

Burundi: Poverty Reduction Strategy Paper

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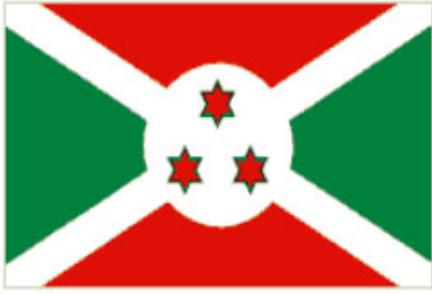
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Price: \$18.00 a copy

**International Monetary Fund
Washington, D.C.**



REPUBLIC OF BURUNDI



POVERTY REDUCTION STRATEGY PAPER – PRSP



September 2006

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ACRONYMS AND ABBREVIATIONS

ABUBEF	Burundian Family Welfare Association
AFRISTAT	Economic and Statistical Observatory for Sub-Saharan Africa
AGOA	Africa Growth and Opportunities Act
AIDS	Acquired Immune Deficiency Syndrome
ANSS	National Association for Persons Living with HIV/AIDS
APE	Export Promotion Agency
APIE	Investment and Export Promotion Agency
BANCOBU	Commercial Bank of Burundi
BCB	Credit Bank of Bujumbura
BRB	Bank of the Republic of Burundi
CCDLP	Community Development and Poverty Reduction Committees
CDF	Family Development Center
CDS	Health Center
CDV	Voluntary Screening Center
CED	Outreach and Development Center
CEPGL	Economic Community of the Great Lake Countries
CI/REFES	Interministerial Committee to Monitor Economic and Social Reforms
CNCA	National Aid Coordination Committee
COMESA	Common Market for Eastern and Southern Africa
COOPECs	Savings and Loans Cooperatives
COTEBU	Textile Complex of Bujumbura
CPDLP	Provincial Development and Poverty Reduction Committees
CPI	Consumer price index
CPN	Prenatal clinic
CPNT	Postnatal clinic
CTS	Sectoral and Thematic Committee
CTS	Technical Oversight Committee
CVR	Truth and Reconciliation Commission
CWIQ	Core Welfare Indicators Questionnaire
DQAF	Data Quality Assessment Framework
DRC	Democratic Republic of Congo
EOCPP	Participatory Process Organizing and Coordinating Team
EP	Priority Survey
ERC	Economic Rehabilitation Credit
ESD	Socio-demographic Survey
FACAGRO	Faculty of Agronomy
FBu	Burundi franc
FDC	Community Development Fund
FDN	National Defense Force
FDPB	Burundi Development Partners Forum
FNL	National Liberation Front
FVS	Families Fighting AIDS
GANEREC	Economic Analysis Group for Capacity Building
GDDS	General Data Dissemination System
GDP	Gross domestic product

GIPA	Greater Involvement of People Infected or Affected by AIDS
GNP	Gross national product
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HLI	Highly labor-intensive
IEC	Information, Education and Communication
IGA	Income-generating activities
IMCI	Integrated Management of Childhood Diseases
IMF	International Monetary Fund
INECN	National Institute for the Environment and Nature Conservation
INSS	National Social Security Institute
IRAZ	Agronomy and Zootechnics Research Institute
ISA	Higher Institute for Agronomy Studies
ISABU	Burundi Agronomy Sciences Institute
ISTEEBU	Burundi Statistical and Economic Sciences Institute
MDGs	Millennium Development Goals
MDNAC	Ministry of Defense and Ex-Combatants
MICS	Multi-sectoral Indicators Cluster Survey
MIN E&M	Ministry of Energy and Mines
MINAGRIE	Ministry of Agriculture and Livestock
MINATTE	Ministry of Urban and Rural Planning, Tourism, and the Environment
MINTRAPT	Ministry of Transport, Postal Services, and Telecommunications
MISP	Ministry of the Interior and Public Safety
MPLS	Ministerial Arm of the Presidency with Responsibility for AIDS Issues
MSNDHG	Ministry of National Solidarity, Human and Gender Rights
MTEF	Medium-Term Expenditure Framework
MW	Megawatt
NDA	Net domestic assets
NEPAD	New Partnership for Africa's Development
NFA	Net foreign assets
NGO	Nongovernmental organization
NPI	Nonprofit institution
ODA	Official Development Assistance
OIs	Opportunistic infections
ONATEL	National Telecommunications Board
ONT	National Tourism Board
ONUB	United Nations Operation in Burundi
OVC	Orphans and other Vulnerable Children
PBCE	State Budgetary and Accounting Plan
PDI	Internally Displaced Populations
PER	Public Expenditure Review
PIP	Public Investment Program
PLHA	People living with HIV/AIDS
PNB	Burundian National Police
PNDRR	National Demobilization, Reinsertion, and Reintegration Project
PNDS	National Health Development Plan
PNDS	National Health Development Program
PNUD	United Nations Development Program
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper

PU	Emergency Program
REGIDESO	Water and Electricity Production and Distribution Authority
RSA	Republic of South Africa
SCEP	Agency Responsible for Public Enterprises
SE/CNDRR	Executive Secretariat of the National Demobilization, Reinsertion, and Reintegration Commission
SFDs	Decentralized financial services
SIGEFI	Automated Integrated Financial Management System
SMEs	Small and medium-sized enterprises
SMIs	Small and medium-sized industries
<i>SNA</i>	<i>System of National Accounts</i>
SNDS	National Statistical Development Strategy
SNR	National Intelligence Service
SOSUMO	Mosso Sugar Company
SP/CNLS	Permanent Executive Secretariat of the National AIDS Council
SP/REFES	Permanent Secretariat for Monitoring Economic and Social Reforms
SPP	Company with public sector participation
STIs	Sexually transmitted infections
SWAA	Society for Women Against AIDS in Africa
T	Metric ton
TOFE	Flow-of-funds table
UN	United Nations
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNICEF	United Nations Children's Fund
VAT	Value-added tax
WTO	World Trade Organization

FOREWORD

Burundi has just completed a historic period inasmuch as it has established new institutions through free and democratic elections and enhanced security.

Nevertheless, the economic situation remains precarious owing to the decline in production and persistent fiscal difficulties at a time when extreme poverty continues to be a source of concern. More than 81 percent of Burundians live below the poverty line.

The situation highlights two main hurdles that must be overcome: first, growth levels are still too weak to fuel an effective redistribution policy, and second, services are still in short supply, especially regarding basic education, health care, potable water and sanitation, food, and housing.

The government is deeply appreciative of the support received from its development partners in tackling its problems. That Burundi has reached the HIPC decision point as planned is proof positive of this support and augurs well for sound collaboration during the implementation of the Poverty Reduction Strategy Paper (PRSP).

This PRSP is part of a two-pronged approach consisting of ongoing collaboration with population groups on major issues and stronger partnership with donors and lenders. It is a valuable tool for extricating the country from the crisis and is very timely in terms of helping the government that was democratically elected in 2005 to take concrete steps toward national reconciliation and reconstruction after so many years of conflict and economic decline.

This PRSP, which is the product of a broad consensus in the current context, is a valuable instrument for moving beyond the crisis, for restoring normalcy to political life, and for reviving economic growth—all *sine qua non* conditions for restoring stability and reducing poverty.

The government is committed to seizing the opportunity this PRSP affords to create an environment conducive to Burundi's swift and concerted reconstruction, with the cooperation of all the socio-economic development stakeholders, so that the country may recover its prosperity and build a better future for all.

Dieudonné NGOWEMBONA
Minister of Finance

EXECUTIVE SUMMARY

1. This Poverty Reduction Strategy Paper (PRSP) comes two and a half years after the approval in January 2004 by the Executive Boards of the IMF and the World Bank of the Interim PRSP (I-PRSP). It was drafted in a time of major political change characterized by the restoration of security and encouraging socio-economic developments. This strategy, which was developed through a participatory process, is a reflection of these developments and advances Burundi toward a better future through the reforms and programs it advocates. Its objective is to build a new society of hope for Burundians as the 21st century unfolds.

a. General context of return to normal political life and national reconstruction

2. This PRSP is also the outgrowth of a long period of negotiations encouraged and supported by the international community and comes after the establishment of a framework for national reconciliation. Negotiations for comprehensive peace were completed in Arusha, Tanzania, in August 2000, following which a 36-month (2001-2004) political transition process was established, and general elections organized and held, to culminate the process in observance of the Arusha Peace and Reconciliation Agreement for Burundi. The establishment of democratic institutions marks a decisive juncture in the restoration of peace, the rule of law, and the restoration of calm, all of which are essential to Burundi's socio-economic development.

3. This welcome political change was made possible by varied forms of support from the international community through United Nations Operation in Burundi (ONUB), which ensured the smooth operation of the entire process. The government is now in peace talks with the last rebel movement through its two branches within the framework of the democratic process in place. Nevertheless, during the same period, it has become clear that poverty has worsened considerably. This pauperization is further aggravated today because of the scant resources available to government and households and the existence of a population of disaster victims resulting from the conflict, such as refugees, the internally displaced, street children, and orphans.

b. Post-conflict socio-economic context

4. This full PRSP comes at a time of post-conflict economic difficulty characterized by insufficient production and incomes, low levels of international assistance and investment, as well as persistently heavy pressure on the State's cash flow. This situation is also reflected in the government's severely impaired capacity to manage public resources, which have all but dwindled away. A substantial proportion of the public sector's human resource base was destroyed.

5. These difficulties should not obscure the progress made in implementing the macroeconomic reforms supported by the Bretton Woods institutions, which enabled the country to become eligible for the HIPC Initiative. The satisfactory implementation of these reforms paved the way for major developments, notably the possibility of cancellation of Burundi's multilateral debt upon reaching the HIPC completion point.

c. Content of the PRSP

(i) Main obstacles to poverty reduction and growth

6. The participatory community, sectoral, and thematic consultations carried out at the national and community levels afforded an opportunity to analyze the characteristics of poverty and identify the main constraints. They are:

- (i) Governance, security, and conflict resolution constraints;
- (ii) Structural rigidities impeding economic growth;
- (iii) Instability of the macroeconomic framework;
- (iv) Poor quality of, and insufficient access to, basic social services;
- (v) An increase in vulnerable populations as a result of the conflict's negative toll;
- (vi) High prevalence of HIV/AIDS;
- (vii) Gender and equity constraints.

(ii) Long-term development vision

7. The PRSP presents a medium- and long-term development vision for Burundi and sets out bold poverty reduction objectives, which are consistent with the government's 2005-2010 priority program and the Millennium Development Goals (MDGs). The foundation of the PRSP was laid on the following principles so as to give substance to the vision: (i) refocusing the role of the State; (ii) maintenance of peace and security; (iii) capacity building; (iv) renewed economic growth; (v) stronger community involvement; (vi) affirmation of the central role of women; and (vii) promotion of a new partnership with donors and lenders.

(iii) Principal strategic axes

8. From the quantitative and qualitative analyses and the conclusions of the sectoral and thematic poverty studies, it became clear that there was consensus on four main strategic axes:

- (i) Improving governance and security;
- (ii) Promoting sustainable and equitable economic growth;
- (iii) Developing human capital;
- (iv) Combating HIV/AIDS.

Axis 1: Improving governance and security

9. Improving Burundi's security situation after over a decade of conflict is a sine qua non condition for restoring an environment conducive to economic recovery and national reconciliation.

10. The government's security objective is to restore the free movement of persons and goods throughout the territory. To this end, the priority actions already undertaken or forthcoming are geared toward: (i) negotiating a comprehensive and permanent ceasefire to strengthen security; (ii) pursuing demobilization, disarmament, and integration programs until military and police staffing are stabilized at levels that are sufficient to meet the country's needs and in line with its financial capabilities; (iii) professionalizing the defense and security forces; and (iv) disarming the civilian population and preventing the proliferation of small arms.

11. Given its awareness of the scope of the challenges it faces in an area as crucial as governance, the government has set itself a number of priorities, namely, to strengthen the rule of law and justice, manage disputes from the past to safeguard the future, strengthen the democratic culture, promote efficient public administration, pursue decentralization, establish a transparent public finance management system, and tackle corruption.

Axis 2: Promoting sustainable and equitable economic growth

12. Burundi's future will depend on its capacity to deliver strong and lasting economic growth to feed its ever growing population and reduce poverty. Promoting such growth is one of the priority objectives of the PRSP, and the priority actions selected cover the following areas: (i) strategic actions to revitalize sectors with growth potential, notably food and export crops, livestock production, trading, mining, and manufacturing; (ii) reviving the private sector; (iii) diversifying employment and income opportunities for rural communities, notably through microcredit and the promotion of highly labor-intensive works; (iv) rehabilitating and modernizing transport, energy, and telecommunications infrastructures, which are essential to generating externalities that enable the Burundian economy to become more competitive; and (v) restoring macroeconomic equilibria.

Axis 3: Developing human capital

13. The government is convinced that sustainable development is predicated on qualified and healthy human resources. Therefore, its objective is to re-establish quality social services in partnership with the very communities that will be the beneficiaries. To this end, priority actions targeting the health and education sectors, water supply and sanitation, urban planning and decent housing for all have been identified. In addition, actions geared not only toward refugees and the displaced, but also toward other vulnerable groups, such as street children, orphans, victims of natural disasters, and the disabled, have been emphasized. Actions promoting community approaches to caring for and reinserting disaster victims were decided upon, especially to help populations in dire circumstances to resume normal lives by promoting national solidarity and the acquisition of skills enabling them to join the modern sector of the economy.

