29	TB-HIV co-infection rate	26.00%	NPS/TBHIV	2007
*National seroprevalence survey (SPS)				
**National Survey of HIV prevalence in TB patients				

555. With respect to maternal mortality, progress has been promising since implementation of the policy of free services for pregnant and birthing women. The percentage of deliveries attended by trained personnel increased from 34 percent³⁷ in 2005 to 60 percent³⁸ in 2010 and maternal mortality estimates declined from 1,100 per 100,000 live births in 2006 to 866 in 2008³⁹.

556. The 2008 General Population and Housing Census (GPHC) revealed that there were 370,000 births per year. Despite provincial disparities in the Composite Fertility Index, the --adult average remains high: at about six children for every woman.

557. **Infant-juvenile morbidity and mortality** has significantly improved: mortality declined from 176⁰/₁₀₀ in 2005 to 96⁰/₁₀₀ in 2010.⁴⁰ However, morbidity continues to be high; malaria accounts for 74 percent⁴¹ of morbidity at all ages; acute respiratory infections affect more than 17 percent⁴² of children; and diarrhea afflicts 25 percent.⁴³ In recent years, the ravages of **potentially epidemic diseases** such as cholera, dysentery, meningococcal meningitis, measles, and tropical diseases have continued.

558. Tuberculosis continues to be a serious health problem. The rate of reporting of contagious cases (TPM+) and all forms of tuberculosis are, respectively, 54 and 91 cases per 100,000 inhabitants in 2010 compared with 47 and 87 cases per 100,000 inhabitants in 2009. The number of TPM+ cases reported and treated increased from 3,087 in 2004 to 4,590 TPM+NC in 2010. Tuberculosis is rampant throughout the territory but rates vary widely across regions and population densities.

559. Despite the lack of reliable information on non-communicable diseases, the little hospital data available points to the increasing significance of these diseases and traumas. One study at CHUK shows that diabetes and HBP are factors in 30 percent of patients and cause degenerative complications in 73.17 percent of these cases. Treatment of chronic diseases is a major problem because drugs are very expensive and must be taken daily over long periods. Cancer is considered a death sentence in Burundi because of its slow progression and the unavailability of diagnostic tools and treatments.

4.2.2. Strengthening the health system

560. During the period covered by the PRSP I some major reforms were undertaken. These reforms concern most notably decentralization, free healthcare for children under five years old and pregnant women, and financing methods for the sector.

³⁷ 2005 MICS Survey

³⁸ 2010 Demographic and Health Survey of Burundi (DHSB II 2010)

³⁹ 2008 General Population and Housing Census

⁴⁰ 2010 Demographic and Health Survey of Burundi (DHSB II 2010)

⁴¹ EPISTAT Yearbook, 2009

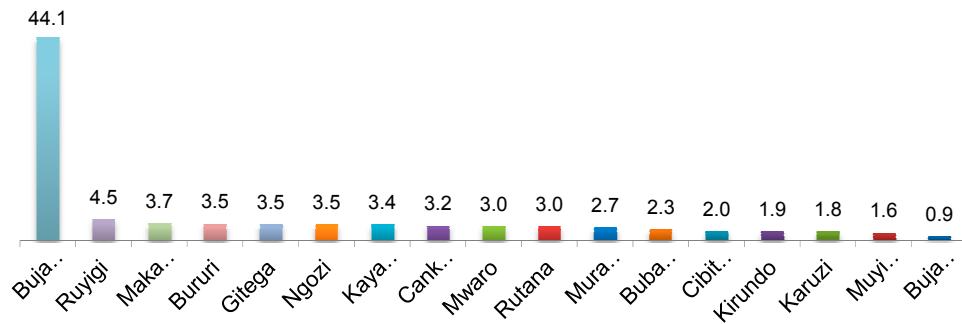
⁴² Demographic and Health Survey of Burundi 2010 (DHSB II 2010)

⁴³ Demographic and Health Survey of Burundi 2010 (DHSB II 2010)

561. **Concerning decentralization and human resource management, the** organizational reform created 17 health provinces, subdivided into 45 health districts, which facilitate: (i) technical assistance arrangements and the organization of the management system, which made it possible to use financial resources more effectively; and (ii) the use of more highly skilled workers and the provision of more suitable equipment. Assessment of the progress made in implementing the PNDS 2006-2010 showed that the reforms helped improve the relationship between the Health District Offices and Health Centers as a result of more effective supervision, monthly monitoring of indicators, and personnel training.

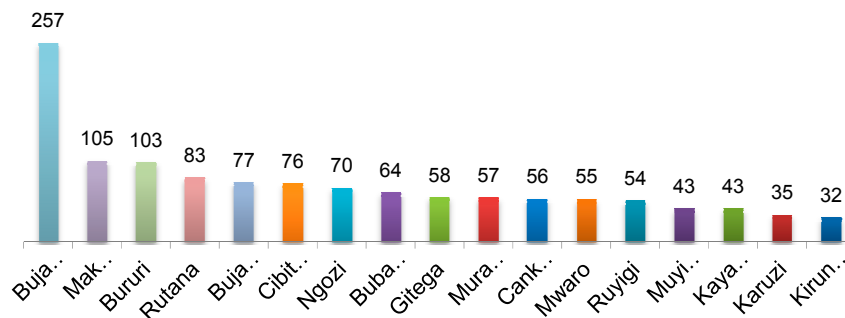
562. However, the number and quality of healthcare staff are insufficient to meet needs calculated on the basis of international standards. Indeed, while the World Health Organization recommends one doctor per 10,000 inhabitants, Burundi averages one doctor per 19,231 inhabitants. Even though the ratio for nurses is better (one nurse per 1,349 inhabitants—the WHO standard being 1 per 3,000), it should be noted that personnel are unevenly distributed to the disadvantage of the rural areas in certain provinces. To illustrate, 50 percent of doctors and 21 percent of nurses⁴⁴ practice in Bujumbura. The following figures show the distribution of medical personnel by province.

Figure 8: Physicians per 100,000 inhabitants



Source: 2010 Human Resource Directorate Survey (MSPLS)

Figure 9: Nurses per 100,000 inhabitants



Source: 2010 Human Resource Directorate Survey (MSPLS)

563. The redeployment of personnel combined with new recruits will correct the imbalance in favor of urban areas. Furthermore, by introducing a performance-based financing system and increasing institutional capacity, great strides have been made. However, the resources

⁴⁴ PETS Survey, 2007

available for certain categories of professionals (pharmacists, midwives, maintenance technicians, and anesthesiologists) are still quite inadequate.

564. Over time, the decentralization program seeks to establish health districts that are self-managing, financially viable, accountable for the decisions they make, partners with the community, and able to meet healthcare needs.

565. Throughout the country, **traditional medicine** coexists with modern medicine. It is represented by a diverse group of service providers, who are difficult to organize because their beliefs complicate attempts to set up associations of traditional practitioners.

566. Despite the fact that the medicinal value of certain plants is recognized, uncooperative attitudes prevent them from being studied in modern laboratories to determine the nature and potency of the active compounds they contain. This is a major obstacle to tapping the knowledge of traditional practitioners. It is therefore essential to promote research into traditional medicine in order to gain greater knowledge of this area and enhance its complementarity with modern medicine.

567. **With respect to accessibility**, the health map shows that despite regional disparities, the health infrastructure network seems adequate because, on average, most citizens have access to a health center within a maximum radius of 5 km. For the future, emphasis should be placed on improving the functionality of this infrastructure in order to provide adequate healthcare to the entire population of Burundi. The main obstacle to healthcare access is the cost of services (which is thought to be very high). This is why the government is committed to guaranteeing free healthcare for vulnerable populations, namely children under five years old and pregnant women. The study of methods for financing the sector shows that the resources allocated are insufficient for implementing health programs. Therefore, there is a pressing need to ensure that there is permanent funding for the performance-based financing policy (FBP) coupled with free care.

568. **Access to drugs at affordable prices is a problem faced by the majority of Burundians**, in particular the poor. The continued existence of an illegal drug supply network, unreasonable requirements for essential drugs, high costs, problems with the management of expired drugs, and discontinued stocks are the main shortcomings that must be addressed. The harmonization of charges for drugs and healthcare services could improve access.

569. **Streamlining financing for health is a promising initiative.** The adoption of a performance-based financing strategy on a nationwide scale starting April 1, 2010, and targeted free healthcare are an initial step toward correcting the dysfunctions in the health system.

570. These financing strategies and the free healthcare policy are designed to achieve more equitable use of healthcare services in communities and to meet the MDGs. Furthermore, a more rigorous system of checks and balances reduces overbilling, strengthens a culture of self-management, guarantees the effectiveness of the services provided, and improves the quality of those services.

571. Its impact is already being felt. It can be seen in the increased traffic in healthcare establishments and the motivation of healthcare providers. It tends to strengthen the healthcare system by improving the health information system, by increasing the revenue of healthcare institutions, by decreasing the time taken to reimburse the free healthcare package

(from 84 to 45 working days), and by strengthening the financial independence of the healthcare system.

572. In conclusion, government initiatives, supported by the TFPs have made progress toward achieving the MDGs possible. However, there is still a long way to go. This is why the goal in the coming years is to strengthen programs to improve the population's health status for with the dual purpose of contributing to social development and economic growth. The government has already adopted a national health development plan for 2011-2015 and a plan of action, which will be implemented to attain this goal.

573. Promoting the health of the population is closely related to the implementation of the PRSP-II and is one of the conditions of its success. To this end, the government intends to take a multidimensional approach grounded in inter-sector synergies based on the strategic guidelines of its health development plan for the period 2011-2015.

574. The health development plan targets three general objectives: reducing the morbidity associated with communicable and non-communicable diseases, reducing maternal and newborn mortality, and reducing mortality among children under five years old.

575. **To reduce the morbidity associated with communicable and non-communicable diseases**, the recommended interventions will include: (i) preparing or reviewing strategic documents of disease prevention programs (malaria, tuberculosis, HIV/AIDS, neglected tropical diseases, chronic diseases, mental illness, etc.) on the basis of the PNDS II; (ii) developing an integrated healthcare services package with different levels; (iii) preparing and updating an integrated plan to prevent epidemics; (iv) reinforcing prevention and health promotion actions and environmental preservation with a view to strengthening the IEC/BCC for behavior change, hygiene/sanitation, and biomedical waste management; (v) handling health emergencies and disasters; and (vi) promoting actions to prevent diseases caused by biological and chemical substances, especially those related to pollution.

576. **Improving mother and child care** will involve: (i) building the technical and institutional capacity of the health system in the area of reproductive health, in order to control fertility, and high-impact interventions for the survival and development of children; (ii) strengthening the provision of youth- and adolescent-friendly services; and (iii) building the technical capacity of healthcare structures in family planning (FP), Basic Emergency Obstetric and Newborn Care (BEmONC), and Comprehensive Emergency Obstetric and Newborn Care (CEmONC) (training providers, equipment); (iv) detecting signs of danger at the community level; (v) strengthening services geared toward the prevention and treatment of childhood diseases, and monitoring children's health (IMCI, PTMCT and pediatric HIV care, and immunization).

577. **A key effort to reduce mortality among children under age five will be an intensive, nationwide program to combat malnutrition.** To this end, a package of basic actions and community interventions to adopt best practices in health and nutrition will be implemented in a coordinated manner by: (i) integrating malnutrition prevention and general treatment in the PMA and PCA; (ii) building the technical capacity of healthcare providers in health and nutrition promotion activities; (iii) strengthening the multisector framework for consensus on tackling chronic malnutrition; (iv) preparing documents with strategic and operating guidelines for community healthcare; and (v) building the capacity of community stakeholders.

578. To attain these objectives, the main sector objective of the PNDS II is to give the population access to quality healthcare with a view to increasing the use of these services.

579. All sector interventions will eventually help reduce maternal and infant-juvenile mortality, control population growth, reduce morbidity and mortality due to communicable and non-communicable diseases using a multisector approach involving the private sector, related sectors, and communities. This approach specifically targets: (i) improved care provision and healthcare services; (ii) a stronger health system; (iii) improved governance; and (iv) better health information, planning, and monitoring-evaluation structures.

580. **Strengthening healthcare provision and health services involves preventive, curative, and promotional actions.** To this end, there are plans to define and ensure the continued availability of a healthcare package that meets the criteria for quality and includes anti-HIV/AIDS measures.

581. The provision of obstetric and newborn emergency care should also be strengthened to ensure that these services are accessible, available, and used with a view to controlling population growth, ensuring that children have quality healthcare that is both accessible and available, enhancing health promotion interventions and responses to epidemics, and better coordinating the implementation of community actions with a view to adopting best practices in health and nutrition.

582. **Successfully improving the healthcare system** will require the increased availability of qualified human resources, greater provision of infrastructure and equipment, improved access to drugs and other health products, an increase in the volume of financing for the health sector and its more efficient use, as well as enhanced and sustainable performance-based financing (PBF) associated with free healthcare.

583. With respect to PBF, there are still some challenges to be faced, particularly the financing gap. The system of checks and counterbalances needs improvement and there are constraints on rewarding excellent performance (within the context of a high wage bill and arrears in salary increases). In response to these difficulties, the PBF manual was revised in October 2011.

584. **Leadership and good governance** will provide effective steering for the PNDS II, its continuation through 2015, and the reforms undertaken in the sector. From that perspective, the government will develop institutional and organizational capacity and inter-sector collaboration. Coordination and partnership will be strengthened by reaching a consensus with partners concerning the development of the health sector.

585. **The implementation of an enhanced and reliable health information system (SIS)** is key to improving the performance of the Burundian health system through the following measures: (i) adoption and implementation of a strategic plan to strengthen the Health Information System; (ii) strategic and operational planning; (iii) a modernized work environment, which uses ICTs; and (iv) the promotion of health research.

4.3. Population Control and Fertility Reduction

4.3.1. Population control

586. Burundi is aware that its population situation has become explosive and will hold back its socioeconomic development, eclipsing the hope of achieving the Vision 2025, unless medium- and long-term measures are taken. The general objective of the Vision is to reduce population growth from 2.4 percent (on average over the past 10 years) to 2 percent in 2025. The realization of this goal is conditional upon the implementation of a proactive policy of population control by creating a mobilization strategy, in partnership with development

stakeholders. For this purpose, a coordination unit must be set up to monitor and coordinate all actions to control population growth by reducing fertility.

587. The current situation warrants the creation of such a structure. Today, all the programs designed to meet the demographic goals of Vision 2025 are dispersed among several ministries and units, all of which execute specific components of the population policy but none of which have an overarching mandate to execute a coherent national policy based on concerted action and supported by a mechanism for systematic monitoring and evaluation. Such a structure should have a sufficiently high level of policy authority and the proper expertise to ensure that it works effectively.

588. According to the demographic projections of the BCR-ISTEEBU, the target set for 2015 is 4.9 children per woman. The 2008 census and the 2010 Demographic and Health Survey (DHSB 2010) show that fertility remains elevated with an average of 6 children per woman. Mortality is also high, despite a slight decline in recent years. Under these conditions, the population growth rate can be expected to accelerate in the coming years as a result of decreased mortality and a persistently high fertility rate.

589. In particular, the mortality rate among children under five years old remains high, with an annual rate slightly higher than 15 deaths per 100. This figure has an impact on life expectancy at birth, which is estimated at 49 years (46 for men and 52 for women). According to the 2008 census, infant mortality is particularly high in the provinces of Cibitoke, Bubanza, Ngozi, Kirundo, and Muyinga. It is therefore not surprising that the Composite Fertility Index (CFI) is higher in those provinces.

4.3.2. Fertility reduction

590. It appears that there is a “replacement effect” related to couples having many children because they expect to lose several of them. It is therefore impossible to reduce fertility unless couples know that a significant decline in mortality, in particular infant-juvenile mortality, would increase their children’s prospects for survival. In the meantime, the high fertility rate exacerbates population pressure on agricultural land, heightens the risk of maternal and newborn mortality, and increases the pressure of social demand on schools, mother and child health services, and employment.

591. Actions to reduce fertility therefore involve both direct interventions in the area of fertility and actions to reduce mortality. Using that approach, four specific objectives have been defined and targeted: (i) increasing the average age of mothers at the birth of their first child from 23.5 years in 2011 to 25 and 2015; (ii) increasing the prevalence of contraception from 19 percent in 2011 to 28 percent in 2015; (iii) reducing the infant-juvenile mortality rate from 152‰ in 2008 to 125‰ in 2015; (iv) reducing the ratio of maternal mortality from 499/100,000 live births in 2010 to 390/100,000 live births in 2015; (v) giving indirect incentives to couples to reduce the size of their families; and (v) increasing family planning awareness among the population, opinion leaders, and religious leaders.

4.4. Intensifying efforts against HIV/AIDS

592. Epidemiological developments in HIV/AIDS in Burundi show that the disease is stabilizing in semi-urban and urban areas, increasing in rural areas, and attacking certain very high-risk groups. Indeed, over the past five years the national prevalence of HIV held steady at around 3.6 percent in the population aged 15-49 years in 2007.

593. The results of three surveys conducted in 1990, 2002, and 2007 are shown in Table 20 below.

Table 20: Trends in seroprevalence

Year	Urban Areas	Semi-urban Areas	Rural Areas
1990	6.50	6.50	0.60
2002	9.50	10.40	2.50
2007	4.59	4.41	2.82

Source: Report on the review of the national anti-HIV/AIDS strategic plan.