Axis 4: Combating HIV/AIDS

14. The government's key objective is to bring about a sharp reduction in the spread of the pandemic by promoting prevention and treating the sick from families infected and affected by HIV/AIDS. The actions selected are geared toward prevention, access to medicines, and support for affected families to meet their basic needs. Acquiring skills for income-generating activities is an important aspect of the policy advocated for tackling HIV/AIDS.

(iv) The PRSP preparation process

15. The PRSP was prepared on the basis of the conclusions and recommendations agreed by consensus in participatory consultations with various target groups, namely: rural communities, government agencies, the private sector, civil society, certain vulnerable groups, Parliament, and development partners.

(i) Community consultations were conducted in each commune and province of the country, as a result of which the determinants of poverty were identified and actions formulated to combat poverty. Community consultations enabled 14,600 persons, more than half of them women, to express their points of view and aspirations for extricating themselves from the poverty trap.

(ii) Sectoral and thematic consultations were also conducted on a participatory and inclusive basis. A total of 840 participants took part in the exchanges, making it possible to identify the constraints and potentials of the respective sectors, determine the strategic axes, decide on the relevant actions to be taken, and propose appropriate monitoring and evaluation mechanisms for the sectors.

(v) **Implementing the strategy**

16. The PRSP is the sole frame of reference and sole framework for Burundi's socio-economic development planning. It will be implemented through technical ministries, community organizations at the decentralized level, NGOs, civil society, and the private sector in partnership with development partners.

17. The implementation, monitoring, and evaluation of the PRSP require the introduction and development of an appropriate institutional framework and institutional units. In the short term, therefore, the emphasis will be on building the capacity of the various units and stakeholders involved in the areas of poverty analysis, planning, financing, and implementation of priority poverty reduction programs and projects. Specifically, this will involve the research and planning directorates of the sectoral ministries, ISTEERU, NGOs, the private sector, civil society organizations, and development partners.

18. The strategy will be implemented through a **participatory monitoring and evaluation system** organized as follows: (i) monitoring and evaluation of the strategy, (ii) monitoring of the poverty indicators and Millennium Development Goals (MDGs); and (iii) impact assessment of the policies, reforms, and poverty reduction programs making up the strategy. The emphasis during monitoring and evaluation will be on a participatory approach, so as to involve all the stakeholders involved in the PRSP preparation process throughout the entire execution phase, at the decentralized and national levels alike. This being so, the performance indicators will be developed and harmonized for the twofold purpose of coordinating monitoring and evaluation of the PRSP and ensuring consistency in the procedures and expected outcomes.

(vi) **Partnership**

19. **With NGOs.** The government intends to continue the dynamic partnership that has always existed between NGOs and Burundi in the areas of national reconstruction and poverty reduction. The government is committed to establishing and strengthening the existing partnership framework so that NGOs may fully play their role of supporting this dynamic relationship and community development, the cornerstone of PRSP implementation.

20. **With the development partners.** Cognizant of the issues and hurdles to be overcome in implementing the PRSP, the government will do everything in its power to strengthen its existing partnership with its development partners through units such as the SP/REFES for implementation of the PRSP and the SP/CNCA for aid coordination. Practical ways and

means will be developed to promote coordinated action on issues of common or specific interest, program coordination and harmonization, aid mobilization, capacity building, and monitoring and evaluation of the PRSP.

CHAPTER I: INTRODUCTION

21. Since the establishment of the institutions created as a result of the democratic elections, Burundi has been back on track and moving steadily toward stabilized security and improved rule of law. The State must therefore assume responsibility for two essential tasks in this scenario: restoring normalcy to people's lives and reviving the economy.

22. From the political standpoint, Burundi entered a new phase in 2005 when it adopted a new constitution and organized free and transparent elections, which led to the election of a new President of the Republic, the establishment of a government, and election of members of Parliament, communal councils, and hillside (*colline*) councils.

23. It is also apparent that there are significantly fewer armed clashes, and negotiations are ongoing with the last rebel group to integrate them into the peace process.

24. Furthermore, the process of demobilizing, reinserting, and reintegrating ex-combatants and members of the former armed forces is progressing smoothly with the support of the Multi-Country Demobilization and Reintegration Program (MDRP). By June 2006, a year and a half after operations began, over 20,000 persons had been demobilized, including some 3,000 child soldiers.

25. The integration of combatants from the various parties and armed political movements, and of members of the former armed forces and former police, which took place concurrently with the demobilization effort, led to a profound restructuring of the country's defense and security forces. The government is now planning to professionalize these forces so they can shoulder the responsibility of ensuring the security of the State and all its citizens. There will be a heavy emphasis on improving the management of the sector's human and material resources, building its operational capacity, and providing adequate infrastructure and equipment. In pursuing this goal, Burundi can count on the support of the United Nations as well as several bilateral and multilateral donors and lenders. A long-term commitment of all the parties concerned—government and international partners alike—will be needed to achieve these objectives and ultimately to restore a peaceful economy in which more will be spent on people than on security.

26. It is against the backdrop of this long-term pursuit of the goal of strengthening peace and reviving the economy that one should view the preparation of this PRSP as aimed at laying the foundation for strong and sustainable economic recovery and national reconciliation.

27. This PRSP builds on the gains made in the Interim PRSP adopted in January 2004 by the Executive Boards of the IMF and the World Bank. Its implementation enabled Burundi to reach the decision point under the Heavily Indebted Poor Countries (HIPC) Initiative and to benefit from an arrangement under the IMF's Poverty Reduction and Growth Facility (PRGF).

28. The participatory approach advocated during the PRSP preparation underscores the government's resolve to develop policies and reforms in consultation with the people, in a spirit of complementarity in decision-making, and to acknowledge them as the primary beneficiaries of development.

29. Consultations initiated within this framework provided the opportunity to gather from all categories of the population the contributions that led to the definition of the strategic axes and priority actions to be carried out in order to achieve the objectives set.

30. Burundi's Poverty Reduction Strategy Paper is organized into nine chapters. Chapter I discusses the post-conflict situation; Chapter II outlines the preparation of the Poverty Reduction Strategy Paper; Chapter III describes recent changes in Burundi's political, economic, and social situation; Chapter IV provides an overview of poverty in Burundi; Chapter V outlines the main obstacles to poverty reduction and growth; Chapter VI sets out the actual strategy; Chapter VII addresses the macroeconomic and fiscal framework; Chapter VIII describes the implementation of the PRSP monitoring mechanisms; and Chapter IX outlines the strategy implementation constraints and risks.

CHAPTER II: INSTITUTIONAL AND ORGANIZATIONAL FRAMEWORK

2.1. Institutional organization

31. **At the national level**, the Interministerial Committee for the Monitoring of Economic and Social Policies (CI/SPES) is responsible for preparing the PRSP and defining its broad outlines. It has 15 members and is chaired by the Second Vice President of Burundi, with the Minister of Finance as Vice Chairman. The Committee is supported by the Permanent Secretariat for the Monitoring of Economic and Social Reforms (SP/REFES), which coordinates the activities.

32. **The Permanent Secretariat for the Monitoring of Economic and Social Reforms (SP/REFES)** is the lynchpin in the drafting of the PRSP. It is assisted by a Technical Oversight Committee (CTS) comprising 10 members representing civil society, NGOs, the technical ministries, women's associations, the private sector, and development partners.

33. **The Technical Oversight Committee** issues assessments of the major phases of the process, provides guidance for the activities, ensures the partners are involved, and approves the reports on the participatory consultations and studies conducted at various levels.

34. **At the decentralized level**, preparation of the PRSP took place within the communes in the Communal Development and Poverty Reduction Committees (CCDLPs) and in the provinces in the Provincial Development and Poverty Reduction Committees (CPDLPs). These committees ensured organized participation of the communities, the private sector, and small farmer organizations in analyzing the determinants of poverty, the choice of strategic axes, and the priority poverty reduction actions.

2.2. Methodological approach to PRSP preparation

35. The preparation of the PRSP built on that used to produce the Interim PRSP, by: (i) raising public awareness through the media; (ii) organizing information exchange sessions; and (iii) holding consultations at the community, sector, and thematic levels throughout the country, including in Parliament.

36. These sessions were deliberately highly representative of the poorest strata of society and other segments such as youths, women, and other marginal groups, such as the Batwa, which were often underrepresented or not represented in community organizations.

37. Target groups comprising 50 participants representing the communes were chosen democratically by the people themselves, with men and women equally represented.

2.2.1. Organization of participatory consultations

a. Organization of community consultations

38. The community participatory consultations were organized with partner NGOs specializing in participatory approaches and group dynamics. The consultations took place countrywide with participation by the communities represented by CCDLPs and CPDLPs. Participants were given a chance to discuss in detail the determinants of poverty as they experienced them and to reach a consensus on the strategic axes and priority actions required to combat poverty. The consultations were also an opportunity for communities to express their commitment and resolve to participate henceforth in Burundi's socio-economic development through the programs and projects immediately relevant to them.

b. Organization of consultations with civil society

39. Preparation of the PRSP required the involvement of all components of civil society. Thus, representatives of 145 organizations took part in the discussions that gave rise to seminal ideas on poverty and its causes, the solutions proposed, the strategic axes, and the actions required to combat poverty.

40. The participants put forward proposals on civil society's proper role in implementing the PRSP, which focused essentially on four main points: (i) offering technical expertise in the various areas, including management of the programs and projects under the PRSP, and training and organizing beneficiaries; (ii) developing the partnership and complementarity with the government in implementing the PRSP; (iii) keeping a critical eye on the monitoring and evaluation of the PRSP through information actions, communication, and training of beneficiaries; and (iv) functioning as a counterweight by monitoring and conducting regular social audits of government action and decentralized government agencies.

c. Organization of sectoral and thematic consultations

41. Sectoral and thematic consultations were also held using a participatory and inclusive approach. Fourteen sectoral and thematic groups took part in the consultations.

42. A total of 840 participants representing different sectors and themes conducted a poverty analysis according to their respective sectors and identified opportunities for the sector to combat poverty. They also determined the strategic axes and priority actions for poverty reduction and proposed mechanisms for monitoring and evaluation of poverty reduction activities in their sectors.

43. The disabled participated in the consultations to underscore their contributions in the “vulnerable group” sector and to find appropriate solutions for their economic and social insertion.

d. Consultations with Parliament

44. Parliament’s contribution to the participatory process reinforced its inclusiveness. It broadened the partnership and secured the buy-in essential to the success of subsequent phases of the PRSP

45. The members of Parliament conducted an in-depth diagnostic of the main challenges and major constraints thwarting the country’s development. They reviewed the various proposals put forward in community and sectoral consultations and made their input on the ways and means of implementing the PRSP.

46. The contributions of the Members of Parliament not only enriched the content of the strategic axes, but also afforded a sharper definition of the scope of the priority actions and measures to be implemented, which are all set out in the general matrix of the actions chosen for the PRSP.

47. The members of Parliament also defined the role they intended to play, especially concerning monitoring and evaluation of priority programs, outreach to the population, and encouraging the government to observe the priorities decided upon by the people

2.2.2. The review phase

48. At the commune level, the summary reports on the consultations were produced and returned to the CCDLPs prior to approval.

49. At the provincial level, the same process was followed, this time through provincial workshops, making it possible to take into account the opinions and considerations of stakeholders who had not taken part in the communal consultations.

50. An executive summary of the conclusions of the participatory consultations was drafted and presented to the provincial authorities. This review phase also included

members of Parliament, who made very useful contributions toward finalizing the PRSP. A total of 14,600 persons took part in the community consultations.

2.3. Dissemination of the PRSP

51. Preparation of the PRSP was characterized by promotion of targeted communication. This multifaceted communication on the PRSP process was developed to cover all the stakeholders. Several television and radio programs were organized in the publicly and privately owned media, and the various partners were able to monitor closely the activities involved in PRSP preparation.

52. In keeping with this emphasis, the government established a website, the regular updating of which led to genuine dialogue, especially with Burundians abroad. In addition, an audiovisual information presentation tracing the different stages of the consultations is available and can be obtained from the SP/REFES.

2.4. Relevant innovations of the PRSP process

53. Given its inclusive nature, the PRSP preparation process boosted understanding and participation communities from the ground up and gave rise to the spontaneous establishment of the CCDLPs and CPDLPs.

54. This welcome initiative, resulting from the communities' proactive stance, should be supported and recognized in the new policy of decentralization and democratization of community organizations. This new dynamic will enable grassroots population groups to participate in managing their own development.

CHAPTER III: RECENT DEVELOPMENTS IN BURUNDI'S POLITICAL, ECONOMIC, AND SOCIAL SITUATION

3.1. Political developments

55. The major political development was the successful conclusion of the negotiations to reach a comprehensive peace agreement in Arusha, Tanzania, in August 2000. Among those signing the accords in Arusha were 17 political parties. The CNDD-FDD, and FNL were absent. A transitional constitution was adopted in October 2001 and a transitional government set up in 2001 for a period of 36 months based on the principle of power sharing between the country's two main ethnic groups. A transitional Parliament was established in 2002.

56. The transition was uneventful until May 2003. The government of the second transition signed ceasefire agreements with all the parties and armed political movements that were not signatories to the Arusha accords, except for one faction of the FNL. The spirit of the accords was one of accommodating the political weight of the respective groups in the distribution of influential positions in the army and in the central, provincial, and communal governments.

57. In January 2003, the transitional government began preparation of a National Demobilization, Reinsertion, and Reintegration Program (PNDRR) with the support of the World Bank. In May 2004, United Nations Security Council Resolution 1545 transformed the forces of the African Union's African Mission in Burundi (AMIB) into a United Nations peacekeeping operation (ONUB) tasked with monitoring the ceasefire agreements and supporting efforts to bolster the peace process. This development was timely and should contribute positively to implementation of the PNDRR and the related program of security sector reforms.

58. In 2004, a national consensus was reached on a draft constitution and completion of the transition in 2005 through intense negotiations, which culminated successively in the signing of the Arusha Peace and Reconciliation Agreement in 2000, the conclusion of accords to cease hostilities with armed movements in 2003, a national consensus on a draft constitution in 2004, and the completion of the transition in September 2005.

59. The referendum on the constitution and communal, legislative, and *colline* elections held between February and September 2005 took place in a peaceful climate and in full transparency. The results were accepted by all the political and social stakeholders, as well as the international community.

60. The ensuing political changes also reflected strong representation of women in the decision-making bodies, including in sectors hitherto exclusively reserved for men.

61. Peace prevails throughout most of the country at present, and there is enough security to allow for resumption of economic activities locally and nationally. However, worry and skepticism are still rife, as it is clear that there continue to be instances of human rights violations, rapes, robberies, and growing insecurity in urban and rural centers. What is more, during the consultations, a fair amount of the population expressed keen concern at the lack of economic opportunities despite prospects of lasting peace. Some participants even held that one of the main obstacles to the peace process is the apprehension that peace instills, because the conflict had been cited as one factor explaining the dire poverty.

62. In order to consolidate the political gains, a process to transform the security sector was undertaken. New defense and security forces formed from the integration and demobilization of the ex-combatants are now the components of the country's new security architecture, namely: the National Defense Force (FDN), the Burundian National Police (PNB), and the National Intelligence Service (SNR).

63. In a bid to secure permanently these gains, the government has also begun talks with the last FNL rebel movement, which has just joined the peace process.

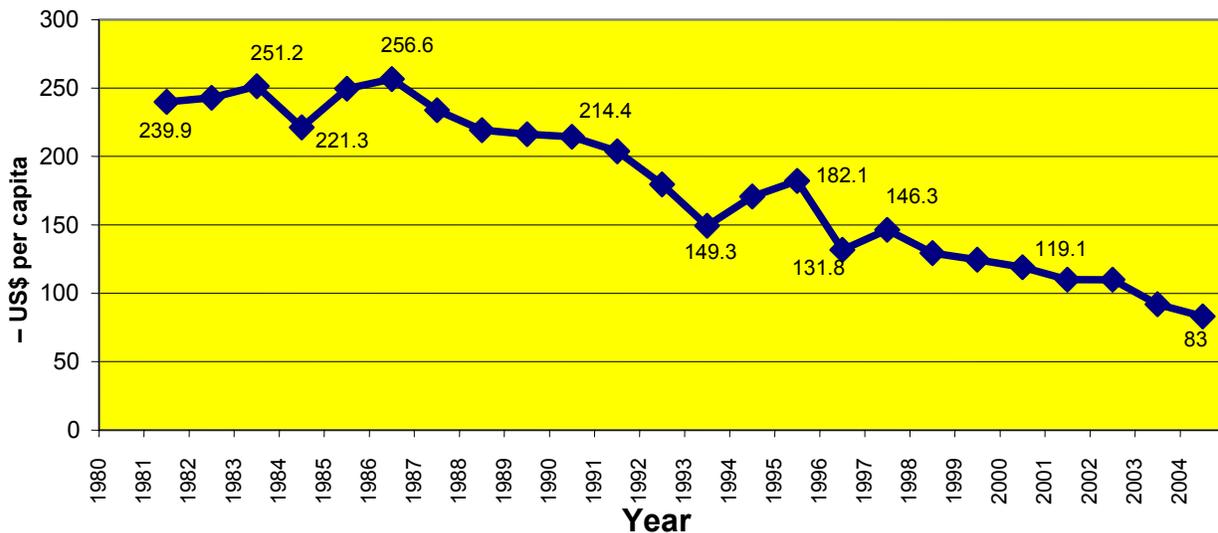
3.2. Economic developments

64. Although the return to a peaceful situation re-establishes an environment conducive to economic recovery, innovative policies and reforms must be initiated to salve the wounds left by a conflict that lasted more than a decade.

65. Given the combined effects of the destruction of productive capital, massive population displacement, and the drop in official development assistance, Burundi's economy experienced a significant decline.

66. Since the crisis, GDP fell an average of 3 percent annually, resulting in a cumulative decline in production of 30 percent to date. This receding GDP caused per capita incomes to drop to US\$83 in 2004, from a level of US\$214 in the early years of the preceding decade.

Chart 1: Changes in per capita incomes



Source: ISTEERU database, 2005.

67. Besides the impact of the war, the Burundian economy is facing significant structural rigidities, such as its dominant but scarcely productive food-crop agriculture, limited and clearly dwindling export capacity for coffee, its primary source of foreign exchange, plus a very limited secondary sector severely hampered by the fact that the country is landlocked.

68. Investment trends are the other visible indicator of the country's economic recession. Whereas the annual investment ratio was on average nearly 15 percent of GDP at the start of the decade, it fell to 6 percent between 1998 and 2000. This drop in investment during the crisis period is a reflection of a trend toward decapitalization of the Burundian economy. It is attributable essentially to a reduction in external assistance, which used to provide the financing for investment programs.

69. Official development assistance, which was gradually increasing in the early 1990s, dropped off considerably during the crisis. From almost US\$320 million in 1992, the total volume of assistance fell below the US\$100 million threshold in 1999. This trend could only have an adverse impact on the government's financial operations.

70. The government therefore financed the public deficit primarily through borrowing from the banking system and suspending the Treasury's obligations to donors and lenders, thus pushing external arrears to US\$78.6 million by end-2004.

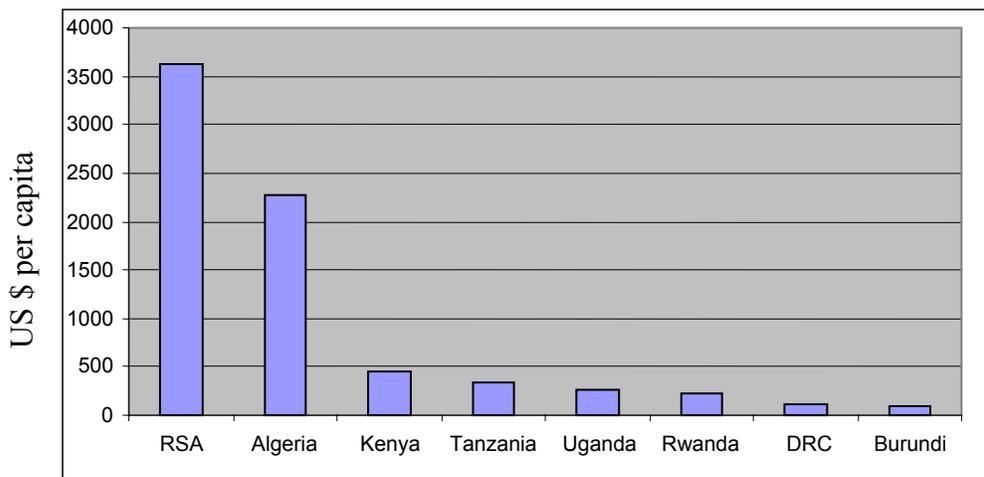
71. Recourse to bank financing of the budget deficit to meet the government's operational needs contributed to expansion of the money supply, which grew from US\$35 billion at end-1992 to US\$201.5 billion in 2004, and to the acceleration of inflation and sharp depreciation of the national currency. The U.S. dollar, worth FBu 200 in 1992, rose to FBu 1,000 by end-2004.

72. This crisis in public finances owes its origins to the confluence of the following factors: a drop in taxable income, current expenditure requirements that could not be compressed, increased security expenditure, an unsustainable level of debt service, and a rapid depreciation of the Burundi franc.

3.3. Social trends

73. The social sector was gravely affected by the conflict that prevailed in Burundi in the past 12 years. The situation led to a considerable drop in production in virtually all sectors of the national economy and consequently caused poverty to worsen. Life expectancy at birth fell from 51 years in 1993 to less than 42 in 2005. Per capita incomes are below US\$100, markedly lower than for other African countries and lower than the Sub-Saharan average, estimated at over US\$500.

Chart 2: Comparison of per capita incomes in selected African countries



Source: *Mini Atlas of Millennium Development Goals*, World Bank, 2005.

74. Worsening poverty could also be seen in the limited access of Burundians to basic social services. The gross enrollment ratio, which reached 67.8 percent in 1993, fell to 42 percent in 1996. This situation has gradually improved, but the needs are still very great, considering the number of children of school age, the destruction of infrastructure, the dropout rate (especially among girls), and the shortage of teachers.

75. In like fashion, an overall vaccination coverage rate of 80 percent in 1992 fell to 55.3 percent in 1997, and then rebounded to 78.6 percent by end-2004.

76. HIV/AIDS is one of the main causes of mortality. The pressure on the healthcare infrastructure has become a severe handicap to proper care of the sick in general, and of AIDS patients in particular. The number of malaria victims has also risen, and for several years now malaria has been a veritable national scourge.

77. After a marked improvement in the early 1990s, potable water coverage fell from 1993 onwards. Estimates drawn in 2000 show an 8 percentage point reduction in coverage for rural areas (from 51 percent in 1993 to 43 percent in 2000). This reduced access to potable water is attributable largely to lack of maintenance and the destruction of water supply infrastructure.

78. The crisis also led to the displacement of populations within and beyond the national borders. In 2005, around 18 percent of the total population was affected, or about 1.2 million persons living in deplorable conditions in which the lack of decent housing, lack of access to basic social services, lack of potable water, crowded conditions, and malnutrition expose them to a state of physical and mental vulnerability.

79. Since the crisis began in 1993, some of the families who had escaped the massacres had to flee and find refuge in army barracks. This situation was compounded by the subsequent insecurity and their numbers continued to grow.

80. Typically, these families are living in abject poverty, which could worsen if they are not offered better prospects. Thus far, some camps have become veritable centers for the displaced. Moreover, this situation is jeopardizing the return to barracks that must take place as part of the process of integration and normalization of the security situation.

81. This uncertainty is accompanied by a new phenomenon of sexual violence, especially rape, which is gaining ground and claiming innocent victims. By way of illustration, 983 cases were recorded in 2003 compared with 1,664 in 2004, and the situation is all the more dramatic considering that 43 percent of the cases are minors, and 17 percent children under 10 years of age. Sweeping reforms are being introduced in the penal code in order to stamp out this scourge.

3.4. Economic and social recovery programs already under way

82. Since the signing of the Arusha Peace and Reconciliation Agreement in August 2000, the government embarked upon major programs aimed at improving the country's economic situation. To this end, it negotiated and implemented macroeconomic and structural reforms supported by its development partners, notably the IMF and World Bank.

83. These programs provided for reforms as follows: (i) internal reforms to restore macroeconomic stability; (ii) structural reforms to promote good governance and strengthen public financial management of ; and (iii) sectoral reforms to promote economic recovery.

84. Beginning in July 2001, the International Monetary Fund supported a staff-monitored program intended to: (i) contain public deficits; and (ii) jumpstart the process of improving relations with donors and lenders.

85. Given the unstable security situation, insufficient economic support, and the shortage of foreign exchange, the results of the program were not fully satisfactory. The poor performance recorded during execution delayed the completion of the post-conflict program, which did not occur until October 2002.

86. This new program, supported by an Economic Rehabilitation Credit (ERC) from the World Bank and emergency post-conflict assistance from the IMF, sought the restoration of a sound macroeconomic framework and the rehabilitation of community infrastructure.

87. In November 2003, the Bretton Woods institutions' positive assessment of the execution of the post-conflict program led to the preparation of a three-year program of reforms (2004-2006) supported by the Poverty Reduction and Growth Facility (PRGF).

88. Based on the priority axes from the Interim PRSP, the overall objective of the three-year reform program is to promote sustained economic growth and thereby reduce poverty.

89. The main reforms agreed within the framework of the PRGF are essentially in the area of macroeconomic stabilization, economic liberalization, government withdrawal from the productive sectors, public finance reforms, and monetary management conducive to sustainable growth.

90. The results seen over the two years of implementation have been deemed broadly satisfactory in line with the overall objectives. For 2006, there are plans to build upon and continue pursuing the objective of reducing macroeconomic and financial disequilibria and controlling inflation in order to trigger economic recovery.

91. The aim of the economic program for 2006 is therefore to boost real economic growth to 6.1 percent, hold average inflation to 2.5 percent, and cap the current external balance at -17.1 percent of GDP.