594. Urban and semi-urban areas are more affected than rural areas and women more than men, in particular at an early age. Sex workers have a much higher prevalence rate than the national average (37.7 percent),⁴⁵ with the highest prevalence rates being among young sex workers in rural areas.

595. The spread of HIV/AIDS in rural areas can be attributed to the lack of knowledge or understanding of the risks related to HIV/AIDS and to the high level of illiteracy in the rural population.

596. HIV/tuberculosis co-infection is an additional complication for persons living with this pandemic and is the cause of numerous deaths. Generally speaking, the failure to control new HIV and STD infections is one of the main challenges to be overcome.

597. Compared to neighboring countries, Burundi has an average prevalence rate close to that of Rwanda (3.1 percent) whereas the estimated rates for Kenya, Tanzania, and Uganda are in the order of 6 percent.

598. Faced with the threat of HIV/AIDS, the government has made considerable efforts. From an institutional standpoint, the National Anti-AIDS Council and the Anti-AIDS Executive Secretariat (SEP/CNLS) were established to facilitate program coordination.

599. Since the outbreak of the HIV epidemic in Burundi, the National Program against AIDS and STDs (PNLS) was launched by the government before 2000 and two five-year strategic plans to combat AIDS were developed (1999-2003⁴⁶ and 2007-2011). The national strategic plan for 2012-2016 is being drafted and will be based on three principles: (i) a single multisector coordination body; (ii) a single national plan to implement the response to HIV/AIDS; and (iii) a single national monitoring and evaluation plan. In addition, plan guidelines give priority to accomplishing the Millennium Development Goals (MDGs) and universal access to prevention, care, support, and treatment.

600. In terms of prevention, voluntary HIV screening made it possible to detect a larger number of HIV-positive individuals. Provider-initiated testing and mobile screenings remain limited; they are performed by some nongovernmental associations and organizations.

601. Other preventive activities have resulted in noticeable progress. These include, in particular: (i) STD prevention and treatment; (ii) prevention of mother-to-child HIV transmission (PMTCT); (iii) distribution of condoms; (iv) post-exposure management; (v) safe blood transfusions and injections at four regional locations; (vi) prevention of the risk of HIV/AIDS transmission by traditional practitioners; (vii) promotion of male circumcision;

⁴⁵ In 2007, the preliminary results of the BIO survey yielded a rate of 19.8 percent for 2011.

⁴⁶ The Strategic Plan for 1999-2003 led to the drafting of a Multisector National AIDS Action Plan for 2002-2006.

(viii) prevention in professional settings; and (ix) positive prevention for people living with HIV (PLHIV).

602. Despite these efforts, the results of the review of the Anti-HIV/AIDS Strategic Plan for 2007-2011 revealed certain shortcomings, in particular with regard to: (i) the reduction of STD/HIV transmission; (ii) improvement in the well-being and quality of life of PLHIV; (iii) reduction in poverty and other determinants of vulnerability to HIV/AIDS; as well as (iv) better management and coordination of the decentralized, multisector national response to HIV/AIDS.

603. In the coming years, the government intends to reduce the rate of propagation of HIV/AIDS, in particular in rural areas, by intensifying prevention programs, improving medical and psychosocial management, mitigating the impact of HIV/AIDS on infected and affected communities, and better coordinating the management of the national response.

604. **With respect to HIV prevention,**⁴⁷ sustained communication programs are still to be launched to target behavior change, improved input quality and availability, PMTCT extension and integration into pediatric care, and the adoption and promotion of the strategy of male circumcision. All stakeholders in the public sector, media, and religious faiths should redouble their efforts to ensure the quality and targeting of appropriate messages to high-risk groups, with a view to preventing new cases of infection. Using this approach, the decentralization of services will make information on behavior change and voluntary screening centers more accessible to these population groups.

605. More specifically: (i) IEC/BCC efforts and activities will be focused on populations with a high risk of HIV infection; (ii) male and female condoms will be made available, and accessible to the most vulnerable population groups along with instructions for their proper use, in combination with a “free distribution” and “social marketing” model; (iii) access to and the use of voluntary screening centers (VSCs) by the most vulnerable groups will be increased; (iv) STD testing and treatment (especially for syphilis) will be expanded; (v) the risk of transmission through blood will be reduced; (vi) post-exposure prophylactic services will be offered to female victims of sexual violence based on gender and PMTCT will be provided to HIV-positive pregnant women and newborns. Specific prevention activities targeting sex workers will be emphasized with a view to stopping transmission. They are a potential source of new infections given the high prevalence rate among this group (37.7 percent), which far exceeds the rate for the population at large (2.97 percent).

606. **Regarding improvement of the quality of life of PLHIV,** the following is recommended: (i) strengthening the prevention, diagnosis, and management of opportunistic infections in PLHIV; (ii) improving the screening and management of TB/HIV coinfection; (iii) providing universal access to ARVs while maintaining the quality of treatment; (iv) making the supply systems for inputs and laboratories throughout the country more fully functional and efficient; and (v) enhancing the psychological and nutritional care of PLHIV.

607. The first step in **mitigating the impact of HIV/AIDS on infected and affected communities** will be to take strategic actions to: (i) improve the IGA (income generating activities) program for the poor; (ii) take care of orphans and other vulnerable children; and (iii) provide legal protection for the rights of people living with HIV/AIDS.

⁴⁷ Prevention of sexual transmission, prevention of transmission through blood, prevention of vertical transmission from mother to child.

608. **With regard to improving the management and coordination of the national response, monitoring and evaluation, and mobilization of resources,** the first step would be to ensure that achievements are sustainable and to strengthen the mechanisms for implementing the 2011-2015 PSNLS by establishing a unit to provide effective monitoring and evaluation, including research activities, developing a sector response to the epidemic, strengthening the multisector coordination body (OCM/SEP-CNLS), and efficiently managing domestic and external resources.

4.5. Promoting access to safe drinking water

609. Within the context of the Joint Monitoring Programme for Water Supply and Sanitation (JMP), started in the early 1990s, the WHO and UNICEF defined reasonable access to safe drinking water as the availability of at least 20 liters per person per day at a water point located less than one kilometer away from the individual's residence. In Burundi, this distance was set at 500 meters. According to the standards for access to safe drinking water in rural areas, an improved water source is intended to serve 230 people, a standpipe 400, a water boring hole or well 230, and a private hookup 5 persons or the equivalent of a household.

610. Access to safe water is critical to the reduction of waterborne diseases, such as cholera, which causes recurrent epidemics in the provinces bordering Lake Tanganyika. Furthermore, better inter-sector coordination will be needed to improve the planning of interventions—e.g., the areas with high infant mortality rates related to diarrheal diseases should be given priority.

611. **There have been positive recent developments in both urban and rural areas. In urban areas,** the rate of access to safe drinking water was 80 percent in 2005.⁴⁸ According to the urban National Water and Sanitation Inventory (INEA), the water coverage rate in the city of Bujumbura was an estimated 85 percent (in 2009), 47 percent of which was private connections and 38 percent standpipes. Most of the water is captured from Lake Tanganyika, which is increasingly polluted and could require costly treatment and a hike in water rates. However, exploring potential sources of safe drinking water in the foothills of the city could help solve this problem.

612. It should be noted that water plants have a low yield; water waste (both technical and commercial) stands at a high 42 percent. With respect to the performance of the utility, the commercial revenue collection⁴⁹ was estimated at 91 percent in 2010 and cost recovery⁵⁰ was 75 percent in 2009.

613. Like electricity charges, water rates are relatively low and an obstacle to the efficient use of investments and to increasing supply. In addition to the rate adjustment that must be made, other options could be explored, such as encouraging the use of independent producers and continuing the policy of improving the investment climate (in general and more specifically in the water and energy sector).

614. **In rural areas,** according to the rural INEA of 2007, 50 percent of the population had access to safe drinking water and an estimated 69 percent of water points were in working order.

⁴⁸ MICS 2005.

⁴⁹ Receipts/billings.

⁵⁰ Receipts/operating and maintenance costs.

615. With respect to infrastructure, such as health centers and primary schools, the available data show that in 2009, 61 percent of health centers⁵¹ and 27 percent of primary schools in rural areas had functional water points.⁵²

616. The long distances families have to travel to access safe water are an impediment to the development of rural households, particularly women and children. The time they spend collecting water also penalizes women and children, particularly young girls. The cumulative duration of water fetching tasks for a household may exceed two hours a day.⁵³ This affects children's attendance at school and the scholastic performance of girls.

617. Infrastructures are not managed in such a way as to guarantee the sustainability of safe water supply services. The beneficiaries of these services do not always pay their bills, resulting in serious deficiencies in water infrastructure maintenance in rural areas. The persistence of this problem impairs the performance of planned programs to expand water works.

618. Several obstacles remain to achieve the goal of universal access to safe drinking water. These hurdles are essentially: (i) the inadequacy of the legal and institutional framework; (ii) insufficient mobilization of resources; (iii) an inappropriate rate system; and (iv) limited planning and programming capacity.

619. In light of these constraints, the government will base its actions on: (i) the National Water Policy (PNE) and the National Water Strategy, which defines the means for implementing the policy; (ii) the existence of a framework for consensus through the Sector Group on Water and Sanitation, which is functional; (iii) the results of the inventory of water and sanitation infrastructures; and (iv) the map of ground water potential.

620. The goal of the national water policy is to guarantee sustainable coverage of the water needs of all users through the balanced development of national water resources. The main objectives consist of: (i) establishing an effective, coherent, and sustainable institutional structure for managing water resources; (ii) improving the legislative and regulatory framework for the water sector; (iii) increasing the rate of access to safe drinking water in order to meet the MDGs in 2015; and (iv) providing access to water for the poor and other vulnerable populations.

621. With respect to the supply of safe drinking water **in urban areas**, the government—if it fails to meet the MDG targets—will make every effort to increase access to safe drinking water from 85 percent in 2009 to at least 95 percent in 2015. In urban areas, the newly introduced rate system will allow for the recovery of all utility costs and should be regularly adjusted.

622. **In rural areas**, the government will make efforts to increase the percentage of inhabitants with access to safe drinking water from 50 percent⁵⁴ in 2007 to 70 percent⁵⁵ in 2015 by repairing destroyed infrastructure and building new infrastructure. The government will also take strategic actions and will redefine a sustainable management system based on: (i) a decentralized approach and delegating ownership of safe drinking water services to the communalities; (ii) the establishment of an economically viable management system; (iii) the adoption of rates that will cover operating and maintenance costs but will be affordable and

⁵¹ EPISTAT.

⁵² Study commissioned by UNICEF and conducted by ISTEEDU.

⁵³ CSO2

⁵⁴ Rural INEA, 2007.

⁵⁵ Sector consultations as part of the PRSP-II.

targeted to vulnerable groups; (iv) access to water for all; and (v) the participation of users in infrastructure management, in accordance with the National Water Policy.

623. **In both areas**, actions to rehabilitate and develop infrastructure for supplying safe drinking water will be continued with the support of various partners. Complementary planning and infrastructure strategies will be adopted. They will include, in particular, regular updates on service and water infrastructures through the INEA, the creation of an environment conducive to the participation of the private sector in investment and in the management of safe water infrastructures, professional management of safe water supply services and infrastructures (human resources, financial resources, cost recovery, maintenance), reduction of technical, commercial, and financial losses in the subsector. The aim is also to ensure equity in access to water supply services for the poor and to meet their basic needs at an affordable price, prioritizing planning for the communalities or rural areas most seriously affected by recurrent epidemics of waterborne diseases, increasing the participation of women in making decisions concerning safe water, and sensitizing the population to the need to pay their water utility bills.

4.6. Strengthening the Social Safety Net

624. Social security is a collection of public and private measures to guarantee access to healthcare, education, and replacement income during difficult periods: illness, maternity, unemployment, old age, disability, work-related accidents and illnesses, family expenses, and death of the person supporting the family. The technical framework for social security is based on the principles and values advocated by international and national experts. Its legal foundation lies in national and international conventions, laws, and regulations.⁵⁶ Considered to be a basic human right and an instrument of poverty reduction, social security is a factor of social cohesion as it is based on national solidarity and represents a major investment in human capital.

625. The development of social security requires individual responsibility, democratic governance, and cooperation among stakeholders. The State regulates and guarantees these systems. At the national level, the country has: (i) social insurance systems based on employment, funded by employers and employees; systems managed by the INSS, the MFP, and the ONPR; (ii) subsidized public services and/or social assistance, such as free primary education and medical care for children under five years old and services related to motherhood, healthcare for the poor, and health insurance cards; (iii) social insurance systems: community mutual health associations, pension funds, and private health insurance systems. However, protection for women in the workplace and social services for pregnant women are still lacking.

626. A diagnostic study of social security reveals the following: (i) a low-income population; (ii) insufficient coverage rates; (iii) the failure of operational social security systems to meet management standards; (iv) ignorance of social security on the part of the population; and (v) problems with the technical and operational capacity of technical coordination bodies. The different initiatives implemented to tackle these problems run up against the lack of

⁵⁶ Convention 3;12;17;18;19;24;25;35;36;37;38;39;40;44;102;103;118;121;128;130;157;168; 183; Resolutions and conclusions of the 89th session of the ILO Conference in 2001, provisions of articles 19;22;27;44;52;55 of the Constitution of the Republic of Burundi, articles 22 and 22 of the Universal Declaration of the Rights of Man, Burundi Social Security Code.

coordination and consistency that comes from insufficient legislation and regulation of working systems.

627. Healthcare, particularly for underprivileged groups, is limited by Burundi's poverty. The high morbidity and mortality associated with communicable and non-communicable diseases, and poor service delivery due to inadequate human resources complicate the problem of access to healthcare. Furthermore, low incomes and problems in managing premiums limit enrolment in social insurance and mutual health insurance schemes. In these circumstances, social security remains a pressing issue to prevent further deterioration of an already precarious situation.

628. Given the extent of the problems of accessing traditional health insurance and income support mechanisms, the approach adopted is to implement systems to pool social risk, which would be expanded over time to provide universal access. Aware of the challenge of guaranteeing social security for the entire Burundian population, and particularly for the poorest segments, and in line with the national social security policy adopted by the government in April 2011, the government opted for a gradual process of expanding the social safety nets in place with a view to providing social coverage for the entire population.

629. Contrary to ILO Convention 102, which identifies 9 branches of social protection, only five categories of protection are provided. Access to healthcare, old age pensions, survivors' benefits, work-related accident and illness benefits, and family allowances are therefore covered by the social security systems albeit at minimum levels regarding coverage rates and the types of benefits provided.

630. To meet the challenges of social security, the national strategy advocates measures to: (i) strengthen the institutional capacity of the technical coordination bodies; (ii) reinforce social risk prevention mechanisms; (iii) re-invigorate the population's contribution potential (economic solidarity); (iv) gradually extend social security to the entire population (expanded coverage); and (v) adhere to the standards for management of working social security systems (governance of functional social security systems).

631. To implement the national social security policy, short-, medium-, and long-term objectives were defined.

a) Short-term plans

632. **In the informal and rural sectors**, the plan is to: (i) organize and support the population in income-generating activities, in particular through cooperatives or other economic interest groups, by making the necessary resources available through appropriate mechanisms, such as microfinance; (ii) define mutually reinforcing relationships between growth and social security programs; (iii) promote individual and community provident schemes; (iv) support the rural population and the informal economy in implementing health insurance systems that attract at least 50 percent of the target population in the informal sector to join and 40 percent of the target population in the rural sector by 2015; (v) organize access for the poor and vulnerable individuals to these health insurance systems; (vi) incorporate a culture of social risk prevention and disease prevention into community development programs; (vii) help reduce poverty and vulnerability by effectively managing social risks; (viii) promote equity and social justice through socioeconomic integration and equal development opportunities; and (ix) organize a family benefits system.

633. **In the private sector** the recommendations are to: (i) organize and support certain categories of the formal sector with individual and collective provident schemes;

(ii) implement a health insurance system for the private sector; (iii) organize a social security system for the liberal professions and the self-employed; (iv) start up systems to establish a mandatory supplementary pension insurance scheme for workers in the formal sector; and (v) establish a pension and professional hazard insurance system for the self-employed and the liberal professions.

b) Medium-term plans

634. Targets for **the informal economy and the rural sector** include: (i) attracting at least 80 percent of workers in the informal sector and 70 percent of the rural population to join health insurance and individual and collective social security systems; and (ii) creating or extending the pension and worker's compensation schemes to people operating in the informal economy and rural sector, in particular vulnerable groups.

635. **In the formal sector**, priorities hinge on: (i) creating a system of maternity insurance compensation and health insurance compensation for workers in the formal private sector; and (ii) instituting a supervisory and regulatory body governing social security agencies, to ensure a balanced and sustainable system of existing social security systems.

c) Long-term plans

636. **In the informal and rural sectors**, the challenge is to achieve: (i) 100 percent membership of informal sector workers and rural dwellers in health insurance and individual and collective social security systems; and (ii) implementation of universal health insurance for all citizens of Burundi.

637. **In the formal sector**, the goal will be to organize unemployment insurance for employees in the formal sector.

638. In general, successful implementation of the strategy will require: (i) increased institutional capacity, so that the entity coordinating social security activities has the resources to properly perform its mission; (ii) public awareness of the need to embrace the systems, values, and basic principles of social security; (iii) guaranteed financing for programs to promote equitable social security; and (iv) the extension of social assistance to the most underprivileged and vulnerable social groups in consonance with the national social security policy, and in particular the culture of national solidarity.