92. In the budget area, social and poverty reduction expenditures will be given priority. Furthermore, improved revenue collection and domestic debt reduction will be pursued. Fresh measures have been taken in this connection under the budget law for fiscal 2006 to rehabilitate fiscal management, expand the tax base, and strengthen the monitoring of budget execution.

93. On the monetary and foreign exchange front, the government intends to curb significantly the expansion of liquidity and pursue liberalization of the exchange regime.

94. Generally speaking, 2006 is a decisive year for accelerating the implementation of structural reforms, notably the government's withdrawal from the productive sectors, economic liberalization through an effective policy of support for the private sector, and swifter progress in the areas of governance and transparency.

CHAPTER IV: OVERVIEW OF POVERTY IN BURUNDI

95. Burundi is one of the world's poorest countries, with per capita incomes at US\$83 at end-2004. The seriousness of poverty poses a major risk to the country's economic and social recovery.

96. While some progress has been made in just a few years, thanks to tangible progress in the political arena and in the implementation of economic reforms, the social situation remains difficult because of: (i) widespread poverty; (ii) the large number of disaster victims; (iii) the shortfall in basic social services coverage, and (iv) the proportions of the HIV/AIDS problem.

97. It is difficult to ascertain fully the scope and structure of poverty in Burundi, given the shortage of reliable and detailed statistical data. The poverty analysis was carried out by using the 1998 household survey, the polls conducted in 2002 and 2004, and the social indicators.

4.1. The perception of poverty

99. The findings of a 2004 opinion poll of 3,000 persons yielded a glimpse of how poverty is perceived and the priority measures that should be taken. The results of the poll showed that around 40 percent of those polled are subjectively poor.¹

100. More than 80 percent of those surveyed feel that poverty remains unchanged or has increased over the past five years, with 50 percent of them citing a sharp increase.

¹ Subjective poverty is poverty self-reported by respondents.

Some 40 percent of respondents predict a drop in poverty over the next five years. A similar proportion foresee a worsening of the situation.

101. For most respondents, the first symptom of poverty is the inability to feed one's family, followed by lack of decent housing and difficulties in meeting medical expenses for family members.

102. Satisfaction with the quality of public services is generally low, especially among the poor. The satisfaction rate is below 50 percent for maternity services and health centers. The lack of capital, especially in the form of cattle, but also illiteracy and inadequate security are, in the view of respondents, the major obstacles limiting their poverty-reduction capacities. For a third of participants in the survey, an end to the conflict is at the top of the list of poverty reduction factors.

103. On the matter of the priority measures required of the State, the main areas identified are health and education, followed by security. Food security and youth employment are also perceived as important areas requiring the government's attention.

104. When asked what the main priorities of the community should be in seeking to reduce poverty, people stressed promoting productive activities (56 percent) and potable water supply (54 percent). These were followed by the construction of dispensaries and health centers (48 percent), while basic commodity supply, curbing violence and insecurity, and building schools are mentioned by over a third of respondents as being among their top four priorities.

105. Combating HIV/AIDS is a relatively secondary priority for people. Only 13 percent of respondents raised it, which places it in 13th position out of 15. This result denotes a gap between the emphasis placed on this issue by the authorities and the perception of the public, who would prefer to see spending redirected. This gap may well be a reflection of the difference between the people and government authorities in their level of awareness of the scope of the pandemic.

106. Community consultations identified the same signs of poverty as those in the perception survey. They also presented poverty as a multifaceted phenomenon affecting people in varying degrees. Thus a typology of the Burundian population was put forward, with five main categories, according to the level of poverty:

- Those who are extremely fragile because they are incapable of surviving without the assistance of neighbors or other benefactors;
- Those who survive on their own ability to work, failing which they would fall into the preceding category;
- Those who are poor but have a few plots of land with low yields;
- Those who are relatively well off but vulnerable because they are unable to put aside emergency savings;
- The wealthy.

4.2. Income poverty

107. The only recent household survey from which poverty could be measured directly was conducted in 1998. The 2006 CWIQ survey was initiated to gather data on household consumption and spending, but the results have not yet been put to use. The income poverty analysis presented here is therefore indicative of the situation in 1998, but does reflect the current state of poverty given that the situation has not changed radically since that time. This diagnostic does at least have the advantage of providing a basis for comparing future evaluations of poverty trends.

108. According to this 1998 survey, income poverty affects a wide swath of the Burundian population. In 1998, the poverty rate for the whole country was 81 percent, registering 41 percent in Bujumbura and 83 percent in the rest of the country. This rate differs from the one published in the Interim PRSP because of the recent adoption of a more appropriate methodology for estimating the poverty line (see Box 1).

Box 1: Two Methodologies for Estimating the Poverty Line

(i) The relative poverty approach

During preparation of the Interim PRSP, the poverty line was estimated by means of a simple and quick methodology consisting of calculating the average per capita household income, then the average per capita household income for all households and, finally, considering two-thirds of the resulting average income as the poverty line. The poverty rate is then estimated as the proportion of the population living in a household whose per capita income falls below this threshold. The national poverty rate was thus estimated at 66.5 percent. This result was far more a reflection of the method used than the poverty situation itself. This approach actually considers that people are poor relative to the economic situation of the other members of the society in which they live, and not necessarily because they find it hard to meet their needs.

This relative poverty approach is widely used in wealthy countries where the issue of poverty is posed more in terms of creature comforts than survival. For a poor country, such as Burundi, where some regions are severely affected by famine, poverty is more a question of survival and should be assessed in terms of people's survival capacity. For this reason, the method known as the "cost of basic needs" method has been used to estimate the poverty line instead of the relative poverty method.

(ii) The cost of basic needs method

The poverty line is defined as the sum of two indicators: the food poverty line and the nonfood poverty line.

The food poverty line is defined as the monetary equivalent of the minimum number of calories needed by an adult to ensure his or her daily subsistence. For Burundi, the minimum caloric intake has never been calculated. In light of international standards, it has been set at 2,400 kcal daily. Estimation of the food poverty line consists in determining the monetary value of the food basket that provides 2,400 kcal.

The nonfood poverty line is arrived at by means of average nonfood expenditure of households whose standard of living is close to the food poverty line.

109. Given the major differences in standards of living between Bujumbura and the rest of the country, their poverty lines have been estimated separately and found to be FBu 182,725 and FBu 103,730, as shown in Table 1.²

Table 1: Poverty Indicators

Indicator	Rural	Urban	Overall
Poverty line (FBu)	103,730	182,725	
Poverty incidence (P0) %	83.2	41.0	81
Depth of poverty (P1)%	45.9	17.9	

Source: ISTEERU, 1998 priority survey.

110. Urban and rural areas alike have been affected by poverty. Nevertheless, for the rural poor, the income gap needed to reach the poverty line is wider than for urban dwellers. In fact, the average standard of living of the rural poor is estimated at FBu 56,014, or 49 percent below the poverty line. However, the average income of the urban poor, estimated at FBu 149,880, is only 17.9 percent lower than the poverty line.

111. The wider gap between the standard of living and the poverty line in rural areas as opposed to urban areas reflects the extreme poverty experienced by many rural households.

112. Although it is quite widespread, the phenomenon of poverty does not affect the whole country in the same way. The disparities observed between rural and urban areas also exist between the different regions, as well as between the different socio-economic groups.

4.2.1. Poverty and regional disparities

113. Whereas the poverty rate is 41 percent in Bujumbura, in the 16 provinces it ranges from 72 percent in Bururi to about 90 percent in Kirundo, Kayanza, Gitega, and Ruyigi.

114. From a spatial point of view, and according to the results of the 1998 priority survey, the provinces most severely affected by the deleterious effects of the conflict were where poverty rose most sharply. Such was the case in the provinces of Bujumbura rural, Bubanza, Cibitoke, and Karuzi. Some provinces such as Ruyigi, where the percentage of poor was already quite high before the crisis (over 50 percent), reached

² In 1998, US\$1 was equivalent to FBu 448, as compared to FBu 1,000 in 2006.

even more disturbing levels, with over 80 percent of persons living below the poverty line.

Table 2: Geographic Distribution of Poverty in 1998

Province	Population distribution (%)	Poverty rate (%)
Bubanza	4.6	80.3
Bujumbura rural	7.5	79.0
Bururi	7.1	71.7
Cankuzo	2.8	82.4
Cibitoke	6.1	85.6
Gitega	10.9	89.7
Karuzi	5.7	83.2
Kayanza	7.8	89.0
Kirundo	8.1	91.2
Muramvya	7.9	74.2
Muyinga	7.8	82.9
Ngozi	9.7	83.9
Rutana	3.9	76.0
Ruyigi	4.9	89.4
Bujumbura Mairie	5.1	41.1
BURUNDI	100	81.1

Source: ISTEERU, 1998 priority survey.

4.2.2. Determinants of poverty

115. Analysis of the disparities in the incidence of poverty does not suffice for drawing conclusions on the determinants of poverty. To analyze the determinants of poverty, a regression model on the inequalities in standards of living based on household spending made it possible to identify the main individual characteristics associated with a high poverty risk.

116. Thus, per capita consumption is highly responsive to household size and composition. The presence of an additional child in the household is reflected in an average contraction in per capita consumption of 25 percent, in rural and urban areas alike. The presence of an additional adult in the household also results in lower consumption, but in smaller proportions (10 percent). Living as a couple in rural areas is conducive to higher consumption. The influence of this couple factor is imperceptible in urban areas.

117. **Education also lowers the risk of poverty.** Households headed by a literate person have lower poverty risk levels. Their average per capita consumption outstrips

that of illiterate households by 18 percent (in rural areas) and 31 percent (in urban areas). Typically, the poverty risk is weaker when the head of household has a higher level of schooling. Compared with a household where the head did not attend school, per capita consumption is 45 percent higher when the head of household did not go beyond secondary school, and ranges from 60 percent to 90 percent in rural areas when they have completed university. The wife's level of education also has a positive influence on the level of spending, but to a lesser degree in urban areas and to a greater degree in rural areas.

Table 3: Poverty Incidence

Incidence of Poverty			
	Urban	Rural	Total
	Individual Poverty Rate	Individual Poverty Rate	Individual Poverty Rate
Population	41.0	83.2	81.1
Household size			
Less than 3	24.5	62.3	60.3
Between 4 and 6	37.5	83.9	81.7
More than 6	50.5	90.2	88.1
Sex of Head of Household			
Male	37.9	82.9	80.5
Female	54.4	84.3	82.9
Age of head of household			
Under 25	49.9	64.6	64.1
Between 26 and 35	32.5	78.6	76.1
Between 36 and 45	36.5	89.0	86.2
Between 46 and 55	41.5	88.2	85.5
Over 56	64.8	79.0	78.5
Marital status			
Single	26.1	80.0	71.1
Married	39.0	82.2	80.0
Divorced/Separated	54.9	88.0	85.3
Widow/widower	54.5	87.2	85.9
Head of household can read			
No	78.3	86.5	86.4
Yes	33.4	78.6	74.2
Head of household's education			
None	78.1	85.8	85.7
Primary	64.2	80.7	79.9
Secondary	24.0	50.4	41.2
Higher	3.7	0.0	3.6
No	56.5	79.3	74.5
Yes	37.0	83.4	81.4

Source: ISTEEDU, 1998 priority survey.

4.3. The nonincome dimension of poverty

118. Poverty is not measured solely in terms of monetary income. It has a multidimensional aspect, which must cover all forms of lack that prevent people from feeling fulfilled and attaining what is considered minimal well-being. It is this aspect that is addressed by the human dimension of poverty.

119. The scope of human poverty affects almost half of all Burundians, hovering in the region of 47 percent in the past six years. This worsening poverty is due to the significant drop in the social indicators. As early as 1992, Burundi's human development index was 0.341, which placed Burundi 165th out of 174 countries because of the low annual per capita income but also because of low life expectancy (51 years), adult literacy rate (38 percent), and enrollment ratio (67.8 percent), which are among the lowest in Africa.

120. **Education and training** reach but a small share of the population. More than half the adult population is illiterate. Despite progress made in the last decade, over 40 percent of the population is illiterate—the vast majority of them men.

121. **At the primary level**, the gross enrollment ratio fell over 15 points between 1992 (67.8 percent) and 1996 (42.9 percent). It was not until 1999 that Burundi was able gradually to increase the enrollment ratio to 62.5 percent. It reached 65 percent in 2000 and 79.6 percent in 2004.

122. **At the secondary level** there has been a proliferation of “communal secondary schools” established since 1992 with cofinancing from the government, communes, parents, and local communities. Thanks to this measure, the rate of passage from primary to secondary school increased and the enrollment ratio for secondary schools improved, rising from 5.1 percent in 1990 to 9.5 percent in 2000 and more than 11 percent in 2004.

123. Nevertheless, internal efficiency remains low, given that for every 100 pupils registered in the first year of primary school, 37 will go on to secondary school and only 8 and 4 will reach the first year of the second cycle of secondary school and the last year of lycée (pre-university secondary school), respectively.

124. **In the health sector**, Burundi's indicators before the 1993 crisis were in line with the average for Sub-Saharan Africa, which is no longer the case today. Life expectancy at birth has declined to 42 years. Infant mortality and mortality of children under five years of age remained very high at 128.4 per thousand and 208 per thousand, respectively, according to the 2000 MICS survey.