639. Given the crosscutting nature of the parameters of social security, a coordinating body will be established to ensure that interventions in the area of social security are coherent and synergistic. To this end, priority actions will revolve around programs to: (i) build the institutional capacity of the coordinating body; (ii) strengthen economic solidarity mechanisms; (iii) gradually extend social security to the entire population; (iv) strengthen the mechanisms for preventing social risk; and (v) enhance the governance of social security agencies.

Chapter 5 : Promoting Development through Sustainable Environmental and Space Management

640. The challenges inherent to Burundi's economic, social and spatial context include difficulties in modernizing rural areas due to the fragmentation of land into small parcels; uncontrolled demographic pressure; and an urban environment too rudimentary to offer a sustainable alternative to the difficult rural situation. In addition, the regional development policy is disconnected from spatial development and the legal and institutional framework and unclear.

641. With an Environmental Performance Index (EPI) of 43.9 in 2010, Burundi ranks 141st out of 164 countries. This situation implies significant ecological vulnerability for the country and very limited capacity for investment in environmental infrastructure, in controlling pollution, and in environmental management.

642. Inadequate spatial organization at the national level and environmental degradation are not conducive to the success of growth and poverty reduction policies. It is therefore essential for planned programs to be executed in a healthy environment, giving priority to the sustainability of resources and the balanced development of the national territory.

643. This vision, which is echoed in Burundi's National Environmental Strategy (SNEB), has developed out of the pressure on natural resources caused by population growth. The government recommends implementing a spatial and natural resource management policy to safeguard environmental ecosystems and to reconcile the needs of present and future generations.

644. This approach is consistent with one of the MDGs and revolves around the following objectives: efficient and balanced land use planning, environmental protection, and the establishment of an institutional framework that is consistent with coordinated spatial management.

645. Sector and general development policies and strategies must take account of the interdependence of the environment and other growth promoting sectors, such as agriculture, tourism, industry, energy, infrastructure, and mines and quarries.

5.1. Rational, Balanced Land Use Planning

646. In the coming years, the government's efforts will concentrate on developing centers of attraction, controlling urbanization, and securing land. The goal is to correct distortions resulting from the lack of development plans and inequalities in the provision of infrastructure and to streamline land asset management.

5.1.1. Promoting the creation of social and development hubs

647. Rural housing is, to a large extent, scattered and unconnected to infrastructure networks (safe drinking water, electricity, roads) and far away from basic, collective, social amenities (education and health, in particular).

648. In the context of programs to reintegrate repatriated or displaced persons, the government, in conjunction with its partners, has initiated a policy of creating Integrated Rural Villages, as a solution to pressing problems and an experiment to encourage the emergence of larger-scale rural centers of development. Similarly, the current village movement program represents an opportunity to implement the housing cluster policy, particularly for young people. These centers should be designed in such a way as to facilitate

access to housing, basic social services, and to foster entrepreneurship among youth and women.

649. Burundi is also grappling with the phenomenon of rural exodus in search of employment, which leads to the proliferation of makeshift and unsanitary settlements. One response is to generate momentum for centers of attraction, which would absorb a portion of the migratory flows from the countryside to the towns.

650. The development of existing rural centers by creating infrastructure and providing equipment is a first step toward enhancing the attractiveness of rural areas, thereby spawning job- and income-generating activities. These centers must become viable and provide access to small loans as a priority for the success of sustainability of this program.

5.1.2. Improving housing and urban development planning

651. Burundi's limited urbanization (estimated at 10 percent) is itself an obstacle to economic and social development. Furthermore, urbanization is imbalanced and concentrated around Bujumbura, the country's capital, which accounts for 61.2 percent of the country's entire urban population. Secondary urban centers are poorly serviced in terms of administrative, commercial, and artisanal activities. Agriculture plays a dominant role, giving these centers a semirural aspect.

652. In light of this situation, the government has begun provincial land use planning schemes and is preparing the regulatory and technical tools to correct this imbalance and to promote the development of secondary towns.

653. However several obstacles persist, notably:

- i) the absence of laws and regulations to implement the National Housing and Urbanization Policy Paper;
- ii) the scarcity of state lands inside and outside the perimeter of these use urban centers;
- iii) the lack of an urban tradition among the population and land use patterns that favor scattered settlements, thereby complicating the development of villages;
- iv) outdated urban planning and management tools;
- v) the rising cost of housing.

654. It should be noted that the goal of Vision 2025 is to have 40 percent of the population urbanized by 2025. In the long run, the secondary centers will have to play a lead role in structuring regional growth hubs, in particular by accelerating the preparation of local urban center development plans and the urbanization and construction code. More specifically and more importantly, the Bujumbura Urban Development Master Plan (SDAU) will have to be updated and a National Urban Development Master Plan will have to be prepared.

655. It should be noted that the supply of housing is not increasing in step with urbanization owing to insufficient investment and a shortage of parceled plots. Furthermore, the proliferation of squatters in and the service areas is an additional problem for improving housing and the difficulty in accessing financing for housing further exacerbates the shortage. The government hopes that this situation can be improved in the coming years with the gradual improvements in the standard of living through a net increase in the capacity to produce decent housing. In this regard, particular emphasis will be placed on the use of local materials, promoting reliable and sustainable systems of financing for housing, and the establishment of subdivisions with a basic minimum of amenities.

5.1.3. Land Tenure Security

656. In addition to being a leading cause of conflicts, land issues discourage investment and development by impeding private sector promotion.

657. The implementation of the land policy paper adopted in April 2010 and the application of a new land code adopted by the parliament in July 2011 pave the way for establishing boundaries and recording properties, which will foster economic development and consolidate peace by reducing conflict. An general strategy for implementing this policy would be broken down into action plans.

658. Widespread implementation of communal land registries and offices and the restructuring and modernization of central government land and property agencies will improve land tenure security, which will contribute to private sector development based on a new land system that facilitates transactions, in particular collateral for loans.

659. A good knowledge of central government and communal land assets—through a participatory, updated inventory and maps—will help improve the management of public lands and meet the needs of returnees and other vulnerable and landless persons and implement the national village development policy.

5.2. Environmental Protection and Sustainable Resource Management

660. Development of production and socioeconomic infrastructure is conditional upon efficient and sustainable resource use based on respect for the environmental code and its implementing regulations, including the decree on environmental and social impact studies.

661. For several years, Burundi has experienced accelerated environmental degradation, which is already reflected in declining living conditions and lower production capacity, particularly in agriculture. To meet this challenge, the government plans to step up the following programs: (i) improving legislation on soil conservation and protection; (ii) protecting forests, woodlands, and biodiversity; (iii) combating pollution; (iv) environmental sanitation; and (v) consideration of climate change.

5.2.1. Soil conservation and protection

662. Like the Mumirwa and Buyenzi regions and the undrained wetlands, the fertility of Burundian soil is gradually declining. This diminishing fertility is further complicated by the shrinking size of farms from one generation to the next, which forces the population, in its quest for new land, to clear forested land and practice uncontrolled wetland drainage. These practices accelerate erosion on steep slopes, flooding in the lowlands and plains, depletion of water sources, sedimentation of lakes, drying of wetlands, and biodiversity loss.

663. In addition, traditional farming practices and land overuse are causing degradation and loss of huge amounts of land washed away by erosion. To improve soil quality, the country is forced to import more than 1,150 metric tons of chemical fertilizer at an annual estimated cost of BIF 45 billion. Losses resulting from land erosion are estimated at 4 metric tons/hectare/year in the east and 18 metric tons/hectare/year in the central region. Soil losses are particularly pronounced in Mumirwa (where they are estimated to be 100 metric tons/hectare/year).

664. Moreover, unregulated mining and quarrying continues in the hills and plains, along lakes and rivers, in wetlands and protected areas. In most cases, this mined land is not restored and becomes unusable for any other activity.

665. To address these problems, Burundi is considering several measures. On the legal front, it plans to identify specific measures to protect the soil and combat desertification, erosion, loss of arable land, and pollution, particularly from chemicals, pesticides and fertilizers (Article 30). The National Agricultural Strategy calls for integrated Agricultural-Forestry-Zoological techniques in the affected areas, the restoration of lands, and the enhancement and preservation of their fertility.

666. The National Strategy and Action Plan to combat soil degradation is being finalized. The objectives of this policy document include promoting efficient and planned land use, preserving and maintaining the productivity of the soil and other ecosystem goods and services, alleviating population pressure on the land, capacity building for sustainable land management, and the establishment of a financial mechanism for land management. To this end, the main approaches are to introduce methods for more efficient use of agricultural lands, to promote irrigation and efficient draining, and to protect watersheds.

5.2.2. Protection of forests, woodlands, and biodiversity

667. Woodlands and agro-forestry resources, natural forest ecosystems, and natural habitats rich in wildlife are an important asset that must be preserved as one of the underpinnings of sustainable development.

668. Several factors are to blame for the continued degradation of forest cover and biodiversity, including deforestation, bush fires, overgrazing, and illegal hunting and fishing, which deplete stocks in alarming proportions, especially in lakes.

669. The annual deforestation rate now stands at 9 percent. The main reasons for this are the pressure on forest resources caused by the use of wood as the main energy source and the search for new farmland. Service wood and fuel wood supplies fail to meet 80 percent of demand (0.075 m³/inhabitant/year for service wood and 2.98 m³/inhabitant/year for fuel wood and charcoal) compared with lumber supplies, which do not meet 20 percent of demand (0.04 m³/inhabitant/year).

670. Bush fires are also wreaking havoc in the country, annually burning vast areas of woodlands and mountains. The recurrence of these fires has already created rocky deserts, especially in the east, which encourage erosion, the progressive destruction of the soil, and contribute to global warming. Finally, farming is dominated by a large-scale production model, in which the efforts of small farmers are undervalued. Overgrazing has stripped the soil, resulting in decreased fertility, erosion, and shrinking pastureland.

671. Faced with these constraints, Burundi has already taken several steps to stop the degradation of forestry resources. Every year, Burundi prepares more than 10 million seedlings for reforestation of degraded land. At the same time, efforts are being made to monitor the natural forest ecosystems identified in 14 protected areas spanning approximately 4 percent of the country's territory.

672. As part of the National Strategy and Action Plan for Biological Diversity, the government will establish a legal framework to promote the protection of endangered species and populations, protect areas of high biodiversity or special interest, advocate traditional uses of biological resources that are compatible with their conservation and sustainable use, and introduce exotic species that have no harmful effects.

673. Regarding artificial woodlands, proposed strategies include the planned extension of wooded spaces to cover vacant land, the adaptation of forestry practices to the population's needs, promoting agro-forestry, the decentralization of forest management, the promotion of

forestry research and the domestication of species, and the reduction of losses due to wasteful practices and behaviors at all levels of the industry.

674. The National Renewable Energy Policy also supports efforts to preserve forestry resources. To this end, efforts should be made to facilitate access by a larger proportion of the population to modern energy sources, to provide a sufficient quality and quantity of energy for artisanal and industrial activities and to meet basic domestic needs for energy while safeguarding the environment. Achieving these goals will require the development of renewable energy, including solar and hydroelectric power. The adoption of these renewable energy sources will require information and awareness among importers regarding renewable energy equipment prototypes and potential users.

5.2.3. Pollution control and environmental cleanup

675. Water pollution remains a major environmental problem. Threats to water, soil, and air quality and productivity are already looming as a result of the dumping of sewage and other waste. Environmental impacts on human health are already evident in the reemergence of malaria, cholera, respiratory diseases, cancer, and typhoid fever.

676. The erosion of fertilizer- and pesticide-laden soil from farms and unprotected lands, the abandoning in nature of expired and non-biodegradable products, run-off from industries and artisanal plants, solid and liquid waste and household and commercial waste water are sources of water pollution in rivers, lakes and groundwater in Burundi. By eutrophication, pollution sets the stage for the proliferation of invasive exotic plants like water hyacinth growing in northern lakes and Lake Tanganyika. As a result, water pollution decreases aquatic species, particularly those that provide food security by contributing to fish production. It also poses a danger to public health from the water used for cooking and other household tasks.

677. The draft National Policy on Hygiene and Basic Sanitation (PNHAB) reveals the following information: more than 8,000 children under 5 years old die of diarrhea every year and most of these cases are related to improper sanitation. Eighty-four percent of the mortality and morbidity among children under five years old is the result of poor conditions of access to water, hygiene and sanitation. Five million Burundian citizens are living without proper sanitation, including in Bujumbura and major cities of the country where sewerage systems are incomplete, generally obsolete, and not fully operational.

678. Institutionally, Burundi does not yet have a national policy on hygiene and sanitation, a national master plan for land use including an urban master plan for cities across the country, nor a leading sanitation institution. The government is finalizing a National Policy on Hygiene and Basic Sanitation (PNHAB). The relationship between this policy and the National Sanitation Policy (NSP), which will be developed by the Ministry for the Environment, should be clearly defined.

679. Concerning the legislative and regulatory framework, the updated version of the Hygiene Code is now available, but there are new challenges with respect to updating other codes, such as the public health code, drafting implementing regulations for other codes, such as the environmental code, and defining locally applicable standards. In the technical domain, the country still faces problems related to: (i) the obsolescence of existing sewerage infrastructure; (ii) the urgent need for public latrines and water points in public places; (iii) proper training for the public in hygiene and sanitation; (iv) general sanitation and solid waste management; and (v) the creation and maintenance of an updated database on hygiene and sanitation.

680. In the area of capacity building and research, major challenges are: (i) raising the level of public education on hygiene and sanitation; (ii) having an adequate number of health promotion officers (TPS); (iii) ensuring that industrial waste water is pretreated before it is discharged; (iv) ensuring the availability of skilled professionals; and (v) enhancing the use of and research into special waste management.

681. In light of this situation, the government’s objective is to improve access for citizens of Burundi to public hygiene and sanitation that is sustainably managed, efficient, and environmentally friendly.

682. The coverage rate of 72 percent originally recommended in the “National Program to Supply Safe Drinking Water and Sanitation by 2015” has been revised downwards given the resource and national capacity constraints on implementing these programs.

Table 21: Revised sanitation sector objectives for 2015

Year	Rural Sanitation	Urban Sanitation
2009	35 percent	38 percent
2015 ⁵⁷	72 percent	72 percent
2015 ⁵⁸	50 percent	60 percent

Source: National Program to Supply Safe Drinking Water and Sanitation by 2015

683. It is clear from **Error! Not a valid bookmark self-reference.** that 50 percent of the rural population and 60 percent of the urban population will have access to decent sanitation by 2015. As such, the MDG target for sanitation will not be reached but the process is on track.

684. In urban areas, the government’s efforts aim to increase the rate of access to decent sanitation from 38 percent in 2009 to 60 percent in 2015, in particular by promoting the installation of individual sanitation facilities, the construction of working public facilities (in schools, health centers, hospitals, bus stations, public markets), the establishment of a proper, functional sanitation system in major cities, public training, information, and sensitization about the concept of and the need for proper sanitation, and the establishment of a system to ensure the proper management of sanitation facilities.

685. In rural areas, the percentage of the population with access to proper sanitation will increase from 35 percent in 2010 to 50 percent in 2015. Strategic actions will include: (i) hygiene and sanitation reform and the transfer of skills to the local industry; (ii) the rehabilitation, expansion, and construction of sanitation facilities in primary schools, health centers, markets, and other public places; (iii) hygiene awareness and promotion, with the eradication of open-air defecation by 2025, and adoption by 50 percent of the rural population of the practice of washing hands with soap by 2015; (iv) building leadership capacity among the rural population in hygiene and sanitation.

⁵⁷Proposed objectives in the “Sector Study on the Drafting of a National Program to Supply Safe Drinking Water and Sanitation by 2015.”

⁵⁸ Goals adopted during sector consultations.

5.2.4. Climate change

686. Atmospheric disturbances are essentially a transnational phenomenon. They are caused by the destruction of vegetation, various forms of air pollution, including pumping gases and aerosols into the atmosphere from bush fires and other forms of combustion (mainly refuse emitting nauseating, irritating, and sometimes toxic fumes). Industries, artisanal plants, and traffic also release polluting emissions.

687. The most damaging climate changes are the disruption of the seasons and erratic rainfall patterns, with a tendency toward desertification, variable rainfall, and violent downpours. The impact of climate change is felt throughout Burundi, but especially in areas with low and variable rainfall, such as the northern part of the Imbo plain, the Bugesera depressions, and Kumoso. Climate change weakens soil already susceptible to erosion, degrading plant cover and biodiversity, thereby disrupting entire ecosystems and production systems.

688. Landslides, erosion on steep slopes, sedimentation in rivers and lakes, floods in the lowlands, and silting up in the plains and the city of Bujumbura are all phenomena related to climate disturbances.

689. Burundi is concerned about the problem of climate change. Against this backdrop, the country has set up an institution responsible for the prevention and management of natural disasters, which must also be strengthened. The government will also focus on implementing the recently adopted national strategy.

690. The poorest rural populations are the hardest hit by climate change. The changes predicted are likely to worsen poverty in a segment of the population, in particular the most vulnerable.

691. Therefore, minimizing the adverse impact of climate change is a poverty reduction strategy. This reflects a holistic view of the interaction between climate change and poverty reduction.

692. To reduce the impact of climate change, Burundi will have to implement the priority actions set out in the Strategy and National Action Plan for Adapting to Climate Change (NAPA).

693. These documents recommend several interventions, including: (i) sequestration of greenhouse gas emissions through reforestation; (ii) protection of existing forests and revegetation; (iii) popularization of rainfall collection techniques for agricultural or household use; (iv) development of devices for erosion control in sensitive areas; (v) establishment of buffer zones in the floodplain of Lake Tanganyika and around the lakes in Bugesera; (vi) identification and distribution of drought-resistant forest trees; (vii) distribution of short-cycle crops; (viii) control of the dynamics of rivers and streams in Mumirwa, including in the city of Bujumbura; (ix) training and information for policy makers and other stakeholders, including local communities, on how to adapt to climate variability; and (x) adopting measures for monitoring the agro-meteorological and climatic effects of air pollution and degradation of the natural environment.

5.3. Efficient Water Resource Management

694. Burundi has abundant water resources, given its good rainfall, decent water system and water retention in marshes and lakes, particularly Lake Tanganyika. Rainfall amounts to 31,900 million cubic meters per year of which 21,850 are lost by evapotranspiration. The outflow of watercourses increases these losses by 8,170 million m³/year (259 m³/s).

695. The natural distribution of water is suboptimal as to space and time. Indeed, the lowlands are drier and have a longer dry season (Imbo, Bugesera, Kumoso). Water resources are mainly used for domestic purposes and minimally for development activities.

696. The use of non-potable water is divided between agriculture (16.3 percent), marshes (33.2 percent), livestock (0.5 percent), fisheries (0.3 percent), industry (0.4 percent), and hydropower (49.3 percent). Agriculture and livestock production is largely rainfed, irrigation is still in its infancy, and groundwater resources are still undervalued.

697. Fifty-one percent of the rural population obtains its supply of safe drinking water from improved water sources, standpipes, and to a lesser extent wells. The remaining 49 percent get their water from rivers, marshes and lakes. The country has one of the largest lakes in the region (Lake Tanganyika), which is suitable for navigation, fishing, and tourism. This lake also provides the bulk of the fish caught in Burundi.

698. The northern lakes and marshes of Burundi are the only major aquatic environments converted into a protected area system (“Bugesera Protected Aquatic Landscape”). Although undervalued, they are an important resource for irrigation programs and for tourism in a very poor region, affected by recurrent famines.

699. Regarding the management of water resources, the specific objectives of the National Water Policy are to: (i) maximize the contribution of water to economic growth; (ii) control population growth to reduce pressure on natural resources; (iii) protect water resources from degradation; (iv) establish sub-regional cooperation frameworks for the sustainable management of transboundary waters; (v) promote mutually beneficial cooperation programs; (vi) build adequate human capacity for the management and use of water resources and for research; (vii) create a reliable database on water that is sufficient for the purposes of proper planning of the development of this resource; (viii) develop and implement a Plan of Integrated Water Resources Management (IWRM Action Plan); and (ix) support the National Partnership for Water in managing water resources.

700. In terms of planning, it is recommended that irrigable land be inventoried and an investment plan prepared for its development. Other interventions are also planned. These include the development of master plans for watershed management that will chart the way forward for water and soil conservation, land management, the choice of irrigation techniques, studies on mobilizing rainwater and its use on farms during the dry season, and the establishment of a program of groundwater use for agriculture, focusing on the areas often affected by drought (Bugesera, Kumoso, Imbo, and Kirimiro). In addition, appropriate arrangements will be made for rural access to hydroelectric power.

701. This policy will also promote an agriculture using large-scale gravity irrigation systems in the potentially irrigable areas of the Imbo and Kumoso plains and small-scale irrigation to improve food security, increase family incomes, and create job opportunities for small farmers.

702. The following recommendations are also made: control the importation and use of fertilizers and other pesticides that may pollute the waters; build the capacity of extension workers in the areas of water control and management; promote private sector participation in land development through the use of agricultural hydropower; organize women’s participation in the planning and implementation of hydro-agricultural projects; initiate and widely disseminate the technologies for collecting rainwater for use in the event of the early cessation of rains.

703. For sustainable water management, there are plans to take actions that contribute to achieving six key objectives.

5.3.1. Promoting Good Governance in the Water Sector

704. The government will continue its efforts to supplement and effectively implement existing coordination and cooperation structures (with relays at watersheds, in provinces, communalities, and local communities) as defined in the National Water Policy and National Water Strategy.

705. The updating of framework texts (legal and regulatory instruments) governing the management of water resources is also a priority. This includes developing and implementing laws and regulations and water resource management tools (which refer to the water policy). The Water Code and the National Policy on Hygiene and Basic Sanitation will be adopted. It is also essential to adopt water quality standards, establish mechanisms to prevent and manage hydro-climatic disasters, review laws and regulations and water resource management tools, update them in accordance with the policy guidelines, harmonize and implement them.

5.3.2. Integrated Water Resources Management (IWRM)

706. In 2009, Burundi developed and adopted a Strategic Action Plan for Integrated Water Resources Management (IWRM Action Plan). This plan applies the concept of Integrated Water Resources Management (IWRM) based on extensive knowledge of resources and their integrated, equitable and sustainable management in all areas that cut across sectors. The National Water Strategy includes strategic aspects of the IWRM Action Plan. The government will implement the plan on the ground in incremental stages starting with a pilot sub-watershed.

707. Experiences and best practices developed within this framework will be extended to the rest of the territory. The government will seek to strengthen the National Water Partnership (PNE-Burundi) and the participation of all stakeholders, as well as the integration of women in the management of water resources.

5.3.3. Water: a resource for socioeconomic development, environmental protection, and disaster management

708. The government will adopt policies and take appropriate measures for efficient use of water in the development of the socioeconomic sectors, such as agriculture, fishing and fish farming, environment, health, lake transport, industry, and tourism. These strategies will be aimed at exploring available and usable water potential for various purposes (including the development of a national system of rainwater collection and conservation), maintaining water potential through actions aimed at strengthening groundwater replenishment, protecting water resources against all forms of pollution and, where appropriate, adopting techniques for treating wastewater for reuse and for other needs, and developing a system of assistance in making water resource planning and management decisions.

5.3.4. Transboundary resource management

709. Burundi has signed the Cooperation Framework between the Nile Basin Countries. It is a member of the Lake Tanganyika Authority, which has been in operation since early 2009 and is part of the subregional groups (ECCAS, ECA, AMCOW) that are in the process of establishing water resource management structures. To protect its interests within these organizations, Burundi will build national capacity to: (i) effectively represent Burundi's interests in international negotiations on shared waters; and (ii) identify national needs in

each watershed, so as to enhance transboundary waters for the implementation of development projects, while protecting the resource and respecting national sovereignty within the boundaries of the agreements and conventions.

5.3.5. Water sector planning and financing

710. The government will take steps to improve planning and financing through: (i) the implementation of a coherent and progressive planning and budgeting system and the harmonization of the various existing planning levels and tools; and (ii) good strategic planning of investment in the sector. Adequate strategies and measures will be adopted to mobilize the necessary domestic and foreign financing for development of the sector.

5.3.6. Building professional capacities in the water sector

711. The government will initiate strategies to correct the lack of human capacity and the absence of national institutions for scientific and technical training and research in the area of water using measures focused on: (i) the creation of structures for scientific and technical training in water at the secondary and university levels; (ii) training for all persons in the water sector; (iii) the promotion of environmental education in primary and secondary schools; (iv) information, education, and sensitization of stakeholders at all levels about the importance of integrated water resources and basic sanitation management; and (v) capacity building in research and development for water resource control.

5.3.7. Incorporating coordinated environmental management in sector programs

712. The existing legislation on environmental management and land use planning has many shortcomings. Indeed, the Environmental Code has no implementing legislation and is not sufficiently well disseminated. The Land Code and the Forest Code, which form the basis of land and forest resources management, are unknown to local communities. The Decree establishing protected areas and the Decree on the procedure for environmental and social impact studies are not fully implemented.

713. Furthermore, the degradation of land, water and biodiversity are also linked to the absence of an institutional framework for coordination and harmonization of actions by different stakeholders. In addition, the National Environmental Commission, which should assist the Ministry for the Environment in its coordinating role, has never been operational.

714. The lack of expertise in specialized fields, such as hydrology, meteorology, climatology, soil study, taxonomy and biotechnology, also explains the difficulties in monitoring environmental problems. These implementation and monitoring problems are also found in the management of regional and international conventions to which Burundi is a party. Regionally, Burundi is a member of several initiatives including the Central African Forests Commission (COMIFAC), the Nile Basin Initiative (NBI), and the East African Community (ECA), with which the country shares a common vision of protecting natural resources. It should therefore benefit from the positive impact of these memberships on the mechanisms for natural resources management.

715. Burundi has also ratified a number of conventions and regional and international initiatives on the environment, including the Convention to Combat Desertification, the Convention on Biological Diversity, and the United Nations Framework Convention on Climate Change.

716. To improve coordination of all activities related to the management of environmental issues, the government has opted to build the capacity of the various structures involved, including associations and NGOs, to effectively implement programs for sustainable

environmental management. Priority actions are to: (i) review the legislative and regulatory framework; (ii) improve the mechanisms for coordinating the environmental management and capacity building actions of stakeholders; and (iii) effectively monitor the inclusion of the environment in sector policies.

717. The measures recommended in this area are mainly implementation of the policies, tools, methods and equipment necessary for the management of natural resources, building human capacity in the management of these resources; and establishment of appropriate mechanisms for inter-sector coordination and mobilization of financial resources.

718. More specifically, the government has decided to implement major reforms, such as the updating and enforcement of the Land Law and the Law on the Establishment and Management of Protected Areas, the drafting of a law on incentives to preserve the integrity of protected areas, the drafting of the Territorial and Urban Development Code, the revised Environmental Code and Forestry Code, and the preparation of implementing regulations..

Chapter 6 : Macroeconomic and Fiscal Framework

719. The government regularly prepares annual projections of key macroeconomic aggregates including GDP, public finance, external current account, and monetary survey. These projections have been revised to reflect the political and economic environment (national and international) and the adjustments required for the new growth and poverty reduction objectives listed in the PRSP-II. They indicate the guidelines for new fiscal policies and management and identify the results expected from users of public funds.

720. It is important to note that the core data for estimating GDP will be revised to take into account the new national accounts, which should be formalized in June 2012.

721. The PRSP-II presents three scenarios in succession to reflect past trends and to underscore the government's willingness to begin a process of accelerated growth that puts Burundi on track at a rate that is at least equivalent to that of neighboring countries and members of the East African Community.

6.1. Ending procrastination: toward robust growth

722. The baseline scenario seeks to reconcile the government's main objectives over the period 2012-2015. Thus, based on the expectation of positive developments in the international economy and the implementation of the main policies and key programs of the strategy (Box 3), the reference scenario aims to achieve strong and sustained growth based on a profound transformation Burundi's economy, which would lead to the creation of the jobs needed to absorb double-digit unemployment and significantly reduce poverty. Furthermore, this scenario pursues macroeconomic stability and is consistent with the economic and financial program negotiated with the Bretton Woods Institutions, and supported by the Extended Credit Facility (ECF).

723. Under the combined effect of the policies and strategies adopted in the PRSP-II, GDP growth, estimated at 4.2 percent in 2011, would rise to 5.1 percent in 2012 and reach 8.2 percent in 2015. **On average over the period 2012-2015, the Burundian economy would grow at a rate of 6.9 percent per year, 3.0 percentage points above the average growth rate recorded between 2007 and 2011.** This growth will be driven by remarkable developments in the primary and secondary sectors. Meanwhile, the service sector would experience slower growth.

724. **Increased dynamism of the primary sector.** The primary sector is expected to post growth of 7.1 percent over the period 2012-2015, generated mainly by subsistence farming, export crops, and expanded livestock production. Indeed, the primary sector would receive special attention during the period 2012-2015 due to its key role in achieving the major objectives of the PRSP-II. The main programs and actions to be implemented will focus on improving food production through greater development of crop growing areas, including marshes, and enhanced supply channels for farmers with improved seeds and fertilizers. The programs will also seek to revive traditional cash crops and develop new crops. To increase livestock production, the government intends to continue and intensify its actions in favor of farmers, particularly through the development of agro-site startup support, training, supervision and technical monitoring of breeders. Fishing and fish farming will also benefit from government support through training, equipment, and coaching for greater exploitation of fishery potential. In addition, the government will strengthen mechanisms for financial support to rural areas to enable small producers to overcome difficulties in access to bank financing. The implementation of these programs and actions should generate growth

averaging 7.1 percent, 13.6 percent, and 6.0 percent, respectively, in activities related to subsistence agriculture, export crops, and livestock rearing, producing extraordinary results compared with the performance recorded in 2007-2011.

Box 3: Key growth assumptions

Sustained domestic efforts: conditions key to economic and social success in Burundi

Locally, a salient feature of the 2012-2015 period would be the implementation of strict measures to improve the overall competitiveness of the economy and strengthen the national production machinery. This approach should result in: (i) significant support for agricultural, livestock, and fishery production; (ii) the promotion of industrial production, particularly the agroindustry and the food industry; and (iii) the development of services, mainly transport, tourism, and financial services. In addition, the consolidation of the democratic process should continue, thus promoting the development of private investment, with noticeable results in construction and public works.

Meanwhile, the government will initiate actions to improve the quality of human resources by improving supply and accessibility in the areas of education and health. The planned actions will also improve energy supply and increase the quality of infrastructure, including transport infrastructure and telecommunications. The goal is to significantly reduce the production costs of private enterprise while improving product quality to take advantage of the opportunities offered by the gradual integration of the Burundian economy into subregional market.

Strengthened internal security and the continued implementation of reforms, particularly in the areas of judicial, legal, economic, and financial good governance compatible with the vision of “zero tolerance,” should continue to improve the international ranking of the Burundian economy in the opinion of the rating agencies, in particular Doing Business. This should result in a reduction in the cost of private capital for the Burundian economy and greater mobilization of foreign investment.

The adoption of the PRSP-II and greater transparency in public management, through widespread use of the MTEF, should contribute to increased financial support from development partners, despite the risk of dwindling official development assistance facing all of Africa because of the crisis in Europe. In addition, while maintaining a climate that provides incentives for private sector development to support government efforts in promoting economic growth, the period 2012-2015 will be marked by increased government revenue. This increase in revenue will be the result of the combined effect of reforms aimed at enhancing domestic tax collection and policies to further modernize economic activity, particularly in artisanal businesses, mining, tourism, and trade.

A favorable international economic environment: a vital ally of the PRSP-II

Globally, the period 2012-2015 will be marked by consolidation of the current economic recovery driven by the emerging economies. However, persistent inflationary pressures caused by soaring food and commodity prices and the current debt crisis in the euro zone, could weaken the global recovery. Ultimately, the world economy is expected to grow at an average rate of 4.6 percent over the period 2012-2015.

Trends in the international markets for key commodities exported by Burundi (coffee and tea), should remain favorable, thanks in particular to the dynamism of the emerging economies and the prospect of quickly bringing the effects of debt crisis in the euro area under control. However, the very real risk of a spread of economic and financial difficulties across Europe, which might also affect the U.S. economy, advises caution.

In terms of **foreign exchange markets**, the expansion of the crisis in the euro zone should result in a depreciation of the euro against the dollar, and hence an appreciation of the Burundi franc against the euro. This would result in a relative increase in the country’s import capacity to meet the need for massive investment when the PRSP-II is implemented. However, the decline in European demand resulting from a prolonged crisis could undermine export earnings. Such a situation would make it difficult to finance ambitious programs in the country in the context of a structural deficit in the current account. Nearly one third (1/3) of Burundi’s foreign trade (exports plus imports) is with the euro zone countries.

725. Strong development of the secondary sector, which is expected to grow at an average rate of 10.3 percent as opposed to 5.2 percent between 2007 and 2011. This growth is driven mainly by expansion in energy and mining (13.9 percent), construction (13.2 percent), and industry (10.0 percent). These developments are fostered by public policies aimed at reducing the country’s energy deficit, providing more infrastructure, and promoting the manufacture of local products on the one hand and, on the other, continued private sector momentum, as currently observed in construction activities, such as hotels. At the industry level, the textile industry (formerly COTEBU) should reopen in 2012-2015 and the production capacity of the cement industry should increase to meet the rising demand resulting from the surge in construction activities.

726. Maintaining the growth rate of tertiary activities at around 5.0 percent on average. Over the period 2012-2015, the tertiary sector would develop at about the same rate, on

average, as it had grown during the period 2007-2011, which is typical given the contrasting growth trends in the different industries. General government would grow at an average of 3.1 percent, 1.6 percentage points below the average growth rate it recorded in 2007-2011. This slowdown would be induced by fiscal policies designed to contain expenditure on public services and release the funds needed for investment in infrastructure. By contrast, the activities related to transport and telecommunications would experience strong growth averaging 11.5 percent, falling slightly below the growth rate posted in 2007, before the impact of the global financial crisis. These dynamics would be underpinned by considerable private foreign financing for this subsector, particularly telecommunications activities. Activities related to trade and other services, in turn, would average the same growth rate recorded over the period 2007-2011. However, it should be noted that growth rates would gradually increase from one year to the next over the period 2012-2015, reflecting the dynamic development of these activities.