125. With a rate of 800 deaths per 100,000 live births, the maternal mortality rate is also one of the highest in the world, in part because of poor screening of high-risk pregnancies and complications at birth (only one woman in four is attended to by a qualified person during delivery).

126. Immunization coverage fell from 82 percent in 1991 to 61 percent in 2001. In fact, it was observed during the crisis that there was a renewed upsurge in infectious and parasite-borne diseases, such as malaria, acute respiratory infections, skin diseases, and bacillary dysentery. The current situation is also the result of substandard conditions and overcrowding, especially in the camps for displaced persons, and of the inadequate access to medicines, especially in rural areas.

127. Malnutrition is a public health problem in Burundi: the prevalence of failure to thrive among children under age 5 is 52.5 percent, one of the highest rates compared with other Sub-Saharan African countries. The rate of underweight children is 39.2 percent and the overall acute malnutrition rate is 7.4 percent. The anemia prevalence in children under 5 is 56 percent, and 28 percent of children have serum retinol levels below the acceptable threshold. Nutritional practices are inappropriate and the exclusive breastfeeding rate is 44.7 percent. The country currently suffers from food insecurity and is partially dependent on food aid to meet its food needs.

128. As regards **HIV/AIDS**, the AIDS prevalence rate is 9.5 percent in urban areas and 2.5 percent in rural areas. Women and children are the most affected by the virus (56 percent of affected persons are women). The AIDS epidemic thus appears as a major socioeconomic and health threat.

129. This state of affairs in the health sector is especially worrisome, given the substandard sanitary and housing conditions facing the population. In rural areas, the rate of access to potable water was 55 percent in 1992. Following the crisis, the Communal Water Authority Boards were unable to maintain the infrastructure and the access rate fell to 43 percent in 2000-2002, a drop of 12 percentage points in 8-10 years.

130. For **housing**, the situation is still precarious and fragile. The housing shortage grew more severe with the crisis when thousands of housing units were destroyed in both rural and urban areas. Notwithstanding concerted efforts by all the partners (government, donors and lenders, and recipients) to reconstruct homes, the needs are still immense, given the large number of households still displaced within the country and prospective returnees. Housing is generally still of poor quality nationally.

131. Generally, the combined effects of poverty and conflict are reflected in Burundi's poor social indicators compared with the Sub-Saharan African average. Per

capita GDP for Burundi is a mere fifth of the Sub-Saharan African average (Table 4). Life expectancy in Burundi is shorter by four years than for the continent as a whole, while child mortality, like maternal mortality, is higher.

132. Other indicators, such as the literacy rate and enrollment ratio, are also lower in Burundi than Africa as a whole, whereas HIV prevalence is higher.

Table 4: Social and Poverty Indicators, Burundi and Sub-Saharan Africa, Latest Data
(In percentage terms, unless otherwise indicated, and for the last year of each figure available)

Indicator	Burundi	Sub-Saharan Africa
Population (in millions; 2002)	7.3	702.6
Population growth (2003)	2.70	2.1
Per capita GDP (US\$; (2004)	83	490
Life expectancy at birth (No. of years; 2002)	47.6	45.8
Infant mortality rate (every 1000, 2002)	127.1	103.1
Juvenile/child mortality rate (every 1000; 1998)	208	173.9
Maternal mortality rate (per 100,000 live births; 2001)	800	916.8
HIV/AIDS prevalence (% of sexually active population; 2001)	6	n.d.
Literacy rate (% of population; 2001)	55.4	64.9
Gross primary enrollment ratio (% of age group; 2004)	79.6	87
Population density (inhabitants/km ²)	262.0	29.2

Sources: I-PRSP of Burundi, World Bank, *African Development Indicators 2004* and *World Development Report 2005*, and UNESCO database.

133. Burundi's low human development indicator performance is to some degree a reflection of the relatively harsh living conditions that are reflected in particular in problems of access to basic social infrastructure. Difficulties in gaining access to school and information foster illiteracy and limited access to potable water and health care adversely impact the population's health.

4.4. Vulnerable groups: characteristics and risks

134. The Burundian population is subject to several risks that adversely affect its economic situation. There are risks affecting everyone, such as drought or low prices for agricultural products, or affecting individuals, such as unemployment or disease. Some groups are at greater risk than others. They are as follows:

135. **Rural and urban poor:** Typically, the rural and urban poor face difficulties stemming from low financial resources limiting their access to basic social services. In urban areas, it is primarily lack of employment and income, whereas in the rural areas it

is natural risks such as drought and low productivity, which are at the root of their vulnerability.

136. **Internal and external refugees:** The different conflicts that have affected Burundi created an unprecedented humanitarian disaster with a high number of internal and external refugees. Many of them joined the ranks of the poor during the crisis because their property was pillaged and destroyed. A great many of them also became physically and psychologically disabled, malnourished and sick from endemic diseases. According to a study conducted by UNICEF in 1997, 84 percent of displaced persons displayed symptoms of conjunctivitis. The HIV rate is high among the internally displaced and they suffer from a high prevalence of sexual violence.

137. **Households suffering from HIV/AIDS:** HIV/AIDS is a major risk for the Burundian population, particularly individuals of working age. The consequences are also felt by the members of families infected and affected by HIV/AIDS. They stem from failure to meet the basic needs of those affected and failure to meet the cost of treatment and care of the children, grandchildren, and parents who are victims of AIDS.

138. **Widowed heads of household:** One of the consequences of the war and HIV/AIDS is the appearance of a large number of widowed heads of household. For this reason, widows make up 31 percent of heads of household among the internally displaced households. This category is still vulnerable because of gender-based discriminatory practices such as access to inheritance, land, credit, and education.

139. **Children:** Like the above-mentioned vulnerable groups, children make up a significant share of victims of conflict and AIDS. They are the orphans and street children, abandoned children, former child soldiers, HIV positive children, and children heads of household. The data appear to indicate that while 24 percent and 27 percent of nonorphan boys and nonorphan girls, respectively, work more than four hours per day, these proportions increase to 36 percent and 40 percent for orphan boys and orphan girls, respectively.

140. **The elderly and disabled:** There are very little data on the disabled in Burundi, but the conflict can be expected to be a key factor explaining the growing number of the physically and emotionally disabled among the population.

141. As far as the Batwas are concerned, despite their low numbers—they represent only 1 percent of the population—it is a fact that they have been stripped of everything and are isolated socially and culturally. This category of the Burundian population was particularly discriminated against in past years.

CHAPTER V: SUSTAINABLE DEVELOPMENT AND POVERTY REDUCTION CONSTRAINTS

142. Poverty, as perceived and described during participatory consultations and confirmed by empirical analyses, is manifested primarily in: (i) problems of governance

and insecurity; (ii) sluggish economic growth; (iii) an unstable macroeconomic framework; (iv) a growing and widespread lack of access to basic social services; (v) an increase in the categories of disadvantaged people and heightened vulnerability to poverty spawned by the conflict and inadequate social safety nets; and (vi) a high prevalence of HIV/AIDS and other endemic diseases.

5.1. Governance, security, and conflict resolution constraints

143. For a long time, the system of governance was characterized by the centralization of political, economic, and social power. This centralization was reflected largely in a system of planning and management that did not adequately involve beneficiaries in the formulation and implementation of policies that directly affected them. From the standpoint of good governance, these deficiencies have led to disequilibria, in the socioeconomic, geographic, human, and political systems, characterized by social exclusion, marginalization, and the breakdown of the rule of law.

144. In the security sphere, continuing insecurity is in part attributable to the delay in negotiations to sign an agreement with the FNL. It is also linked to the need for vocational training of the newly-minted defense and security forces, pervasive crime in urban and rural areas, and ongoing gender-related violence. This situation is slowing the resettlement process of displaced persons and refugees within and outside the country. The demobilization of ex-combatants and establishment of integrated army and police force are also prerequisites for maintaining security over the long term.

145. In addition, human rights violations, inefficient land tenure management, impunity, and corruption have long hobbled efforts to establish the rule of law and political good governance. The country's future is contingent on the effective management of conflicts rooted in the past and the ability to better anticipate these conflicts in the future, in order to end the cycles of violence that have marred the socio-economic situation in the country in recent decades.

146. With the advent of democratically-elected institutions, policies linked to good governance, security, and conflict resolution are in a nascent stage and should be sustained.

5.2. Economic growth constraints

147. Economic growth is stymied by an unstable macroeconomic framework and structural problems, the main characteristics of which are summarized below:

5.2.1. An unstable macroeconomic framework

148. Symptomatic of the need to strengthen the macroeconomic framework in Burundi are the country's economic and financial disequilibria, which are hampering an upturn in economic growth and considerably limiting the chances for poverty reduction.

(i) An expenditure structure largely unsuited to growth

149. The current public expenditure structure is not conducive to economic growth. A large portion of current expenditure goes toward the payment of wages and unavoidable expenditures arising from the rehabilitation needs of disaster victims and the need to reform the defense and security forces. Investment fell from almost 15 percent of GDP in 1992 to under 10.8 percent in late 2005. This trend toward decreased investment has highly negative implications for short-, medium-, and long-term growth.

(ii) An inefficient tax system

150. In Burundi, the tax system is characterized by a narrow tax base and high rates. This tax pressure is not conducive to growth, given that it falls on a very small formal sector; a situation that leads to tax avoidance through recourse to informal activities and to corruption, resulting in significant public revenue shortfalls.

151. Exemptions are also a significant drain on tax revenues. They are the root cause of the spread in fraud and corruption and thus contribute to distortions in the national economy.

(iii) Persistent balance of payments disequilibria

152. Burundi's economy is plagued with balance of payments problems. This situation stems from a low volume of exports in relation to imports, deterioration in the terms of trade resulting from fluctuating coffee prices, and the need to settle accumulated arrears owed to external creditors. The level of foreign exchange reserves has therefore fallen steadily, with the attendant negative impact on the economy's supply capacity.

(iv) Inflationary financing of public deficits

153. In order to tackle disequilibria in internal and external operations, the government has had to incur domestic debt and suspend external debt repayments. Central Bank advances more than doubled between 1997 and 2002 and external payments arrears climbed from US\$5.2 million in 1995 to US\$85.7 million in 1999, and stood at US\$78.6 million in 2004.

154. Central bank financing of the government has triggered a rapid increase in the money supply and price hikes. The result has been a sharp increase in inflation, although it is being brought under control through a tightening of monetary policy.

(v) Monetary and foreign exchange management heavily impacted by the crisis

155. The money supply has increased steadily despite a sharp decline in foreign assets. In the monetary sector, there has been a pronounced increase in domestic credit, which has not led to an increase in medium- and long-term investment credit. This situation has fueled an unprecedented and steep rise in prices, followed by an erosion of real incomes. The foreign exchange shortage has prevented the Central Bank from proceeding with foreign exchange policy reform at the desired pace. However, since 2004, the implementation of the IMF-supported PRGF program has paved the way for considerable progress to be made with the liberalization of the exchange system and on liquidity management.

5.2.2. Structural obstacles to economic growth

156. The structural rigidities hampering rapid and sustainable economic growth in Burundi are, in particular, the lack of development of the rural economy and the absence of a dynamic mechanism to transform and modernize the economy.

157. In order to achieve economic poverty reduction and growth, production must be increased. The latter is stymied by: (i) a demographic explosion; (ii) a shortage of arable land; (iii) the predominance of subsistence agriculture; (iv) inadequate infrastructure to support production; and (v) a low level of savings and investment.

a. Strong demographic growth and gradual environmental degradation

158. In 2004, Burundi's population was estimated at approximately 7.3 million inhabitants living on close to 25,950 km² of land (an overall population density of 285 inhabitants per km²). With an average estimated demographic growth rate of 2.7 percent, the population is expected to climb to 11 million by 2025 if appropriate policies are not adopted.

159. Although this situation does not in and of itself pose a threat given that other countries with higher population densities have enjoyed a sustained level of economic and social well-being, Burundi's problem arises from its special demographics.

160. The high percentage of young people under age 15, who account for half of the total population, has clear and direct implications for the financing of such social sectors as education, health, and employment. In addition, despite the very high population

density, Burundi's urbanization rate is a mere 8 percent, making it one of the least urbanized countries in the world. It should be noted that this large population not only lives in rural areas but is, for the most part, illiterate.

161. Strong demographic growth has already led to environmental degradation. The adaptation of productive systems to demographic pressures and emerging needs is taking place at the expense of fallow land, pasture land, and woodlands. Consequently, excessive pressure is being exerted on natural resources, leading to the degradation of soil and pasture land, increased deforestation, and the disturbance of ecosystems such as wetlands.

b. Chronic underemployment

162. The labor market in Burundi is characterized by mounting demographic pressure, excessive dependence on the agricultural sector, an unskilled labor force, a lack of proper job training, and a poorly controlled informal sector.

163. The problem of access to financial resources by the population is thus exacerbated by the sharp decrease in paid employment opportunities. The civil service is now at full capacity from a hiring standpoint and, in addition to the small size of the private sector, the latter has been forced to downsize owing to the reduction in business turnover as a result of the crisis.

164. In rural areas, the lack of employment for skilled individuals as well as underemployment block access by the population to income that ought to be channeled toward modernization of their production systems.

c. Predominance of subsistence agriculture

165. In Burundi, the productive system is dominated by a traditional agricultural sector. In such a context, land becomes a decisive factor. However, access to land is becoming increasingly limited, owing to mounting demographic pressure which is gradually reducing the amount of land available per household. This situation has already led to the overexploitation of land, land degradation, and a decline in food production, which have spawned the food insecurity problem seen in recent years, particularly in the northern provinces.

166. Against the backdrop of limited access to land, the only way to increase production is through intensified exploitation. However, intensified exploitation possibilities are curtailed by the limited monetization of rural areas and the small size of markets for the sale of agricultural products. Consequently, agriculture in Burundi

remains at the subsistence level and is difficult to integrate into the other sectors of the productive system.

d. A low domestic savings rate

167. Inadequate marketable agricultural surpluses curtail the ability of rural households to build savings. Furthermore, the modern private sector is not mature enough to achieve true modernization and play a significant role as a driver of development. Few enterprises or households have disposable income that can be channeled toward savings. From a structural standpoint therefore, the domestic savings rate is very low.

168. The financial sector is not well developed, nor is it adapted to the provision of rural credit. The availability of financing in rural areas is inadequate, given that even the Savings and Loan Cooperatives (*Coopecs*), which operate in rural areas, do not provide coverage to all communes in the country and are not yet functioning satisfactorily. The problem of limited access to financial capital also plagues the other productive sectors such as the modern private sector, owing to the high cost of credit.

e. A low level of investment exacerbated by the conflict

169. The investment level dropped precipitously during the 1990s. This trend is attributable to the conflict, which dampened the private sector's interest in investment, and also, to some degree, to the paucity of public sector resources. In addition, because of the decline in revenue, coverage of essential private and public consumption needs is eating up an ever-increasing share of GDP.

170. The conflict has also adversely affected the country's ability to attract foreign investors and prompted the freezing of international assistance. This was followed by low levels of foreign direct investment and a significant reduction in bilateral and multilateral capital, thereby abruptly reducing development resources.

f. An undeveloped private sector

171. As with all post-conflict countries, net disinvestment had a significant and adverse effect on the national economy during the crisis period. On average, the gross investment ratio has amounted to a mere 2.8 percent of GDP over the past five years. This level is clearly inadequate, even for capital stock maintenance.

172. The secondary sector is quite undeveloped and accounts for approximately 15 percent of GDP. The State remains the main operator in most economic sectors such as energy, agro-industry, mining, and communications.

173. Compared to the public and parapublic sectors, the remainder of the formal private sector, composed of small and medium-sized enterprises, is quite small. These enterprises engage in a variety of disparate activities and virtually all their production is geared toward the local market. Exports are rare, accounting for only a minor portion of production. Most SMIs/SMEs were established to take advantage of the opening provided by a protectionist environment and captive market. In other words, they were created with import substitution in mind.

174. Consequently, in the current environment of globalization, liberalization, and regional integration, enterprises cannot compete when faced with foreign products, owing to supply problems (the country is landlocked), which drive up the cost of raw materials. The small size of the local market, coupled with high taxes and a lack of access to financing, make the expansion of industry in Burundi all the more difficult.

g. Inadequate production support infrastructure

175. One of the factors explaining the lack of dynamism associated with agricultural activities, livestock rearing, fisheries, and small and medium-sized industries and enterprises (SMIs/SMEs) is the acute shortage of support infrastructure. Consequently, water and energy shortages and problems in the transport and telecommunications sectors continue to pose a major problem for attainment of the country's objective of increasing and diversifying production.

176. Regarding potential in the areas of food conservation and processing, the participatory consultations revealed that even in instances of surplus food production, distribution is difficult and food often ends up spoiling.

177. In the field of energy, Burundi has significant hydraulic potential, given that it has 1,700 MW of theoretical capacity, of which only 32 MW is being used. Despite the country's significant hydroelectric potential and heavy public investment in this sector, the electrification rate remains very low (1.8 percent).

178. At the moment, national electricity production has declined as a result of scant investment over the past 15 years and the lack of rainfall. At the moment, the sector is experiencing an energy deficit on the order of 10 MW, the result being the operation of the grids through load shedding and a slowdown in economic activity.

179. The telecommunications system remains very expensive and inaccessible to most of the population. Its impact on the dissemination of information is therefore insignificant. Even post offices are hard to find in rural areas.

h. Lack of competitiveness of the economy and a low level of integration into regional economies

180. Like most developing countries, Burundi exports largely primary commodities, which makes its foreign exchange earnings vulnerable to international price fluctuations. Insofar as other products are concerned, volume is so low that there are no surpluses available for export.

181. In addition, the prices of exported products relative to those of comparable products from other countries (which have already achieved economies of scale) automatically make them noncompetitive. Lastly, the ability to export is further hampered by the country's landlocked status and its weak infrastructure, such as communications and suitable essential equipment (in particular, warehousing).

182. Halting steps have been taken toward regional integration, with a view to expanding markets and providing incentives to Burundian enterprises. Most of these efforts have failed. As a result, institutions have had to absorb heavy losses, without making any headway toward resolution of the initial problem.

5.3. Undeveloped human capital

183. The participatory consultations revealed a sharp increase in poverty, fewer opportunities for access to economic and financial resources, and an unprecedented decline in production. These consultations also brought to the fore the precipitous decline in access to basic social services (education, health, and potable water). This observation is borne out by technical analyses, as shown in Table 5.

Table 5: Provincial Distribution of Access to Basic Social Services

Provinces	Population (%)	Life expectancy at birth (years)	Adult literacy rate (%)	Potable water coverage rate	Population with access to health services (%)	Underweight children (under age 5)
Bubanza	4.43	46.2	31.3	39.8	65.0	41.0
Bujumbura-Mairie	4.90	52.3	73.3	71.0	70.0	14.0
Bujumbura Rural	6.77	46.2	35.7	69.4	70.0	25.0
Bururi	6.81	49.3	43.2	68.4	77.0	22.0
Cankuzo	2.66	47.7	47.7	20.2	36.0	22.0
Cibitoke	5.87	47.0	41.8	43.8	86.0	32.0
Gitega	9.81	51.5	38.1	82.5	76.0	22.0
Karuzi	5.49	45.2	30.8	51.9	54.0	37.0
Kayanza	7.49	44.4	32.8	88.1	83.0	20.0
Kirundo	7.73	53.8	29.5	28.1	83.0	14.0
Makamba	5.37	40.5	40.2	32.2	68.0	32.0
Muramvya (and Mwaro)	7.53	52.0	39.0	56.0	80.0	22.0
Muyinga	7.44	50.7	31.3	30.3	81.0	22.0
Ngozi	9.26	52.0	32.4	70.0	80.0	12.0
Rutana	3.77	41.8	29.8	35.1	64.0	28.0
Ruyigi	4.68	42.0	34.4	39.0	64.0	32.0
Overall figure	100	48.5	37.4	53.0	77.0	25.0

Source: 1998 Priority Survey.

184. Lack of accessibility (to social services) is also manifested in shortages, poor distribution of infrastructure and facilities, and weak purchasing power by the population.

5.3.1. Educational improvement constraints

185. Community and sectoral participatory consultations pointed to the following problems at the various levels of the education system: (i) inadequate human capacity from the standpoint of both quantity and quality; (ii) tremendous pressure on school infrastructure; (iii) an acute shortage of teaching and educational materials as well as equipment; (iv) poor spatial distribution of school infrastructure; (v) an imbalance between general instruction and technical instruction; (vi) a low level of contribution by the private sector; and (vii) weak management.

186. The situation at the various instructional levels is outlined below:

(i) **Preschool education:** The rate of access to preschool instruction is abysmally low. Coverage at this level remains modest and limited to urban areas, particularly to the capital. The projected population in this age group is one million, and the school enrollment ratio, 1.6 percent. This extremely low rate stands in contrast to the goals set in Dakar for this category of instruction.

(ii) **Primary education:** The enrollment ratio, which stood at 68.5 percent in the late 1990s, fell sharply during the crisis owing to the destruction of schools and the disappearance or exile of teachers. The situation improved with the restoration of peace. The enrollment ratio in 2003-2004 was around 81 percent. At the moment, new trends are being seen in primary education: students are relatively old, grade repetition rates (31 percent in 2004) are high, the dropout rate is significant (6 percent), and transition rates toward secondary education are very low (approximately 10 percent of the students make it to the first year of secondary education). The offer of free primary education implemented by the government at the start of the 2005/2006 school year prompted a surge in student numbers. As a result, new classrooms had to be built and teaching materials had to be made available.

(iii) **Secondary education:** In terms of numbers, access to secondary education has increased sharply as communal secondary schools and private schools have sprouted up. Despite the sustained and rapid growth in numbers beginning in 1996, the gross enrollment ratio stood at a mere 13.6 percent in 2004. Compared to general secondary education, technical secondary education options remain clearly insufficient. The teaching of job skills, intended for youth outside the school system, continues to be a neglected area.

(iv) **Higher education:** As is the case with the preceding levels, the number of students pursuing higher education has increased sharply. Between 1999 and 2003, this number has more than doubled, rising from 6,600 to more than 16,000 students, respectively. In addition, the number of students in private schools has risen sharply (35 percent in 2004).

(v) **Nonformal education:** The adult literacy rate in Burundi is one of the lowest in the world (37.7 percent). The literacy rate of women is far lower than that of men (27.3 percent versus 48.4 percent).

5.3.2. Health sector development constraints

187. The situation is no better in the health sector. The destruction and pillaging that took place during the crisis have taken a heavy toll on the national health system, curtailing both management capacity and the ability to focus on priority health actions. Consequently, a significant number of health facilities are unable to meet minimum national standards with respect to the provision of necessary services, owing to the paucity of materials (medication and medical equipment), a shortage of adequate numbers of qualified staff, logistical problems (transportation, emergency equipment

such as ambulances), and funding shortages (inadequate management capacity and standards).

188. One of the most acute problems facing intermediate and peripheral health facilities is water and electricity shortages, a situation that makes it difficult to preserve some medications and to maintain standards of hygiene.

189. The problems facing the health system are reflected in the following:

- Inadequate (and obsolete) infrastructure and a shortage of staff who, in addition, are poorly distributed, both qualitatively and quantitatively;
- Poor management of health facilities (owing to a lack of trained staff);
- The concentration of health services in Bujumbura with very little linkage within the country. As a result, the sector does a poor job of supplying medication and providing services in rural areas.

190. The following also bear noting: (i) management of the health sector is highly centralized; (ii) the sector is underfunded; (iii) the epidemiological surveillance and health information systems are weak; and (iv) poor hygiene and sanitation are factors that greatly undermine the performance of the health system in Burundi.

191. Despite the efforts made in recent years to correct these problems, very high child and maternal mortality rates persist. These rates are 114 per 1,000 for children under age 5, with maternal deaths being slightly over 800 for every 100,000 births. In 2005, life expectancy had fallen to age 42. For that same year, the estimated percentage of underweight children under age five stood at 37 percent.

5.3.3. Low potable water coverage; hygiene and sanitation problems

192. Potable water, hygiene, and sanitation needs exist throughout Burundi. The country does not meet international standards with respect to the amount of water required for normal daily activities. National potable water coverage rates remain low and supply is unevenly distributed.

193. A number of facilities such as boarding schools, health centers, and penitentiaries have no running water, a situation that leads to contamination and the outbreak of diseases.

194. The long distances that still have to be traveled in order to get to traditional water sources make it difficult to assimilate and apply the most rudimentary hygiene lessons imparted, such as personal and clothing- and food-related hygiene.

5.3.4. Growing numbers of disaster victims and vulnerable persons

195. As a result of the conflict, the number of disaster victims and vulnerable persons living in conditions of utter deprivation increased. These persons owe their survival to national and international assistance. Malnutrition, unhealthy conditions, and crowded conditions make them even more vulnerable to all manner of diseases such as cholera, bacillary dysentery, exanthematic typhus, cerebro-spinal meningitis, malaria, and HIV/AIDS.

196. The protracted nature of the crisis has also led to an increase in the number of indigent persons, who are resorting to such undesirable activities as alcohol and drug use, crime, begging, and prostitution. In most cases, these activities are the root cause of the higher incidence of HIV/AIDS in camps housing refugees and displaced persons.

197. All indications are that problems linked to disaster victims pose a major challenge for Burundi. Although humanitarian assistance has facilitated repatriation and reintegration activities targeting refugees and displaced persons and transitional subsistence allowances have been provided to ex-combatants, major constraints are hobbling efforts to achieve the sustainable socio-economic reintegration of all disaster victims.

198. Special attention should be paid to the current plight of the young people of Burundi. Indeed, most were born during the crisis and post-crisis effects still linger on several levels. For the majority of these young people, access to education, vocational training, and basic social services is either limited or completely nonexistent. They have also been witnesses to, victims of, or participants in human rights violations and the destruction of property. This war has left in its wake young people who are disconnected from the social fabric, with the resulting loss of values and trust at the family and community levels. In this regard, the efforts of the government and civil society should be directed toward the reintegration of young people in order to bolster the peace that has been restored. It is therefore important to devote attention to vocational guidance programs and to the psychological and social well-being of the young people who need assistance in these areas. Such an approach will allow young people to redirect their lives and to participate actively in the reconstruction of their country.