Table 22: GDP growth rate by segment, 2007-2011

	Historical Data					Average 2007- 2011	Projections				Average 2012-2015
	2007	2008	2009	2010	2011		2012	2013	2014	2015	
Primary sector	0.1	4.2	1.8	3.9	3.2	2.7	6.5	5.9	7.6	8.6	7.1
Food crops	4.2	2.6	3.0	2.0	3.2	3.0	6.0	5.8	7.8	8.9	7.1
Export crops	-59.5	48.6	-38.2	75.0	-2.4	4.7	23.0	11.3	10.4	9.6	13.6
Livestock	3.7	4.9	5.7	4.0	5.0	4.7	5.5	5.1	6.4	7.1	6.0
Forestry	5.6	4.4	2.6	2.5	4.4	3.9	4.5	3.6	4.1	4.4	4.2
Fishing	5.0	7.2	0.0	5.0	1.1	3.7	1.5	2.5	4.9	6.3	3.8
Secondary sector	3.7	5.0	5.4	4.4	7.6	5.2	5.4	12.7	11.6	11.5	10.3
Industry	-0.9	4.5	1.0	3.9	12.2	4.2	5.6	8.1	12.1	14.2	10.0
Agribusiness	11.3	4.5	4.3	4.5	3.3	5.6	4.0	1.6	8.4	13.2	6.8
Food industries	4.3	5.2	-0.8	4.5	5.0	3.6	5.5	9.5	13.8	15.8	11.2
Textile, leather, and tanning industries	-51.9	-10.0	0.0	0.0	177.8	23.2	6.0	2.3	1.2	0.8	2.6
Other industries	4.2	5.8	3.6	3.0	6.2	4.5	6.5	10.0	14.0	15.7	11.5
Crafts	3.7	3.6	9.7	4.5	4.0	5.1	4.2	4.7	5.8	6.3	5.3
Construction	7.1	7.2	8.0	5.0	5.5	6.5	6.0	20.7	14.1	11.9	13.2
Mining and energy	20.4	0.0	3.6	4.0	3.7	6.3	5.0	28.8	12.9	8.8	13.9
Tertiary sector	8.1	5.0	5.1	3.7	3.9	5.2	3.3	4.6	5.9	5.9	5.0
General government	6.5	5.0	4.5	3.9	3.6	4.7	2.0	2.8	4.0	3.7	3.1
Transport and communications	12.8	6.9	8.8	4.0	6.0	7.7	8.0	12.7	13.0	12.4	11.5
Trade	11.9	3.3	2.6	3.0	3.5	4.9	4.0	4.2	6.1	6.7	5.2
Other personal services	7.4	5.0	6.6	3.0	3.5	5.1	4.0	4.0	5.9	6.3	5.0
GDP at factor cost	3.5	4.6	3.6	3.9	4.2	4.0	5.1	6.6	7.7	8.2	6.9
<i>Indirect taxes (less subsidies)</i>	<i>4.3</i>	<i>3.1</i>	<i>1.9</i>	<i>2.6</i>	<i>4.2</i>	<i>3.2</i>	<i>5.1</i>	<i>6.6</i>	<i>7.7</i>	<i>8.2</i>	<i>6.9</i>
GDP at market prices	3.6	4.5	3.5	3.9	4.2	3.9	5.1	6.6	7.7	8.2	6.9

Source: Government of Burundi.

727. **The external current account deficit persists.** The structural deficit in the current account worsens year after year, from -20.7 percent of GDP in 2011 to -42.2 percent of GDP in 2015, averaging -38.1 percent of GDP over the period 2012-2015 compared with 17.8 percent between 2007 and 2011. This deepening deficit is attributable to imports of intermediate goods, which are expected to increase rapidly over the period to meet the requirements for transformation of the economy.

728. **The balance of the capital and financial account** should be predominantly in surplus. The surplus should be consolidated at 38.1 percent of GDP on average over the period 2012-2015 as opposed to 17.8 percent for 2007-2011. This favorable trend could be explained by the significant private foreign investment expected over the period, with the improvement of the business climate that would result from the strict implementation of the PRSP-II. In addition, the public sector should receive significant financial support. Meanwhile, the

country will adopt a debt policy that will ensure financing at concessional rates to avoid a renewed debt service burden after receiving debt cancellation under the HIPC Initiative.

729. **Money and credit.** Over the period 2012-2015, net credit to the government should trend downwards from 14.9 percent of GDP in 2011 to just 8.9 percent in 2015. Meanwhile, the banking system should provide considerable support for the efforts of the private sector. The supportive efforts of the domestic financial sector would be driven by the reforms and policies that will be implemented over the period to improve relations between the financial system and economic operators. Meanwhile, the growth of banking networks and microfinance should result in more widespread banking and a higher rate of saving. The period should be marked by an improvement in the rate of long-term saving, conducive to investment financing. Thus, lending to the economy would experience an average increase of 15.6 percent, which would raise its ratio to GDP to 27.9 percent over the period 2012-2015 as opposed to 22.2 percent on average between 2007 and 2011.

Table 23: Price, balance of payments, money and credit indicators

	<i>Historical Data</i>					<i>Projections</i>			
	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP deflator (annual growth in percent)	1.7	22.5	14.0	8.5	11.5	8.7	7.5	6.5	5.5
Consumer prices (annual growth in percent)	-0.3	32.3	-4.3	8.1	12.1	11.3	11.1	9.9	8.1
Balance on current account (percent of GDP)	-11.4	-22.3	-12.9	-21.5	-20.7	-33.5	-36.7	-39.8	-42.2
Capital and financial account (percent of GDP)	15.2	17.9	13.9	21.6	20.7	33.5	36.7	39.8	42.2
General government (percent of GDP)	13.1	12.1	81.9	5.6	10.2	12.6	12.6	12.1	11.1
Foreign direct investment (percent of GDP)	0.0	0.3	0.0	0.1	0.0	2.1	2.7	3.1	3.3
Net claims on government (percent of GDP)	15.5	13.3	11.3	17.2	14.9	14.8	13.1	10.9	8.9
Net claims on the economy (percent of GDP)	21.3	20.7	18.0	24.0	27.0	27.7	27.7	28.0	28.1
Claims on the economy	36.8	34.0	29.3	41.2	41.9	42.5	40.8	38.8	37.0

Source: Government of Burundi.

6.1.1 Fiscal measures: income and expenditure

730. As part of the PRSP-II, the government will continue the reforms already under way to increase the yield of domestic taxes and customs duties. To this end, it will continue to work to build the technical and physical capacity of the tax department and to strengthen anti-tax evasion measures. In this regard, the government will help effectively implement the action plan of Burundi Revenue Office (OBR) for the period 2011-2015. On the expenditure side, efforts will be continued to control the operating expenditures of public services, to create fiscal margins for implementing key actions in the PRSP-II. These include consolidating the achievements of the PRSP I, continued provision of basic socioeconomic infrastructure for the country, and creating the conditions for development of the productive sectors.

Table 24: Resources and expenditure in proportion to GDP

	<i>Historical Data</i>					<i>Projections</i>			
	2007	2008	2009	2010	2011	2012	2013	2014	2015
Own resources	19.8	20.5	20.2	21.4	23.1	24.4	25.0	25.5	26.1
Tax revenue	18.3	18.2	18.5	20.1	21.4	22.6	23.1	23.6	24.0
Nontax revenue	1.5	2.3	1.7	1.3	1.7	1.8	1.9	2.0	2.0
Foreign resources	20.6	17.1	8.2	22.4	27.3	26.4	24.8	22.5	20.1
Aggregate and sector support	8.8	10.2	5.9	7.3	7.5	5.0	4.1	3.4	3.0
Special programs	1.2	0.5	0.0	4.3	7.4	6.1	5.2	3.8	2.6
Project loans	2.5	0.9	1.1	2.2	2.3	2.7	2.9	3.2	3.4
Project grants	8.1	5.5	1.2	8.7	10.2	12.6	12.6	12.1	11.1
Total resources	40.4	37.6	28.4	43.8	50.4	50.8	49.8	48.0	46.2
Expenditures and net lending	40.9	38.3	33.7	49.2	51.8	52.8	50.8	48.0	46.1
Current expenditures	26.2	28.0	27.6	29.3	26.6	25.3	24.0	22.6	21.2
Salaries	11.4	12.3	12.3	13.8	13.0	12.5	12.0	11.3	10.7
Goods and services	7.1	7.5	6.9	5.9	5.0	4.3	3.9	3.6	3.4
Transfers and subsidies	4.7	6.1	6.7	7.9	6.9	7.2	6.9	6.5	6.2
Interest receivable	3.0	2.1	1.7	1.7	1.7	1.3	1.2	1.1	1.0
Extraordinary expenditures and Other expenditures	1.2	0.5	0.0	4.3	7.8	6.7	5.9	4.5	5.0
Capital expenditures	13.5	9.9	6.2	15.6	17.4	20.9	20.9	20.9	19.9
Domestically financed	2.9	3.5	3.9	4.7	4.9	5.6	5.4	5.6	5.4
Externally financed	10.6	6.4	2.3	10.9	12.5	15.3	15.5	15.3	14.5
Project loans	2.5	0.9	1.1	2.2	2.3	2.7	2.9	3.2	3.4
Project grants	8.1	5.5	1.2	8.7	10.2	12.6	12.6	12.1	11.1
Net lending	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Primary balance	-6.3	-9.3	-9.5	-10.9	-7.1	-5.7	-3.8	-2.3	-0.2
Primary balance including exceptional expenditures	-7.5	-9.3	-9.5	-15.1	-14.5	-11.8	-9.0	-6.1	-4.5
Overall balance (on a commitments basis)									
Including grants ¹	-4.2	-2.1	-6.4	-11.8	-11.1	-11.9	-10.1	-7.9	-6.7
Excluding grants	-21.1	-17.8	-13.5	-27.8	-28.7	-28.4	-25.8	-22.5	-20.1

Source: Government of Burundi.

6.1.1.1 Resources

731. Over the period 2012-2015, **the government's own resources** should continue their upward trend at an average growth rate of 18.0 percent, reaching 26.1 percent of GDP in 2015. These resources will be essential components of tax revenue, which will account for 92.1 percent of the total own resources. The tax burden would decline to 21.1 percent in 2015. After a sharp increase between 2010 and 2011 following the reforms, including the establishment of the OBR and the introduction of the VAT, tax revenues should grow at a slower rate, in line with the progression of economic activity. Developments in customs duties will reflect Burundi's accession to the ECA, as a result of which it will relinquish intra-zone duties and taxes. However, the anticipated losses should be offset by the effects of harmonizing exemptions, which should reduce the country's tax expenditures.

732. **External resources** will increase at a slower pace over the period, reflecting the slowdown in project grants. In addition, to cover the sizable financing requirements for implementing the PRSP-II, the government will resort to foreign borrowing through project loans. However, this borrowing must be consistent with macroeconomic sustainability to prevent the country from falling into the vicious cycle of excessive borrowing, which could nullify the efforts that have already been made.

6.1.1.2 Expenditure

733. **Government expenditure** over the period 2012-2015 should increase at an average of 11.2 percent, in tandem with actions under the PRSP-II to accelerate laying the foundations of a sound economy. Thus, spending would average 49.4 percent of GDP over the period 2012-2015 as opposed to 42.8 percent between 2007 and 2011. The increase would be driven by investment spending.

734. **Current expenditure** would increase by 8.2 percent on average over the period 2012-2015 compared with 19.6 percent between 2007 and 2011. Despite its slower growth, current

spending would remain sufficient to allow the government to meet its social commitments, including: (i) recruitment in the social sectors; (ii) the continuation of free primary education; and (iii) the coverage of healthcare for pregnant women and children under 5 years old. Thus, over the period, these costs would account for an average of 47.0 percent of total expenditure as opposed to 63.1 percent between 2007 and 2011.

735. *Capital expenditure* would rise by 18.9 percent on average over the period and would be geared toward structuring investments that would help create the conditions for sustained and lasting economic growth, which is the underpinning of tangible poverty reduction. Thus, public investment spending will be devoted primarily to the development of the productive sectors, increased provision of basic economic infrastructure, and the improvement of social infrastructure. These expenditures would amount to 42.0 percent of overall spending and would account for 20.7 percent of GDP on average.

6.1.1.3 Changes in balances

736. As a result of increased domestic revenue, the policy of containing costs, in particular current expenditure, and the fiscal margins available since completion point was reached under the HIPC Initiative; the government's financing needs should trend downwards. However, the need to increase capital spending to substantially improve the population's living standards in one decade forces the country to continue to seek foreign aid. Thus, over the period 2012-2015, the budget balance would continue to show a structural deficit even though it would improve. Financing requirements, excluding grants, would average 24.2 percent of GDP and should be covered mostly by external financial assistance. However, it should be noted that coverage of the volume of expenditure needed to rigorously and fully implement the PRSP-II, as indicated by the line ministries, would further increase funding requirements.

6.1.2 Is the reference macroeconomic framework sustainable?

6.1.2.1 Growth rate and inflation

737. Projections for the period 2012-2015 anticipate an average growth rate of 6.9 percent. This growth would be driven mainly by expected developments in the primary and secondary sectors, which would grow at an average rate of 6.9 percent and 9.7 percent, respectively. This trend is consistent with the objectives of the various reforms and programs under the PRSP-II. Indeed, the sector strategies adopted should lead to the revitalization of particular productive sectors with growth potential, a stronger socioeconomic infrastructure, and improved judicial and economic governance.

738. Moreover, performance to date shows that the projected average growth rate of 6.9 percent over the period is attainable. Indeed, before it experienced major setbacks due to the crisis the country has been experiencing since 1993, Burundi's economy had grown by 6.4 percent in 1991. Similarly, between 1997 and 1998, economic growth surged by 4.5 percentage points from 0.4 percent to 4.8 percent. Since 2004, the country has recorded an average growth rate of 3.8 percent, with a peak of 5.1 percent in 2006. In addition, the growth rates of some economies in the East African Community during the last five years confirm that such projections are realistic. For example, the Rwandan economy and the Ugandan economy averaged growth rates of over 7 percent between 2006 and 2010.

739. The projected growth is not inflationary. Changes in consumer prices should fall below 10 percent by 2015. The projected decline in inflation is consistent with the government's domestic efforts to control monetary policy and stabilize the Burundian Franc (BIF).

6.1.2.2 Rate of investment and efficiency of capital

740. The investment rate should rise by 2.4 basis points over the four years of implementation of the PRSP-II, averaging a 0.6-point increase each year. Baseline framework projections show an increase in the investment rate from 20.8 percent in 2011 to 23.1 percent by 2015. Investment will increase as a result of the government's efforts and the expected development of the private sector. Over the period 2012-2015, the investment rate should average 23.2 percent. The ratio of projected economic growth to this average investment rate would yield a capital efficiency rate of 29.7 percent and an ICOR of 3.4. The investment efficiency of the Burundian economy would be clearly greater than it was in the 2007-2011 period.

6.1.2.3 Changes in tax levies

741. Revenue mobilization is a particular challenge for the government of Burundi. The challenge is even greater as revenue must be increased while maintaining a climate that provides incentives for private sector development to complement government efforts and promote economic growth. The projections of the baseline macroeconomic framework show an increase in the average tax rate from 21.4 percent in 2011 to 24.0 percent in 2015, an average annual increase of 0.4 points. Increased tax revenues should result from the expansion of the tax base through efforts to encourage the integration of the informal sector into the formal economy, promoting tax compliance, greater productivity of tax offices, and the implementation of the reforms envisaged by the Burundi Revenue Authority (OBR). Furthermore, developments in some industries, particularly mining, will help improve the average rate of taxation. The use of tax leverage should be relatively limited compared to the average in the ECA region, although the tax ratio in Burundi is lower than in some economies, such as Kenya (24.2 percent in 2010).

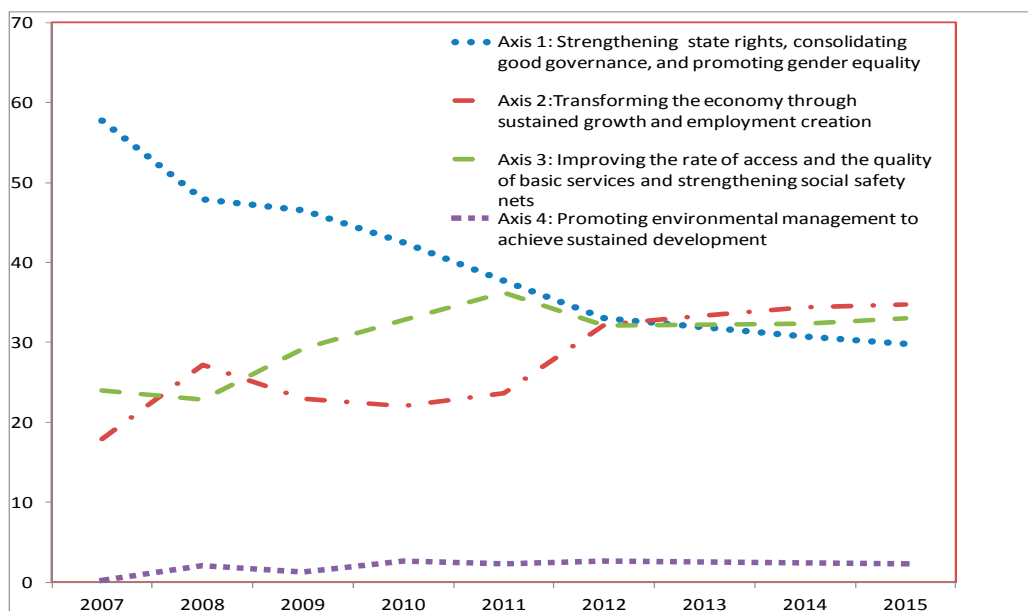
6.1.2.4 Changes in the public debt

742. The successful implementation of the PRSP-II will require substantial financing. It also requires the government to continue its efforts to mobilize domestic resources and external financial assistance. The debt cancellation Burundi received in January 2009 has improved its debt ratios and thus opens up new possibilities. However, to avoid falling into the trap of over-indebtedness once more, the country will continue to seek financing at concessional rates. From this perspective, the use of costly mechanisms, such as the issuance of government securities and use of bridge loans to ease liquidity problems, will be limited. Moreover, the government will increase its efforts to enhance the performance of economic and financial management with a view to improving its Economic Policy and Institutional Framework Performance Index (Country Policy and Institutional Assessment, CPIA). Indeed, Burundi's CPIA score, which determines the allocation of resources in most development institutions, remained low (the lowest level in the ECA countries). During 2012-2015, the government will commit to increasing it in order to benefit from more external financing from development partners and to raising Burundi to the same level of performance as the other countries of the Community.