5.4. High prevalence of HIV/AIDS

199. In Burundi, the HIV/AIDS pandemic is exacerbating household poverty. A number of deficiencies in the health sector are contributing to its spread and to the heightening of related problems. These include insufficient preventive measures, a poorly functioning system to collect HIV/AIDS/STI-related information, and a dearth of up-to-date statistics on the pandemic at the national and provincial levels. All these deficiencies are thwarting implementation of a meaningful strategy to combat this scourge effectively.

200. AIDS was first detected in Burundi in 1983. In the past two decades, this disease has had a major impact and taken a heavy financial toll in the social, economic, and health spheres. AIDS has become the leading cause of death among adults and plays a

significant role in child mortality in Burundi. For this reason, it poses a major problem from a public health and developmental standpoint.

201. During the 1980s, the epidemic spread rapidly in urban areas while rural areas remained relatively unscathed. During the 1990s, the prevalence of the epidemic stabilized somewhat in urban areas; however, it made major inroads in rural areas.

202. The second national seroprevalence survey, conducted in 2002, pointed to a seroprevalence rate among persons age 15 and over of 9.4 percent in urban areas, 10.5 percent in semi-urban areas, and 2.5 percent in rural areas. The latter rate more than tripled between 1990 and 2002 (in the course of a decade).

203. In late 2004, the number of persons living with HIV/AIDS was estimated at 250,000, with 230,000 of this number corresponding to persons between the ages of 15 and 49. In 2001, the UNAIDS estimated the number of children who had lost at least one parent to AIDS at 237,000.

204. HIV is exerting tremendous pressure on the health facilities of some services, largely the internal medical, pediatric, and out-patient consultation services. AIDS patients account for more than 70 percent of hospitalized persons in the internal medicine services of hospitals in Bujumbura, while tuberculosis, the other major disease in Burundi, afflicts 56 percent of hospitalized persons who are HIV-positive.

205. The cost of treating opportunistic diseases, the shrinkage of the labor force wrought by these diseases, and the paucity of facilities to manage the situation and conduct awareness- building activities are all impediments to economic poverty reduction and growth. HIV/AIDS has become one of the factors stifling Burundi's development.

206. Increased seroprevalence is attributable to: (i) the effects of war (population displacement and regrouping and the increase in the number of widows and widowers); (ii) the rising incidence of poverty among the population; and (iii) lack of access to means of communication.

5.5. Gender and equity constraints

207. Despite significantly heightened awareness among women and numerous initiatives benefiting them, much remains to be done in the area of gender equality.

208. In Burundi, as in other post-conflict countries, a host of factors impinge upon the integration of gender into the country's socio-economic development. One major factor is ingrained cultural habits, which stand in the way of gender equality and the representation of women on decision-making entities as well as their involvement in the economy.

209. The socio-economic problems facing women are additional factors exacerbating their poverty and vulnerability. Take the following, for example: the widowhood rate—

21 percent of households are headed by women in rural areas; women figure prominently among disaster victims (over 60 percent); chores are unevenly distributed within families; income is unevenly distributed; the traditional mentality relegates women to a subservient role; and they lack control over production resources.³

210. The incidence of poverty in female-headed households is higher than in male-headed households. Based on a study on the situation of female disaster victims conducted in 1995, the percentage of women widowed by the war stands at 26.3 percent, and the percentage of female-headed households is estimated at 22 percent of all households.

211. Although women in rural areas play a key role in managing the family economy, which is dependent on the agricultural sector, women do not have decision-making authority over the use or management of income, nor do they have access to technologies that are suited to agri-food processing.

212. Insofar as the formal sector is concerned, the 2001 survey data on female skills and gender promotion institutions show that college-educated women working in the public sector account for 17 percent of the workforce, while the figure for men stands at 83 percent. In the parapublic sector, the figures are 27 percent versus 73 percent, and in the private sector, 28 percent versus 72 percent, respectively.

213. The number of female entrepreneurs is very low. Women find it very difficult to obtain credit because of their inability to provide collateral. A 1996 survey of seven banks in Bujumbura revealed that the percentage of loans granted to women account for a mere one percent of all loans granted. Statistics collected from commercial banks show, for example, that in 1993, the loan figure for women stood at 0.9 percent compared to 99.1 percent for men, and in 1995, this figure stood at 1.4 percent for women versus 98.6 percent for men. Consequently, opportunities for women to boost their incomes are limited.

214. Moreover, it bears noting that gender-related violence, particularly rape and physical and psychological abuse, undermine women's security and prevent women and young girls from participating fully in the development of the country.

³ MASPF, National Action Plan for implementation of the Beijing Platform for Action (2004-2006), February 2004, p. 34.

CHAPTER VI: POVERTY REDUCTION AND GROWTH STRATEGY

6.1. Long-Term Development Vision

215. Emerging from a decade of conflict, Burundi seeks to move conclusively toward political, economic, and social normalization and thereby put an end to the cyclical crises that have weighed on the country, and to guarantee peace, security, and sustainable development for all. This means building a new society of peace and justice that respects the freedoms and basic rights of the individual.

216. The government's vision is backed up by the conclusions of the participatory consultations which have identified the imperative actions of national reconciliation and restoration of the rule of law as essential steps in building a better future. The PRSP will serve as a tool on which policies and programs will rely in order to create this new reality in Burundi over the medium and long terms.

217. The ultimate goal of the medium- and long-term development vision for Burundi is to achieve development that focuses on the role of Burundian citizens as actors in, and primary beneficiaries of, the country's progress in respecting the principles of fairness, gender equality, participation, transparency, and justice.

Box 2: Elements of a Long-Term Vision for Burundi

- A Burundi at peace with itself;
- A pacified subregional context conducive to economic integration;
- Poverty on the decline;
- A population that enjoys access to basic services (education, health, hygiene);
- Highly educated youth;
- A diversified and modernized agricultural sector;
- An industrialized, competitive economy fully integrated into the dynamics of regional and world trade;
- Population growth under control;
- Institutions that function on the basis of transparent and decentralized management of authority and resources.

218. The government's development objectives under the PRSP are consistent with the Millennium Development Goals (MDGs) and will guide the long-term development vision study for 2025, under preparation.

219. Indeed, Burundi, like other signatory countries of the Millennium Declaration, intends to place the MDGs at the heart of its national poverty reduction strategies. The PRSP will be enriched with comprehensible needs assessments for the purpose of moving toward achievement of the various MDGs. These interventions, along with their induced cost, will form the basis for the annual updating and future generations of the PRSP.

220. Exactly ten years separate 2006 from 2015, which provides a time frame of three generations of PRSPs. In line with the recommendations of the last Millennium Summit (September 2005) for countries to adopt national development plans, including PRSPs, in order to achieve goals adopted at the international level, including the MDGs, Burundi fully intends to incorporate the PRSP in this perspective. In the absence of the exercise of assessing costs/needs for achieving the MDGs, sectoral costing by MDG can be used to refocus the ambitions of the PRSP so that it serves as a rolling three-year plan for moving toward the various MDG targets.

Table 6: MDG TARGETS AND CURRENT STATUS

MILLENNIUM DEVELOPMENT GOALS	1990	TARGET	STATUS	REMARKS
1: Between 1990 and 2015, halve the proportion of the population whose income falls below a dollar a day.	34.9%	30%	68%	
2: Between 1990 and 2015, halve the proportion of individuals who suffer from hunger, measured in terms of the proportion of children under five with low body weight.	Not available		45% e/	
3: By 2015, give all children, girls and boys alike, the means to complete a full cycle of primary education.	47%	100%	30%	
4: Eliminate gender disparities in primary and secondary education by 2005 and at all levels of education by 2015 at the latest.	0.85 (primary) 0.57 (secondary)	1.00		Girl/boy ratio
5: Between 1990 and 2015, reduce the under five mortality rate by two-thirds.	184 a/	36 61 a/	169 208 a/	Per 1,000
6: Between 1990 and 2015, reduce the maternal mortality rate by three-quarters.	Not available	202	800 nationwide, 335 in urban areas c/ 1,000 b/	Per 100,000 live births
7: By 2015, halt and then begin to reverse the current trend of HIV/AIDS transmission.	Not available		No reliable data available	HIV prevalence rate between 9.5% and 10.5% Rate rising in rural areas
8: By 2015, control malaria and other major diseases and begin to reverse the current trends.	9.5 e/		40.1% (cases of malaria) 35.9% (incidence of tuberculosis) 96.6% of all newborns immunized against tuberculosis and polio	Per 100,000 persons for both malaria and tuberculosis Substantial progress in immunizations against polio, tuberculosis, measles, and tetanus
9: Incorporate the principles of sustainable development in national policies and reverse the current trend of gradually losing environmental resources.	Non-quantitative. Considerable progress due to adoption of the new forestry code.			
10: By 2015, halve the percentage of the population who lack permanent access to potable water (77% of the urban population have access to potable water, but 23% have no access to improved water supply services; 43% of the rural population have access to improved water supply services).	48 e/	Access for 90% (either through water system hook-ups or standpipes) in urban areas and for 71% in rural areas	55% 47% e/ 22% b/	The internal displacement of populations has reduced the percentage of persons with access to appropriate sources of water fit for consumption

a/ 2002 data of the World Development Indicators.

b/ 2000 data of the 2004 WDI.

c/ Data of the Ministry of Health, Burundi.

d/ 1996-2002 data of the 2004 WDI.

e/ Based on the HIPC document (Jan. 2004), using preliminary data.

b. Basic government policies

221. To give concrete expression to its vision, the government places an emphasis on six basic sectors, as follows:

(i) Refocusing the role of government

222. A refocusing of government, after more than a decade of conflict, is critical in order to rebuild a nation governed by the rule of law, energize government, and stimulate economic growth.

223. This refocusing is also based on the observation that the welfare state no longer exists, and room must be given to other key actors, namely the private sector, community-based organizations, and civil society, to drive the economic and social development of the country.

224. The government's objective is to put in place an effective and decentralized administration to ensure efficient management of the commonwealth and the organized participation of the private sector and local communities in a spirit of complementarity.

225. In addition, the refocusing involves promoting modern government management by developing appropriate structures and institutions and qualified men and women. Incentive policies also need to be developed in order to create an environment and conditions conducive to the emergence of a dynamic private sector and active community organizations.

(ii) Capacity building

226. Successful implementation of poverty reduction and growth programs requires improved performance in the areas of project management and the steering of socio-economic policies and reforms over the medium and long terms.

227. Similarly, at the decentralized level, the impact of actions undertaken by communities will hinge on their capacity to manage development and poverty reduction programs.

228. To provide an adequate response to these concerns, the government will set in place a national capacity-building policy to ensure effective government and, in so doing, improve the performance of the various stakeholders so as to achieve the PRSP objectives.

(iii) Stimulating growth

229. The government's objective is to achieve real GDP growth of 6 percent to 7 percent. Such rapid growth is possible only if substantial investments are made to

transform the rural sector and measures are taken to ensure that underprivileged groups are able to participate in boosting production.

230. Experience has shown that implementation of sound sectoral policies, combined with improved infrastructure, enhancement of human capital, financial support, and economic openness, can indeed enable Burundi to reach this goal.

(iv) Strengthening the community dynamic

231. The war situation that Burundi lived through for more than a decade resulted in the emergence of a community dynamic which filled the space left vacant by the government. This community dynamic, with support from national and international nongovernmental organizations, is the source of development of survival and poverty reduction projects, along with solidarity building and mutual assistance.

232. The PRSP preparation process took into account these community development entities. It also led to the creation of such entities as the Communal Development and Poverty Reduction Committees (CCDLPs) and the Provincial Development and Poverty Reduction Committees (CPDLPs), which have played a central role in conducting community consultations. The participation of community organizations has strengthened the dialogue between government and the grassroots community, the selection of priority poverty reduction actions, and their implementation.

233. The government is aware of the stakes and, to permit community organizations to fully participate in the country's economic and social development, is preparing a decentralization policy that reflects the communities' will to participate, in particular by transferring the responsibilities of planning, financing, and managing development plans that are initiated at the local level. This policy will also allow the country to capitalize on the enthusiasm and know-how of these community entities, which will function as necessary and essential paths to local development and the launch pad for economic development in Burundi.

(v) Affirming the central role of women in development

234. Women's participation in the development process is considered a key element of all development and poverty reduction projects, and Burundi is no exception in this regard. In fact, the country's female population accounts for nearly 52 percent of the total population and more than 52 percent of the economically active population. The area in which women are most dominant is agriculture, accounting for 55.2 percent of the workforce in this sector. All these indicators show the potential role of women in national development and poverty reduction.

235. Women's participation in the country's economic and social development process will take place at all levels. Thus, no strategy will be developed without explicitly addressing gender issues, so as to guarantee the full participation of women in decision-making, the choice of priority actions, and, more specifically, their implementation.

236. The goal is to expand opportunities for women on a par with opportunities for men, in order to ensure equal treatment and eliminate discriminatory legal and regulatory provisions that affect women and their personal, mental, and physical potential.

237. More specifically, measures will be taken to ensure equal access to education for girls and boys, to facilitate access to micro credit and means of production, to improve maternal health, and to promote the sociopolitical integration of women through their participation in national, regional, and local development entities.