6.1.3 Sector budget allocations

743. The PRSP-II clearly reflects the government’s priorities for the period 2012-2015. Budget allocations for the period are also made in accordance with strategic priorities. The recommended budget allocations for the PRSP-II reflect the new economic policy guidelines, which focus on the sectors driving growth while stabilizing gains in the social sectors that need further improvement in the quality of services. The chart below shows the trends emerging from the implementation of PRSP-II programs.

Figure 10: Strategic allocation of resources (2007-2015)



744. With respect to the social sectors, after sustained efforts over the period of the PRSP I, which made it possible to achieve outstanding performance particularly in the areas of health and education, the level of resources allocated to these sectors will be stabilized to safeguard the achievements and continue the policies designed to improve the quality of the services provided. In particular, the relative decline between 2011 and 2012 is attributable to investments in the Karusi hospital, which fell from 14 billion in 2011 to 2.3 billion during the period under reference and the failure to recognize the 48.7 billion received from the Global Fund under foreign-funded investments. Conversely, the relative shares budgetary allocations to Pillar 1 will be decreased between 2012 and 2015 to release resources to finance growth. Resources for this pillar will be stabilized over the period.

6.1.3.1 Pillar 1: Strengthening the rule of law, consolidating good governance, and promoting gender equality

745. The Pillar “Strengthening the rule of law, consolidating good governance, and promoting gender equality” will receive an average of 31.4 percent of the fiscal resources to be mobilized over the period 2012-2015.

746. The resources allocated to this pillar will finance actions to: (i) build the capacity to maintain law and order, security of property, and the safety of individuals; (ii) reintegrate and reincorporate vulnerable groups into the social and economic sphere; (iii) intensify the battle

against corruption and embezzlement of public funds; (iv) manage public finance; (v) enhance the effectiveness of public institutions through central government reform, actual decentralization of powers and resources, continued construction of government buildings, and development of the statistical system. These resources will also be used for actions to promote gender equality.

6.1.3.2 Pillar 2: Transforming Burundi's economy to generate sustainable, job-creating growth

747. To enable the government to meet its commitments over the period 2012-2015, namely to promote accelerated and sustainable economic growth, 33.7 percent of the budget will be allocated to the development of productive sectors. The relative share of these allocations would therefore increase by 9.8 points over the 23.9-percent level of 2011. These additional appropriations will support: (i) agricultural, livestock, and fishery production; (ii) the development of mining resources; and (iii) the development of industries and services for economic transformation. The appropriations under this heading will help create jobs, particularly for young people.

748. In addition, the infrastructure sector will continue to receive all the attention it deserves. Low energy production is a major obstacle to private sector development and economic growth. To overcome this handicap, significant resources will be allocated to the development of the energy sector. To this end, during the period of PRSP-II implementation, the government's efforts will focus on measures to improve the financial capacity of REGIDESO, to diversify sources and types of energy, and to liberalize and regulate the provision of electricity to the public. Significant resources will be committed for the construction of high-capacity dams with a view to increasing energy supply and putting a stop to the country's current practice of load shedding. Over the period 2012-2015, the transport infrastructure sector will also benefit from substantial funding. The government's objective is to provide the country with modern infrastructure to support the promotion of socioeconomic activities.

6.1.3.3 Pillar 3: Improving access and quality in basic social services and strengthening the social safety net

749. In the face of major challenges in health and education, the government will continue to increase the resources allocated to strengthening the education system and promoting health. Issues related to controlling population changes by managing fertility as well as those related to access to safe drinking water and the inclusion of vulnerable groups will also be given attention over the period. Budget appropriations to be allocated to this pillar will constitute 32.4 percent of total resources mobilized during the period.

750. Allocation to the **education system** would represent 22 percent of total expenditure for the period. There are many challenges to be faced, including: (i) strengthening human capacity, infrastructure, and equipment in the education system; (ii) improving sector management; (iii) improving the quality of service and working conditions of educators; (iv) improving social services; (v) defraying the costs of introducing basic education.

751. In the **health** field, appropriations will represent 7.4 percent of total expenditure for the period. The goal is to improve the health status of the population in general and of women and children in particular. In this context, some measures implemented, such as free healthcare for children under five and for women during pregnancy and childbirth, will be strengthened. To achieve these objectives, the government's efforts will be focused on

technical upgrades to key existing hospitals and the ensuring existing health centers are operational. It also aims at strengthening basic healthcare coverage nationwide through the construction, rehabilitation, and equipment of health facilities.

752. Efforts will also be made to provide social security and to include vulnerable groups. In addition, considerable resources will be allocated to combating the development of certain diseases, such as HIV/AIDS, malaria, and tuberculosis. The objective is to significantly reduce mortality rates. The funds allocated to actions to help improve the population's access to safe drinking water will be increased, particularly capital expenditure.

6.1.3.4 Pillar 4: Promoting development through sustainable environmental and space management

753. Spatial and environmental management for sustainable development will also receive special attention from the government. Allocations to this pillar would amount to an average of 2.5 percent of total resources. The resources will be used in areas related to climate change and the environment and to land use planning, in the interest of balanced development of the regions.

Table 25: Estimates of relative budget shares under the PRSP I

	2011	2012	2013	2014	2015
PILLAR 1: Strengthening the rule of law, consolidating good governance, and promoting gender equality	37,72 percent	33,05 percent	31,88 percent	30,79 percent	29,87 percent
1. Justice and the rule of law	18,02 percent	18,07 percent	17,37 percent	16,74 percent	16,42 percent
2. Consolidation of good governance and the performance of public institutions	19,67 percent	14,86 percent	14,39 percent	13,94 percent	13,34 percent
3. Promotion of gender equality	0,04 percent	0,13 percent	0,12 percent	0,12 percent	0,11 percent
PILLAR 2: Transforming Burundi's economy to generate sustainable, job-creating growth	23,65 percent	32,23 percent	33,38 percent	34,38 percent	34,79 percent
1. Increase in the productivity of the growth sectors	8,71 percent	13,59 percent	13,96 percent	14,26 percent	14,32 percent
2. Improvement in the accessibility and quality of economic infrastructure	14,59 percent	18,42 percent	19,21 percent	19,92 percent	20,27 percent
3. Regional integration	0,35 percent	0,22 percent	0,21 percent	0,20 percent	0,19 percent
PILLAR 3: Improving access and quality in basic services and strengthening the social safety net	36,25 percent	32,07 percent	32,19 percent	32,39 percent	33,00 percent
1. Enhancement of the capacity and quality of the education system	21,81 percent	22,15 percent	21,96 percent	21,83 percent	22,00 percent
2. Improvement in the capacity and performance of the health system	14,17 percent	7,65 percent	7,47 percent	7,29 percent	7,26 percent
3. Reduction in fertility and national population policy	0,22 percent	0,34 percent	0,33 percent	0,33 percent	0,32 percent
4. Intensification of the fight against HIV and major pandemics	0,02 percent	1,84 percent	2,22 percent	2,60 percent	2,93 percent
5. Strengthening and extension of social security coverage	0,01 percent	0,01 percent	0,01 percent	0,01 percent	0,01 percent
6. Promotion of access to safe drinking water	0,02 percent	0,08 percent	0,21 percent	0,34 percent	0,47 percent
PILLAR 4: Promoting development through sustainable environmental and space management	2,38 percent	2,64 percent	2,55 percent	2,44 percent	2,34 percent
1. Efficient and balanced land use planning	0,29 percent	0,17 percent	0,16 percent	0,16 percent	0,15 percent
2. Environmental protection and sustainable natural resource management	2,09 percent	2,47 percent	2,39 percent	2,29 percent	2,19 percent
GRAND TOTAL	100,00 percent	100,00 percent	100,00 percent	100,00 percent	100,00 percent

Source: Government of Burundi.

6.2. “International Economic Downturn” Scenario

754. The baseline or “PRSP-II” scenario is conditional upon execution of the reforms and programs under the PRSP-II, which in turn rely on the country’s capacity to mobilize the required domestic and external resources, thus revealing how risky its desired implementation is. What would happen in the event of an international economic downturn?

755. This adverse global economic scenario would include a decrease in the prices of Burundi’s main exports (coffee, tea, and cotton), a contraction and then a decline in external financial support, and a slowdown in foreign direct investment. Such a situation could certainly cause considerable financial difficulty in implementing some programs and key projects in the PRSP-II. However, the government will remain committed to championing key reforms aimed at laying the foundations of a strong and attractive economy.

756. Thus, the government’s budget options will be increasingly strict. It will continue the fight against tax evasion and will intensify its efforts to increase the overall efficiency of the tax administration. In so doing, it intends to expand the fiscal space in order to lessen the impact of diminishing external funding, both public and private. In addition, the government will use its membership in the ECA to leverage the subregional monetary and financial markets. To this end, it will issue government securities to cover a significant portion of funding needs. Given the higher cost of these modes of financing, the government will work to improve the quality of its signature. Meanwhile, it will implement major reforms, including greater transparency in public management and legal and judicial governance, to stimulate interest in the securities issued and rapidly lower the cost of public borrowing.

757. At the sector level, use of the resources mobilized will be based on the priorities of the PRSP-II. However, given the government’s relatively limited financing capacity, it will more strictly target budgetary expenditure, giving preference to those that have a significant initial “feedback effect.” Secondly, the additional resources generated will be used for priorities that have not yet been covered. In that connection, higher priority will be given to those actions that increase the fiscal space and create conditions that would build confidence among the external partners. Particular attention will be paid to the development of productive sectors, including agriculture, livestock, and fisheries, bridging the energy deficit gap, and equipping the country with basic economic infrastructure.

758. Under these assumptions, the Burundian economy would record an average economic growth of 5.5 percent over the period 2012-2015, or 1.4 points below the average rate reflected in the reference scenario. This under-performance would be attributable to subsistence agriculture, construction activities, mining and energy, and the public sector. Food crop production would average a growth rate of 6.4 percent as opposed to 7.1 percent in the baseline scenario. The mining and energy sector would post an average growth rate of 11.5 percent, 2.4 points below the expected average in the baseline scenario. The construction sector would grow at an average of 9.4 percent over the period, or 3.8 points below its anticipated performance in the baseline scenario. Public sector production would be affected by the decline in ODA and its growth could dip by 2.7 points on average, in comparison with the baseline.

759. Government efforts to sustain a level of investment expenditure despite the decline in external support would result in an increase the interest charges on its debt. Indeed, government deficit financing on the monetary and financial markets remains expensive. Moreover, in the context of generally declining ODA, several economies approach the same markets, which could drive up the cost of credit.

760. Socially, weak economic growth would result in a slower decline in the poverty rate to 51.3 percent instead of 47.7 percent in the “PRSP-II scenario.” Social sectors that traditionally receive significant external financial support would be affected by the reduction in aid. School enrollment rates would remain high, but are expected to decline by 2015 settling at around 90 percent. Given the difficulties in mobilizing fiscal resources, the volume of funds allocated to health by the government will be smaller. This will result in a slower reduction of child mortality to 78 ‰ in 2015 as opposed to the projection of 71 ‰ in the baseline scenario.

6.3. “Business as Usual” Scenario

761. This scenario assumes slow implementation of the reforms and key programs/actions under the PRSP-II. In that context, the economic environment would be characterized by a persistently bad business climate as a result of weak legal and judicial governance and poor economic and financial management. This would lead to problems in financing the economy after the decrease in foreign assistance and the decline in the domestic financial system’s support for private initiatives to hedge business risks. At the sector level, the environment would be marked by a slowdown in production in all sectors and the economy would continue to be dominated by agriculture.

762. Under these assumptions, the Burundian economy would average growth of 5.0 percent over the period 2012-2015, 2 percentage points below the average rate in the “PRSP-II scenario.” Public finance would fall short of the expected level in the baseline by 2 percent. In the social sphere, the monetary poverty rate would fall by only 12.3 points to 54.7 percent in 2015, 7 percentage points above the expected level in the baseline scenario. The decline in resource allocations to health and education exposes these areas to possible backsliding. This would result in deterioration in the quality of training and a slower reduction in child mortality. The decline in private investment and the government’s difficulties in supporting the development of productive sectors would cause the unemployment rate to deteriorate. This could hamper the government’s efforts to consolidate political stability.

Table 26: Comparative results of scenarios

		Historical Data					Projections				
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Baseline Scenario PRSP-II Scenario	Macroeconomic developments										
	<i>Real GDP (annual growth in%)</i>	5.1%	3.6%	4.5%	3.5%	3.9%	4.2%	5.1%	6.6%	7.7%	8.2%
	TOTAL RESOURCES	351.4	403.1	480.5	428.7	744.0	995.0	1,144.5	1,287.7	1,424.5	1,561.9
	Own resources	178.8	197.6	261.7	304.6	363.4	455.6	549.1	646.0	756.6	882.0
	Foreign resources	172.6	205.5	218.8	124.1	380.6	539.4	595.4	641.8	667.9	679.9
	EXPENDITURES AND NET LENDING	362.0	407.9	489.6	508.3	834.6	1021.0	1189.3	1311.8	1423.3	1560.9
	Current expenditures	221.5	261.2	357.6	415.7	498.1	524.8	569.9	621.2	669.7	718.6
	Capital expenditures	117.8	134.8	126.8	93.3	264.0	342.6	470.4	540.1	621.1	674.8
	Domestically financed	36.3	28.9	44.6	58.4	79.6	97.0	125.5	138.7	166.6	183.3
	Externally financed	81.5	105.9	82.2	35.0	184.4	245.6	344.9	401.4	454.4	491.5
	Developments in MDG indicators										
	<i>Monetary poverty rate (% pop.)</i>	67.0%	67.0%	67.0%	67.0%	67.0%	67.0%	62.0%	57.5%	52.5%	47.7%
	<i>Primary school enrollment rate (net)</i>					96.17%					
<i>Infant-juvenile mortality rate (per 1000 newborns.)</i>			152	124	96	93	78	76	73	71	
"Business as Usual" Scenario	Macroeconomic developments										
	<i>Real GDP (annual growth in%)</i>	5.1%	3.6%	4.5%	3.5%	3.9%	4.2%	5.1%	5.1%	5.2%	4.8%
	TOTAL RESOURCES	351.4	403.1	480.5	428.7	744.0	995.0	1,144.5	1,180.6	1,250.0	1,332.9
	Own resources	178.8	197.6	261.7	304.6	363.4	455.6	549.1	639.1	738.8	845.4
	Foreign resources	172.6	205.5	218.8	124.1	380.6	539.4	595.4	541.6	511.2	487.5
	EXPENDITURES AND NET LENDING	362.0	407.9	489.6	508.3	834.6	1021.0	1189.3	1211.5	1230.3	1311.2
	Current expenditures	221.5	261.2	357.6	415.7	498.1	524.8	569.9	622.2	673.9	726.8
	Capital expenditures	117.8	134.8	126.8	93.3	264.0	342.6	470.4	439.2	432.4	429.4
	Domestically financed	36.3	28.9	44.6	58.4	79.6	97.0	125.5	135.0	150.5	167.2
	Externally financed	81.5	105.9	82.2	35.0	184.4	245.6	344.9	304.2	282.0	262.2
	Developments in MDG indicators										
	<i>Monetary poverty rate (% pop.)</i>	67.0%	67.0%	67.0%	67.0%	67.0%	67.0%	63.1%	60.3%	57.4%	54.7%
	<i>Primary school enrollment rate (net)</i>					96.1%					
<i>Infant-juvenile mortality rate (per 1000 newborns.)</i>			152	124	96	93	83	84	84	84	
International Economic Downturn Scenario	Macroeconomic developments										
	<i>Real GDP (annual growth in%)</i>	5.1%	3.6%	4.5%	3.5%	3.9%	4.2%	5.1%	5.3%	5.7%	6.0%
	TOTAL RESOURCES	351.4	403.1	480.5	428.7	744.0	995.0	1,144.5	1,136.1	1,173.2	1,242.8
	Own resources	178.8	197.6	261.7	304.6	363.4	455.6	549.1	636.5	729.9	829.6
	Foreign resources	172.6	205.5	218.8	124.1	380.6	539.4	595.4	499.6	443.4	413.1
	EXPENDITURES AND NET LENDING	362.0	407.9	489.6	508.3	834.6	1021.0	1189.3	1176.7	1208.3	1337.6
	Current expenditures	221.5	261.2	357.6	415.7	498.1	524.8	569.9	623.2	674.1	729.6
	Capital expenditures	117.8	134.8	126.8	93.3	264.0	342.6	470.4	429.9	427.0	450.2
	Domestically financed	36.3	28.9	44.6	58.4	79.6	97.0	125.5	138.7	166.6	205.8
	Externally financed	81.5	105.9	82.2	35.0	184.4	245.6	344.9	291.2	260.4	244.5
	Developments in MDG indicators										
	<i>Monetary poverty rate (% pop.)</i>	67.0%	67.0%	67.0%	67.0%	67.0%	67.0%	62.0%	58.7%	55.0%	51.3%
	<i>Primary school enrollment rate (net)</i>					96.1%					
<i>Infant-juvenile mortality rate (per 1000 newborns.)</i>			152	124	96	93	78	79	79	78	

(*) The net primary school enrolment rate and the infant-juvenile mortality rate in 2008 are taken from GPHC 2008 data; ISTEERU

(*) The infant-juvenile mortality rate in 2010 is taken from the DHSB-2010, ISTEERU

Source: Government of Burundi.

763. Aware of the risks facing the Burundian economy, the government remains fully committed to speedy implementation of the key PRSP-II reforms and programs to achieve sustained growth, job creation, and significant poverty reduction. The diversification of sources of production in the economy, which should ensue, would help reduce dependence on primary commodities, particularly agricultural goods. This could mitigate the impact of a downturn in the international economy, particularly with respect to commodity prices. Achieving these objectives requires participation by all. The government also expects all segments of the population to contribute to building a stronger and modern economy with full employment and robust growth, without which their living conditions cannot be improved.

Chapter 7 : Institutional Framework and Monitoring and Evaluation Mechanisms

7.1. Guiding Principles

764. The five principles of the Paris Declaration will be the key foundations of PRSP-II implementation. Indeed, taking ownership and assuming leadership of the country's coordination, the alignment of aid with the country's priorities, the harmonization and simplification of procedures, efficient and results-oriented management, and mutual accountability will be the cornerstones of PRSP-II success

765. National ownership. All stakeholders who contributed to the development of the PRSP-II will be partners in the various stages of evaluation, continuing the participatory approach. With this in mind, and to promote ownership of the strategy at all levels, all departments and decentralized administrations—such as the provinces and communalities—will have front-line responsibility in implementing and monitoring priority actions for poverty reduction and development. The role of the parliament, local authorities, private sector, and civil society in PRSP-II monitoring and evaluation will also be strengthened and coordination mechanisms at the national and local levels will be systematized with a view to improving dialogue between all stakeholders. Capacity building will also be important in leveraging national ownership.

766. For this purpose, the principle of external project/program management units will be reviewed. PRSP-II implementation will be phased through the central and decentralized institutions, which will draw on the expertise of the private sector and civil society in their areas and sectors of expertise. External project/program management units will become the exception, to ensure that the new capabilities are better integrated into the environment and resources of the lead agencies institutions for greater synergy in their activities. Effective integration of foreign funded project/program management units will become routine for new projects and programs starting in FY2013. If there is insufficient capacity in the institution concerned, particularly in terms of leadership and planning, the government and the partners will ensure that, during the preparatory period of the project/program, the appropriate resources are allocated to establishing and/or strengthening the skills of the officials identified to manage future activities. The practical modalities and timetable for convergence toward the systematic integration of management units will be agreed upon by the government and donors no later than six months after the adoption of the PRSP-II. This step will be accompanied by modernization of the BRB where the bank accounts of future projects/programs are expected to be lodged under the regulations in effect since 2010.

767. Results-based management. The regular availability of quality statistical information on key indicators for monitoring the PRSP-II is a prerequisite of good monitoring and evaluation. On the one hand, the PRSP-II includes an array of monitoring indicators with clear targets for key sectors and, on the other hand, strengthening the National Statistical System based on the recommendations of the National Statistical Development Strategy (NSDS) will be a priority for this program.

7.2. Institutional Framework for PRSP-II Coordination

768. *The CI/REFES*. Given the central role the PRSP-II must play as a reference framework for all governmental action, institutional coordination of the whole process has been placed

under the direct authority of the Second Vice-President of the Republic of Burundi. To this end, the Interministerial Committee for Monitoring Economic and Social Policy (CI/REFES) oversees activities related to the implementation of the PRSP-II and provides guidance for effective program execution.

769. Furthermore, working with the Strategic Forum (FS) and Policy Forum (FP) of the Partners Coordination Group (GCP), the CI/REFES will organize an annual high-level meeting on the progress of the PRSP-II, consistent with the budget cycle, and before the finalization of the central and sector MTEFs and the budget law. The CI/REFES is assisted in this task by the Permanent Secretariat for Monitoring Economic and Social Reforms (SP/REFES) regarding the production of working papers on monitoring the impact of the reforms and implementation of the programs (compilation of sector assessment reports, interim and annual progress reports, briefing notes, etc.).

770. The SP/REFES. The SP/REFES's mission is to monitor the economic and social reforms, assess the degree of implementation, identify operational implications, and report to the hierarchical decision-makers with a view to improving performance. In collaboration with the sector ministries, the SP/REFES takes stock of the implementation of the PRSP, based on input from the Detailed Sector Reports (DSR). These reports will be provided by sector ministries, through the network of industry experts whose members are appointed by the various ministers.

771. By complying with the budget timetable, this work will provide some analysis of sector policies and reforms under the PRSP-II. The report generated is validated at the CI/REFES after analysis by the Strategic Forum. In the interest of deeper strategic thinking, the SP/REFES initiates studies on: (i) improving PRSP-II and reform monitoring; (ii) conducting impact studies of programs and projects; (iii) preparing guidance/briefing notes for state and non-governmental partners.

772. The technical committee on PRSP monitoring: The SP/REFES is supported by a technical committee, whose membership includes representatives (mainly technical staff) central government, external partners, the private sector, and civil society. Under the chairmanship of SP/REFES, its main tasks are to: (i) prepare the meetings of the Interministerial Committee (content and agenda); (ii) ensure compliance with the recommendations of the various stakeholders; (iii) help define the activities needed to improve PRSP-II implementation; (iv) help set up a system of effective communication for all partners; and (v) ensure the inclusive and participatory nature of the monitoring and evaluation process.

773. The SP/CNCA (Permanent Secretariat of the National Aid Coordination Committee), through the GCP, is a forum for high-level coordination and dialogue to ensure that sector policies are aligned with Burundi's priorities. On a participatory basis, it develops the mechanisms and procedures for mobilizing resources from development partners and continues to advocate for the widespread application of the joint management approaches already being used by some bilaterals and multilaterals. As such, the SP/CNCA provides an annual assessment of progress in implementing the Paris Declaration and Accra Action Plan and, more generally, the implementation of the National Strategy on Aid Effectiveness.

774. The Sector Groups of the Partners Coordination Group (GCP). The role of these groups in shaping and monitoring projects/programs should be strengthened in the areas that need improvement. Sector groups continue to play a key role in turning political dialogue into action on the ground and harmonizing interventions. In order to simplify the SP/REFES

support structures for evaluating the PRSP-II, the current sector experts (PRSP focal points) will be integrated into sector groups to take advantage of their acquired expertise in monitoring and evaluation after three annual reviews of the PRSP I.

775. In this context, **the revitalization of the macroeconomic group is key**. Thus, the Ministry of Finance and Planning for Economic Development, as the institution overseeing the coherence of national development activities, will resuscitate the group using such instruments as the Medium-term Expenditure Framework (MTEF), which implement the PAP/PRSP-II. Moreover, with the support of the Partnership Framework, which has been in operation for several years, it will ensure compliance with budget commitment plans and cash plans. The purpose of these tasks is to promote the program budget approach, which Burundi will eventually apply with continued use of the MTEFs.

776. The Ministry of Finance and Planning for Economic Development works synergistically with the SP/CNCA in monitoring the implementation of the Paris Declaration and Accra Agenda for Action. It ensures the allocation of budgets in accordance with the priorities identified in the PRSP-II by strengthening fiscal transparency mechanisms, such as public procurement and traceability of public expenditure, especially pro-poor spending.

777. With the help of the sector groups, some of which should be strengthened, the line ministries will implement an integrated system for monitoring and evaluating the Burundi 2025 vision, the PRSP-II, and the MDGs. Backed by impact assessments, simple and measurable indicators will be developed to enable monitoring and evaluation of policies and sector strategies, programs and priority projects, allocations of financial resources, and the impact of investment on economic growth and poverty reduction.

778. The line ministries will produce annual sector status reports on the implementation of the PAPs to be used as inputs in the annual reviews of the progress made by implementing priority actions under the PRSP. The timetable for producing such reports will be progressively aligned with the timetable for budget preparation and annual reviews of the PRSP, with the ultimate goal of harmonizing schedules with those of member countries of the East African Community whose fiscal year begins in June.

779. Participation of development partners in the entire PRSP-II process is essential for a shared vision of the priorities and appropriate procedures for effectively mobilizing official development assistance. Therefore, the existing coordination structures, particularly the GCP through its Strategic Forum (FS) and Policy Forum (FP), and monitoring and evaluation group, will be maintained and strengthened so that they continue to play their role of high-level coordination and planning and strategic dialogue between the government and its development partners. The participation of delegates from the private sector and civil society in the different sector groups will be encouraged and strengthened to ensure broad representation at all stages of the PRSP process.

780. In collaboration with the Partners Coordination Group, the government will ensure that the monitoring and evaluation of measures to consolidate peace are on the agenda of the political forum for discussions between the government of Burundi and its partners. The Burundi Commission for Consolidating Peace will conduct a progress review in an on-site visit at least once a year.

781. **The Institute of Statistics and Economic Studies of Burundi (ISTEEBU)** is responsible for steering the activities required for entry, monitoring, and periodic analysis of the performance indicators of the PRSP-II outcomes framework. Initially, the teams of experts, which will be deployed in all government departments, will include at least one

official with training in statistics. They will constitute the ISTEERU entry point for coordinating sector statistical work to update and regularly analyze the performance indicators. In a second step, after the establishment of future statistical units under the SNDS, particularly through the creation of the Directorates of Planning and Monitoring and Evaluation (DPMEs), these experts will be seconded to the new formal institutions where they will have a specific administrative status and terms of reference clarifying the nature of their contributions to the national M&E.

782. **The Parliament** of Burundi took an active part in debates leading up to the drafting of the PRSP-II, with content that includes recommendations from representatives of the people. It is essential that this exercise be continued and strengthened during the stage of evaluating progress to enable elected representatives to continue playing their role in the allocation of budgetary resources for the priority actions identified in the PRSP-II. For this purpose an annual meeting will be organized to present the annual evaluations of the PRSP-II to parliamentarians.

7.3. Implementation of PRSP-II Programs

783. To improve the conditions of implementation of selected programs under the PRSP-II and to attain the objectives assigned to each sector of socioeconomic development, the instruments chosen are based on (i) the systematic review of sector policies; (ii) streamlining budget choices; and (iii) the implementation of the Paris Declaration.

784. **Systematic review of sector policies.** This approach will be important during the implementation of the PRSP-II because, first, the development of the strategy was largely inspired by existing policies or ones being developed in the central administration and, moreover, the exercise has already been successfully tested at ministries, such as those in charge of national defense, education, and health.

785. These are mainly planning functions in all the central and line ministries to ensure a greater role in programming, monitoring progress, and evaluating the risks of delays in implementation. In this regard, departments should update their strategy in a timely manner and hold an annual joint review (with partners). Based on a common timetable, the process of programming and budgeting will be more efficient and transparent.

786. Streamlining budget choices. This has already been started in some ministries and should be gradually extended to the entire administration. The central MTEF, which defines resource programming and sector allocations in the medium term, is a key tool of coherence of the PRSP-II.

787. Articulated in sector MTEFs, this streamlining allows trade-offs across sectors and facilitates budget decisions based on both opportunities for resource mobilization and on the priorities identified in the PRSP-II. Control and widespread use of the central MTEF and sector MTEFs will lead to more visible improvement in the quality of public spending, since the systematic approach to the program budget will bring together too often scattered initiatives and channel them into actions that are better suited to reducing poverty and promoting growth.

788. **Implementation of the Paris Declaration.** Special emphasis will be placed on strengthening the dialogue between the government and its Paris Declaration partners. In particular, the implementation and performance evaluation of the PRSP-II will promote: (i) gradual alignment of the technical and financial partners (TFP) support with the PRSP;

(ii) harmonization of TFP intervention procedures by facilitating the transition toward greater ownership of program implementation by nationals through the lead institutions; (iii) the allocation of budget resources based on visible results; and (iv) the establishment, by consensus, of a mechanism for assessing performance according to the principles of mutual obligation and shared responsibility.

7.4. PRSP-II Monitoring and Evaluation Mechanisms

789. In accordance with the principle of accountability inherent in the PRSP-II, since 2007 the government has been producing an annual report outlining the progress made in implementing the priority growth and poverty reduction programs. Meanwhile, the PRSP has been the subject of semi-annual reports whose content was largely drawn from the various PRSP reviews.

790. Therefore, it is on the basis of these two encouraging experiences that the system of monitoring and evaluation will be built, to guarantee its effectiveness and consistency. It revolves around five main instruments, namely: (i) monitoring poverty; (ii) monitoring the implementation of sector programs; (iii) monitoring the impact of policies; (iv) macroeconomic and fiscal monitoring; and (v) monitoring participation at the community level. In developing these monitoring and evaluation instruments, which will focus particularly on the analysis of performance indicator dynamics, the government will involve as many partners as possible through joint field reviews and targeted consultations, the modalities of which will be decided in the CI/REFES.

791. Monitoring poverty and the living conditions of the population is hampered by the lack of updated data. Since the 2006 CWIQ survey, which produced the poverty data that is currently being used, the sources of the information available for this type of analysis are: (i) the nutrition survey (UNICEF 2007); (ii) the Panel Priority Survey on living conditions (Panel EP-2007); (iii) the General Population and Housing Census (GPHC 2008); (iv) the Vulnerability Monitoring Survey (WFP 2008); (v) the Health Survey in support of the minimum package of services (PMS 2009); and (vi) the Demographic and Health Survey (DHS 2010). Among the important secondary data, one should note the resumption of compilation of the national accounts, which had been severely affected by the war and the database established by the SP/CNCA that tracks flows of aid through the Aid Management Platform (AMP). The agricultural survey in progress and the ongoing survey of households (budget-consumption), which will now take place every 3 to 5 years, will make it possible to update the profile of poverty on a more regular basis.

792. Monitoring the implementation of sector programs and projects refers to the physical and financial implementation of all projects and programs identified in the strategy for which two complementary sets of indicators will be analyzed, namely: (i) means indicators (financial and physical) measuring the resources provided by the government and development partners and their actual allocation; and (ii) output indicators (i.e., number of health centers built, access to healthcare, quality of education, economic and social impact of a road, etc.).

793. The purpose of assessing the impact of policies, programs, and projects is to verify whether the actions targeting specific groups actually yielded the expected results, and whether pro-poor measures were properly targeted. Two types of indicators will be calculated to measure the impact of projects and programs: (i) performance indicators evaluating final results relative to objectives and policies (i.e., enrollment rates) and, of course, the MDGs;

and (ii) impact indicators that measure the consequences (i.e., behavioral changes) for the quality of life of the population of positive developments in performance indicators.

794. Macroeconomic and fiscal aggregates will also be constantly monitored. The key aspects to be considered are: (i) trends in GDP and its components; (ii) the current account; (iii) money; and (iv) the budget. Special attention must be paid to budgetary issues as part of performance evaluation under the PRSP-II. The amount of resources actually disbursed relative to the expected amounts will have to be evaluated; budget allocations will have to be analyzed in comparison with MTEF indicators, and the degree to which pro-poor spending is well targeted will have to be verified.

795. In this context, the Permanent Secretariat of the National Committee on Aid Coordination (SP/CNCA) will have a key role in analyzing the effectiveness of the funding granted to Burundi for implementing PRSP-II activities.

796. Participatory monitoring at the community level will be performed through the participation of CCDC (Communal Community Development Committees) and CPDC (Provincial Community Development Committees), and representatives of associations of women, youth, demobilized combatants, and vulnerable groups. This will build a bridge between national programming and local programming. The discussion will take account of funding for priority actions from the communal budget and mobilizing additional resources from development partners, NGOs, civil society, and the private sector.

7.5. Developing More Effective Communication

797. During preparation of the PRSP, most participants expressed the view that the communications system was suboptimal. This perception must be corrected during the implementation phase of the PRSP II to promote better information sharing and guarantee that the stakeholders concerned take ownership of the progress and the failures.

798. To this end, the SP/REFES, through the Technical Committee meetings, the website, and more sustained cooperation with domestic and external partners, will endeavor to develop a communications strategy using traditional and modern channels to inform and raise awareness among all stakeholders, and in particular the people of Burundi, about the PRSP-II and its expected results. This communication strategy will formalize the framework for partnership and ongoing dialogue between the government, civil society, NGOs, the private sector, and the development partners.

Table 27: List of outcomes indicators

Indicator	Source	2010	2011	2012	2013	2014	2015
MACROECONOMY AND REAL SECTOR							
Macroeconomy							
Real GDP (BIF billions)	MINEFIN	370.0	385.6	405.4	432.1	465.6	503.9
Real per capita GDP (BIF thousands)	MINEFIN	43.8	44.5	45.6	47.4	49.9	52.7
Nominal GDP (BIF billions)	MINEFIN	1697.7	1972.5	2254.4	2584.3	2966.3	3847.3
Nominal per capita GDP (BID thousands)	MINEFIN	200.8	227.6	253.8	283.7	317.7	404.2
Real GDP growth rate	MINEFIN	3.9%	4.2%	5.1%	6.6%	7.7%	8.2%
Nominal GDP growth rate	MINEFIN	12.6%	16.2%	14.3%	14.6%	14.8%	14.1%
GDP deflator	MINEFIN	8.5%	11.5%	8.7%	7.5%	6.5%	5.5%
Proportion of GDP (%)							
Total revenue (% GDP)	MINEFIN	21.4%	23.1%	24.4%	25.0%	25.5%	26.1%
Of which tax revenue (% GDP)		20.1%	21.4%	22.6%	23.1%	23.6%	24.0%
Total expenditure (% GDP)	MINEFIN	49.2%	51.8%	53.0%	50.9%	48.0%	46.1%
Of which current expenditure (% GDP)		29.3%	26.6%	25.3%	24.0%	22.6%	21.2%
Of which capital expenditure (% PIB)		15.6%	17.4%	20.9%	20.9%	20.9%	19.9%
Financed domestically (% GDP)	MINEFIN	4.7%	4.9%	5.6%	5.4%	5.6%	5.4%
Financed from external resources (% GDP)	MINEFIN	10.9%	12.5%	15.3%	15.5%	15.3%	14.5%
Overall fiscal balance (% GDP)	MINEFIN	-10.09%	-7.1%	-5.9%	-3.9%	-2.3%	-0.2%
Overall fiscal balance excluding grants (% GDP)	MINEFIN	-27.8%	-28.7%	-28.6%	-25.9%	-22.5%	-20.0%
Exports of goods (% GDP)	MINEFIN	7.2%	6.5%	5.4%	5.1%	4.8%	4.6%
Imports of goods (% GDP)	MINEFIN	31.4%	31.5%	32.4%	33.3%	34.1%	34.6%
Current account balance (% GDP)	MINEFIN	-21.5%	-20.7%	-33.5%	-36.7%	-39.8%	-42.2%
Primary fiscal balance	MINEFIN	-10.9%	-7.1%	-5.9%	-3.9%	-2.3%	-0.2%
Credit to the economy (% GDP)	MINEFIN	24.0%	27.0%	27.7%	27.7%	28.0%	28.1%
exports/imports (%)	MINEFIN	19.9%	18.6%	17.2%	15.9%	14.05%	13.2%
Government wage bill (% GDP)	MINEFIN	13.8%	13.0%	12.5%	12.0%	11.3%	10.7%
GDP structure (%)	MINEFIN						
Primary sector		42.9%	42.5%	43.0%	42.7%	42.7%	42.8%
Secondary sector		15.8%	16.3%	16.3%	17.2%	17.9%	18.4%
Tertiary sector		35.0%	34.9%	34.3%	33.7%	33.1%	32.4%
Population							
Demographic growth rate	RGPH 08	2.4%	2.4%	2.3%	2.3%	2.3%	2.3%
Life expectancy at birth (years)	RGPH 08	49.6	50.1	50.5	50.9	51.3	51.7
Crude death rate (‰)	RGPH 08	15.0‰	14.6‰	14.2‰	13.9‰	13.5‰	13.2‰
Crude birth rate (‰)	RGPH 08	38.5‰	38.4‰	38.2‰	37.9‰	37.5‰	36.9‰
Maternal mortality ratio (0/0000 live births)	EDS 10	499	477.2	455.4	433.6	411.8	390.0
Infant mortality rate	EDS 10	59‰	54‰	49‰	44‰	39‰	34‰
Infant and child mortality rate	EDS 10	96‰	91‰	86‰	81‰	76‰	71‰
Total fertility rate (average number of children per woman)	EDS 10	6.4	6.2	5.9	5.7	5.5	5.3
Pillar 1: Strengthening the rule of law, consolidating good governance, and promoting gender equality							
1.1 Justice and the rule of law							
Portion of government budget allocated to justice system	MINEFIN	1.6%	1.7%	1.8%	2%	2%	2%
Magistrates recruited through competitive procedures (%)	MINJUSTICE	0%	0%	0%	0%	100%	100%
Cases decided / cases docketed (%)	MINJUSTICE	93%	95%	97%	100%	100%	100%
Case records closed / new records opened (%)	MINJUSTICE	93%	96.5%	99%	100%	100%	100%
Average duration of criminal proceedings (investigation to final judgment) (weeks)	MINJUSTICE	88	86	84	82	80	78
Superior court backlogs (number of cases)	MINJUSTICE	51488	46,339	41,700	37,500	33,781	30,000
Defendants held / total prison population (%)	MINJUSTICE	62.2%	55.7%	51.2%	40%	35%	30%
Prison occupancy rate (%)	MINJUSTICE	244%	219.6%	197.6%	177.8%	160%	144%

Indicator	Source	2010	2011	2012	2013	2014	2015
Average time to resolve cases involving minors (weeks)	MINJUSTICE	88	85	82	78	74	70
Daily budget allocated to each detainee (BIF)	MINJUSTICE	800	850	900	1000	1200	1300
1.2 Security							
No. barracks built or rehabilitated	FDN	20	27	44	41	48	55
Military staff trained	FDN	2765	5012	7259	9506	11753	14000
1.3 Improved governance							
Local elected officials receiving at least one training session (%)	ABELO	60%	63%	66%	69%	72%	75%
Transparency International ranking: Corruption Perceptions Index	Transparency International	170 /181					
No. corruption cases [reported]	Anticorruption court	13					
No. corruption cases decided by the Anticorruption Court	Anticorruption court	77%					
Moi Ibrahim Index (score / 100)	Mo Ibrahim Foundation	45					
“Doing Business” ranking	Doing Business	181 /183	169/183				
1.4 Rebuilding communities							
No. of associations supported by income-producing activities (per year)	MSNDPHG	50	50	50	50	50	50
No. of individuals (per year)	MSNDPHG						
- provided with housing		3915	3850	4000	4000	4000	4000
- provided with roofs			6000	6000	6000	6000	6000
No. street children reinserted (per year)	MSNDPHG	160	150	150	150	150	150
No. of individuals repatriated	MSNDPHG						4086
No. of individuals provided with lots (per year)	MSNDPHG		600	1688	1688	1100	1100
No. of persons assisted (per year)	MSNDPHG						
- medical care		12936	10000	10000	10000	10000	10000
- displaced households resettled		500	500	500	500	500	500
No. disabled persons assisted (per year)	MSNDPHG		1000	1000	1000	1000	1000
1.4. Human rights							
No. of provincial human rights committees created	MSNDPHG	0	3	7	10	14	17
No. of reports prepared on conventions already ratified	MSNDPHG	4	6	9	11	14	16
No. of target groups receiving training, outreach	MSNDPHG	146	263	380	496	613	730
1.5 More rapid administrative reform and increased access to more efficient public services							
% of land conflicts resolved by CNTB	CNTB	63%	80%	85%	90%	95%	100%
1.6. Promoting gender equality							
% seats in national Parliament held by women	MSNDHG	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%
% of decision-making positions (minister, provincial governor, communal administrator) held by women	MSNDHG	31.1%	34.9%	38.9%	42.4%	46.2%	50%
Pillar 2: Transforming Burundi's economy to generate sustainable, job-creating growth							
2.1 Increasing productivity of sectors with growth potential							
Agriculture							
Production of key agricultural products Food crops (thousands of tons)	MINAGRIE						
Cereals		312	343	378	415	457	502
Legumes		233	256	282	310	341	375
Tubers and roots		522	684	753	822	911	1002
Bananas		137	151	166	183	201	221
Export crops (thousands of tons):							
Coffee		24130	25331	27870	29263	30726	32263
Tea		8024	8425	8846	9289	9573	10240
Cotton		1688	1772	1860	1953	2051	2153
Production of fish products	MINAGRIE						
Traditional fishing (tons)		775	931	1117	1340	1609	1930
Artisanal fishing (tons)		14785	17742	21290	25548	30658	36789
Industrial fishing (tons)		1930	2316	2779	3335	4002	4802
Livestock products	MINAGRIE						
Cattle (thousand head)		596					
Sheep (thousand head)		296					

Indicator	Source	2010	2011	2012	2013	2014	2015
Goats (thousands of head)		2163					
Pigs (thousand head)		245					
Poultry (thousand head)		1719					
2.2. Trade and Industry							
Coffee (exports in tons)	ARFIC	20892.53	11,900	25,000	13,000	27,000	14,500
Tea (exports in tons)	OTB	7769	8004	8404	8824	9094	9728
2.3. Mines							
Mining production Nickel (T)	Dir. Mines	0	0	0	0	50,000	55,000
2.4. Tourism							
% tourist sites improved	MCIPT	10%	30%	50%	20%	10%	10%
% tourism establishments classified and reclassified	MCIPT	10%	50%	20%	20%	10%	10%
Tourist arrivals	MCIPT	348,535	379,048	409,561	440,074	470,587	501,100
Tourism contribution to GDP	ISTEEBU	0.8%	0.9%	1%	1%	1.2%	1.3%
2.5. Private sector							
No. days to create a company	Doing Business	32	26				
Cost of enterprise creation (% per capita GDP)	Doing Business	151.6	127.3				
No. days to obtain construction permit	Doing Business	212	196				
Cost of construction permit (% per capita GDP)	Doing Business	7047.6	6342				
2.6. Employment							
Overall unemployment rate (ILO definition), urban areas	RGPH 08	9.1%					
Age 15-34 unemployment rate (ILO definition), urban areas	RGPH 08	10.2%					
2.7 Improved access to higher quality economic infrastructures							
Length of national roads paved (km)	Highway Authority	203.5	12	79	98	71	184
Paved roads maintained (km)	Highway Authority	1,046,922	1,150,922	1,175,922	961	1090	1,138.92
Length of dirt roads maintained (km)	Highway Authority	80	159.5	444	296.5	229.5	99
Length of roads rehabilitated (km)	Highway Authority	0	0	60	323	278	0
Proportion of road network passable in all seasons (paved + classified) (%)	Highway Authority	60%	64%	68%	72%	76%	80%
No. of urban households electrified	REGIDESO	36,015	58,671	81,327	103,983	126,639	149,295
Annual electricity supply (Gwh)	REGIDESO	241	287	333	379	425	471
Annual national electricity production (Gwh)	REGIDESO	142	142	142	253	253	253
Proportion of total energy supply produced domestically	REGIDESO	59%	50%	43%	69%	60%	54%
Electricity sold (Gwh)	REGIDESO	189	227	268	309	352	396
Electricity losses (%)	REGIDESO	22%	20.8%	19.6%	18.4%	17.2%	16%
Production of peat (tons)	REGIDESO	13,111	14,489	15,867	17,244	18,622	20,000
2.8 Regional Integration							
Trade with EAC (% of total trade)	IMF						
Imports							
Exports		19.1%					
Total		9.6%					
		17.8%					
Pillar 3: Improving access and quality in basic services and strengthening social protection							
3.1 Developing education and training							
Primary education							
Primary education share of education budget	MINEDUC	53%					
Net intake ratio	MINEDUC	69.1%					
Net enrollment ratio	MINEDUC	96.1%					
Parity index:	MINEDUC	1					
Student/classroom ratio	MINEDUC	79					
Student/teacher ratio	MINEDUC	53					
Student/bench ratio	MINEDUC	4.1					
Repeat rate	MINEDUC	38%					
Completion rate	MINEDUC	51.1%					
Rate of access to the final année of first cycle (% of all 12-année-olds)	MINEDUC	57%					

Indicator	Source	2010	2011	2012	2013	2014	2015
Secondary education							
Primary-secondary graduation rate	MINEDUC	40%					
Gross enrollment rate	MINEDUC	26.7%					
Survival rate in 1st cycle	MINEDUC	55%					
Repeat rate, 1st cycle	MINEDUC						
General community education		31.95%					
General public education		18.30%					
Survival rate in 2nd cycle	MINEDUC	62%					
Repeat rate, 2nd cycle	MINEDUC						
General community education		24.5%					
General public education		18.2%					
Average gender parity at start of cycle (seventh year) (public)	MINEDUC	0.74					
Average gender parity at end of cycle (10th year) (public)	MINEDUC	0.71					
Average gender parity at end of cycle (first) (public)	MINEDUC	0.50					
Student/class ratio	MINEDUC	57					
Rate of access at last year of first cycle (age 16)	MINEDUC	14%					
Rate of access at last year of second cycle (age 19)	MINEDUC	3.6%					
Rate of access at last year of second cycle (age 19)	MINEDUC	3.6%					
% 6th year graduates enrolled in vocational education centers (public and private)	MINEDUC	15.3%					
% 10th year graduates enrolled in professional education centers (public and private)	MINEDUC	17.2%					
Total vocational + professional students	MINEDUC	5063					
Higher education							
Parity index for public schools	MINEDUC	0.37					
Parity index for private schools	MINEDUC	0.61					
3.2 Strengthening the capacities and performance of the healthcare system							
Healthcare coverage rate	EPISTAT	80%	82%	87%	92%	95%	97%
Prevalence of underweight children under age 5	MINISANTE	29%	27.4%	25.8%	24.2%	22.6%	21%
Percentage of fully vaccinated children	MINISANTE	83%	>90%	>90%	>90%	>90%	>90%
Use of contraceptives by married/cohabitating women (%)	EDS 2010	18%	20%	22%	24%	26%	28%
Percentage of births attended by trained healthcare personnel	EPISTAT	60%	62%	68%	74%	78%	80%
Population-to-physician ratio	EPISTAT	19,231					
Population-to-nurse ratio	EPISTAT	1,349					
Average population per hospital	EPISTAT	176,112					
Average population per healthcare center	EPISTAT	12,475					
No. persons/bed	EPISTAT	1,878					
Prevalence of malaria < age 5	EPISTAT	59%	53.2%	47.4%	41.6%	35.8%	30%
Use of insecticide-treated mosquito nets < age 5	EPISTAT	45%	45%	51%	57%	63%	70%
3.3 Intensifying efforts against HIV/AIDS and major pandemics							
HIV/AIDS prevalence rate (age 15-49)	ESP/HIV (2007)	2.63%	2.46%	2.02%	1.93%	1.84%	1.77%
Coverage of treatment to prevent mother-child HIV transmission	MINISANTE	10.8%	15%	25%	40%	60%	85%
Antiretroviral treatment coverage	PSR - HIV	45%	52%	60%	67%	74%	80%
Coverage of malnutrition management (CMAM)	EPISTAT	60%	60%	60%	65%	65%	70%
HIV screening rate	CNLS	12%	9%	9%	10%	11%	12%
3.4 Strengthening and expanding social protection							
Pension coverage (%)	MFPTSS/DGPS	4%	4.5%	5%	6%	8%	10%
Households affiliated mutual insurance associations receiving income generated by synergies between economic growth programs and mutual units (%)	DGPS	0	9.8	20	50	80	100

Indicator	Source	2010	2011	2012	2013	2014	2015
Population covered by health insurance (%)	DGPS	13	17.3	37.3	50	70	80
Mutual associations involved in promoting community development programs (%)	DGPS,	0	0	26	50	60	70
Administrative utilization of social protection systems' capacity (%)	DGPS	39	25.5	23.7	22	21	20
Technical utilization of social protection systems' capacity (%)	DGPS	58	49	68.7	70	73.7	75
3.5 Promoting access to drinking water and sanitation							
Drinking water coverage (%)	MINEEATU/ MICS/INEA	83%	85.4%	87.8%	90.2%	92.6%	95%
Urban areas		55%	58%	61%	64%	67%	70%
Rural areas							
Number of new households supplied with private water service lines	REGIDESO	1510	2,736	2,736	2,736	2,736	2,736
Proportion of the population with reliable access to improved sanitation systems	RGPH 08	13.9%	14.2%	15.7%	16.1%	16.4%	16.6%
Percentage of households with bathroom facilities (flushing toilet, private outdoor toilet)	RGPH 08	63.5%	64.7%	71.8%	73.6%	74.8%	76.0%
Proportion of the population with reliable access to treated water	RGPH 08	71.5%	71.9%	72.3%	72.7%	73.1%	73.5%
Pillar 4: Promoting development through sustainable environmental and space management							
4.1 Rational, balanced regional development							
Urbanization rate	RGPH 08	13.6%	15.4%	17.1%	18.9%	20.7%	22.4%
Communes with validated development plans	Local planning	115	118	121	123	126	129
Number of provincial development plans (SPAT)	MEEATU	8	8	11	13	14	15
Number of urban development master plans (SDAU)	MEEATU	0	0	1	3	7	10
4.2 Environmental protection and sustainable resource management							
Forest coverage (%)	MEEATU	7%	8%	10%	12%	13%	15%
Percentage of households using solid fuel (wood and derivatives)	RGPH 2008	93.9%	89.1%	84.3%	79.6%	74.9%	70%
4.3 Pollution control and sanitation							
% households with reliable access to wastewater removal systems (sinkhole, drain, main sewer, dry well)	RGPH 2008	13.9%	13.9%	14.2%	15.7%	16.1%	16.4%
Percentage of households with bathroom facilities (flushing toilet, private outdoor toilet)	RGPH 2008	66.3%	67.7%	69.2%	70.6%	72.0%	73.5%