238. In addition, to address gender-based violence, specific measures will also be taken to correct this situation, in particular by setting up a specialized office at the gender unit, with appropriate staffing, at the Ministry of the Interior and Public Security. Furthermore, measures will be taken to instill a culture of gender equality and respect in the media, in schools, and in the working world.

(vi) Promoting a new partnership with donors

239. The partnership between the government and the development partners of Burundi is a continuation of their sustained support during ten years of war, in the form of humanitarian aid, security assistance, and budgetary support. PRSP implementation requires that the capacities of this cooperation be strengthened at all levels, in order to help the government establish an environment of peace, resumed economic growth, and poverty reduction.

240. As it emerges from these ten years of armed conflict, the government is aware of its financial, institutional, and operational limitations. This is why the government is counting on the continued support and active solidarity of development partners in order to successfully implement its poverty reduction strategy for the well-being of present and future generations of Burundians.

6.2. Strategic Axes of the PRSP

241. The present strategy concerns the medium and long term and is based on a rolling approach to the planning process so as to reflect matters of urgency and address the principal challenges identified during participatory consultations.

242. The strategy seeks to be realistic and takes into account sectoral programs already being implemented, those at the planning stage, and those yet to come.

243. The principal priority axes goals emerging from the participatory consultations are as follows:

- Axis 1:** Improve governance and security
- Axis 2:** Promote sustainable and equitable economic growth
- Axis 3:** Develop human capital

Axis 4: Prevent and control HIV/AIDS

244. In a post-conflict country like Burundi, all national reconstruction actions are a priority. Aware of this situation and of the stark necessity of setting in place the conditions and resources needed for an economic takeoff likely to reduce poverty, the government has selected the following programs as priorities:

- Good governance
- Economic recovery
- Social development
- HIV/AIDS prevention and control

6.2.1. Improve Governance and Security

245. Burundi has suffered the devastating effects of poor governance. This was the assessment given by political representatives at the various negotiations for peace and reconciliation, and repeated by citizens at the various sectoral and community consultations held in all provinces of the country.

246. The government that emerged from the democratic elections of August 2005 indicated in its platform that peace, security, and good governance are the foundations on which it intends to base the country's socio-economic development.

247. To that end, every effort will be made to restore security and good governance on a sustainable basis.

6.2.1.1. Strengthen security

248. The government's objective with respect to security is to restore the free movement of persons and goods throughout the country. As such, the priority actions already under way or in the pipeline focus on the following matters: (i) negotiating a permanent, comprehensive ceasefire aimed at the consolidation of security; (ii) continuing the demobilization, disarmament, and reintegration programs until the size of the military and the police is stabilized at a level that meets the country's needs and is compatible with its financial capacities; (iii) professionalizing the defense and security forces; (iv) disarming civilian populations and stemming the proliferation of small arms.

(i) Negotiating the permanent, comprehensive ceasefire

249. The Arusha Accord made it possible to create a sound basis for the gradual restoration of peace and stability in the country from a political standpoint. In particular, it facilitated the establishment of institutions and appropriate structures for achieving that end.

250. Despite this remarkable progress, the persistence of violence caused by the last rebel movement requires an appropriate and rapid response.

251. The government has committed itself to mobilizing all the necessary means to protect and ensure the security of the population. To that end, it has already begun negotiations with the FNL in order to bring the FNL into the peace process and to integrate the new, restructured defense and security forces.

252. In addition, the government continues to participate actively in efforts to resolve the conflicts in the sub region and ensure the security of the country's borders.

(ii) Continuing the demobilization, disarmament, and reintegration programs for ex-combatants

253. The end of the conflict has been marked by initial steps toward reforming the defense and security forces, along with demobilization of some of the ex-combatants. With the support of its development partners, the government has set in place a multi-sectoral program for the demobilization, disarmament, and reintegration (DDR) of ex-combatants.

254. By the end of June 2006, 20,298 ex-combatants had been demobilized, including 3,015 child soldiers and 485 woman combatants. The objective is to demobilize another 5,000 ex-combatants with a view to reducing the size of the army to the agreed levels by end-December 2006.

255. Apart from the demobilization operations which are already at an advanced stage, the National Demobilization, Rehabilitation, and Reintegration Program (PNDRR) provides assistance to demobilized combatants for their reintegration into civilian life. To make the program permanent, the Executive Secretariat for coordination has established partnership links with other development programs, particularly at the community level. The plan also calls for demobilized individuals to be able to participate in self-help activities within their social milieu. In this regard, it will also be necessary to strengthen the capacities of the Ministry of National Defense and Veterans' Affairs, improve the social welfare of members of the FDN and PNB, and ensure their participation in national reconstruction programs.

(iii) Professionalizing the defense and security forces

256. In line with the Burundi Letter of Demobilization Policy, the government anticipates that, over time, the PNDRR will help it conserve resources earmarked for defense and security during the conflict and direct them instead toward other socio-economic development sectors. To that end, the PNDRR provided initial support to the integration process from which the new defense and security forces emerged. The program phase now under way supports stabilization of these forces and provides an exit to the planned reform process.

257. The reforms under way within the defense and security forces have the dual objective of stabilizing the size of the FDN and PNB at levels compatible with the country's financial capacities on one hand, and improving the performance of these components, on the other. To consolidate the achievements of the integration and demobilization process, the government will endeavor to professionalize these forces. The government anticipates that the initial investment required for this transformation will result in improvements in the security situation, which will in turn encourage resumption of activities that drive development. The sector's contribution to national reconstruction could also extend to rehabilitation of the country's infrastructure (military engineering), management of natural disasters (FDN), firefighting (PNB), environmental protection (reforestation), and assistance to the health sector (access to care provided by military hospitals to the civilian population, support for public health programs such as immunization campaigns).

258. The government pledges to support its efforts to restructure the defense and security forces by means of a policy of strengthening the operational capacities of these forces through training and equipment, along with judicious redeployment of forces in the field.

(iv) Disarming civilian populations and stemming the proliferation of small arms

259. Disarmament also poses a major challenge with respect to the goal of achieving a sustainable peace. In this area, the government has set the objective of disarming the entire civilian population.

260. To that end, the government has established a National Commission for the Disarmament of Civilian Populations, charged with implementing national strategy in this area. The legal framework pertaining to this issue will conform to international and regional standards and, in particular, the Nairobi Protocol. The government also plans to set up a management and control system that will enable it to fight illicit arms trafficking and contribute to the sub region's efforts in this area. Special emphasis will be placed on mine-clearing operations and the neutralization of unexploded explosive devices.

6.2.1.2. Strengthen the rule of law and the justice system and fight impunity

261. As it emerges from its protracted crisis, Burundi faces a number of difficult challenges: (i) serious violations of human rights, including crimes against humanity and war crimes; (ii) the persistence of impunity; (iii) the poorly functioning judicial apparatus; and (iv) lawlessness and corruption.

262. The ongoing fight against impunity and the task of managing a society heavily prone to conflict hinge on strengthening the rule of law and the judicial system, two fundamental and necessary elements for consolidating sustainable peace in Burundi.

263. Aware of the scope of the challenges to be met in such a crucial area as justice, the government has set a number of priorities: (i) facilitate access to justice for the most

vulnerable categories of society, especially by educating them about their rights and about judicial practices and facilitating their understanding of the law, as well as through legal and judicial assistance; (ii) improve the institutional framework, particularly by strengthening the independence of the judiciary and building the trust of ordinary citizens by addressing, among other issues, the composition of the judiciary (ethnicity, gender); (iii) improve the legal framework as well by amending certain statutes or adopting new laws such as the law on marriage settlements, inheritance, and gifts; (iv) upgrade the human and material capacities of judges and representatives of the law; and (v) modernize penal administration and respect the rights of prisoners, including incarcerated minors.

264. To that end, the government intends to: (i) conduct a public information and education program on the rights and responsibilities of citizens; (ii) strengthen the capacities of the police and members of Parliament in the area of human rights; (iii) improve the institutional framework by creating an Independent National Commission on Human Rights and by establishing an Ombudsman; (iv) ratify the principal international agreements on human rights and ensure that international human rights instruments are more fully reflected in national law; (v) implement a policy of justice for minors that is consistent with the principles of the agreement on the rights of children; (vi) strengthen the framework and action of civil society, including the media and arbitration and reconciliation structures.

6.2.1.3. Manage disputes related to the past and anticipate the future

265. To establish truly pacific cohabitation, prevent new conflicts, and put an end to the cycle of violence that impedes development and intensifies poverty, the government is firmly committed to the following actions: (i) illuminate and establish the truth about the bloody events of the past and determine the facts and responsibilities in order to bring Burundians to the point of reconciliation; (ii) settle land disputes related to the crisis; (iii) promote equitable access to resources.

(i) Promoting reconciliation

266. As regards the serious violations of human rights committed over the course of forty years of conflict in Burundi and their impunity, the parties to the peace negotiations recognized their importance as a cause and aggravating factor of the conflict. Accordingly, the parties advocated adoption of transitional justice mechanisms to provide appropriate responses to this impunity and thereby help reconcile the Burundian people. The objective is to ensure a transition from the divided past to a more reassuring, shared future.

267. The central element of this reconciliation consists of a dual mechanism that aims to establish a truth and reconciliation commission and a special court to judge the main figures responsible for war crimes and crimes against humanity. The truth and reconciliation commission will need to develop or propose measures to promote reconciliation and pardons. Negotiations are under way between the government and the

United Nations to reach agreement on these mechanisms, which will need to clarify the relationship between justice and reconciliation.

268. Pending such an agreement and its implementation, the government has proceeded to release individuals considered to be political prisoners, an action contested by some human rights organizations. The government also intends to explore other innovative channels, based on the experience of other countries, in order to achieve an effective reconciliation and lasting peace among Burundians.

269. There is an imperative need to: (i) promote a process of reconciliation that places the victim at the center of its concerns; (ii) develop other transitional justice mechanisms such as administrative sanctions in lieu of judicial sanctions; (iii) promote local initiatives for reconciliation as a necessary complement to national and international initiatives, the scope of which will remain limited.

(ii) Settling land disputes

270. The multiple crises experienced by the country have forced Burundians to abandon their property while taking refuge either outside or inside the country. As a result, social conflicts have arisen here and there in the country as refugees and displaced persons have returned to their property, often finding it occupied by other persons.

271. The land issue also concerns a particular category of persons considered to be landless: the *batwas*, on one hand, and the occupants of settlements on the other hand, subject even now to a law that dates back to the colonial era.

272. To reduce the risk of land-related disputes, the government plans to: (i) set in place and strengthen mechanisms for settling and preventing land disputes related to the crisis; (ii) manage state lands equitably and transparently; (iii) develop and implement a mechanism and procedures for expropriation and compensation; (iv) develop a national strategy on land use planning and a corresponding action plan that includes urbanization; (v) update the inventory of state lands and ensure that they are equitably allotted; (vi) conduct a campaign to raise awareness of land security issues; (vii) simplify the procedures and make it easier to obtain relevant legal documents.

273. To that end, the government has established the Commission on Lands and Other Assets, adopted by the National Assembly on March 30, 2006. The mandate of this commission is to hear disputes related to lands and other assets between victims and third parties or public or private agencies. It is also charged with identifying and recovering state lands that have been improperly allocated, hearing all cases submitted to it by victims who seek to recover their property, providing technical and material assistance to help victims exercise their property rights, assigning new lands to victims who have none, and studying the possibilities and methods of compensation for victims who have not recovered their lands and other assets. The mandate of this commission is consistent with the Arusha Accords. The land issue concerns a number of ministries: Justice;

Agriculture and Livestock; Interior; Finance; and National Solidarity, Human Rights, and Gender.

(iii) Promoting equitable access to resources

274. There are clear disparities with respect to gender, region, and, most particularly, vulnerable populations. These disparities are generally reflected in difficult access to income, justice, land, employment, and basic social services.

275. The government will set in place mechanisms to guarantee equitable redistribution of the benefits of growth, based on effective administration of justice and sound social policy.

6.2.1.4. Promote good governance

276. The mismanagement of power and public affairs over a period of several decades has been a primary source of conflict. Furthermore, the resulting crises have also been mismanaged. This is why the quest for lasting peace, reconciliation, and development requires efforts to promote good governance from a political, administrative, and economic perspective.

277. The government has developed a national policy on good governance with the assistance of development partners active in this sector. The policy involves a harmonious combination of actions to promote democracy, rebuild administrative capacities weakened by the crisis, and improve economic management. Within this framework, the ideal of good governance will entail the following: (i) strengthen the culture of democracy; (ii) promote effective public administration; and (iii) strengthen the entities responsible for planning and economic management.

(i) Strengthening political governance

278. Burundi has clearly already passed an important milestone in the democratic process by organizing democratic and transparent elections. However, to establish the foundations of true democracy at all levels, a long road lies ahead. With respect to priority action aimed at averting bloody conflicts in perpetuity and reducing poverty in real terms, promoting a culture of democracy is the key to success.

279. To strengthen the culture of democracy, the government intends to: (i) upgrade the capacities of elected institutions; and (ii) promote decentralization and greater citizen participation.

280. The task of strengthening the culture of democracy will fall first and foremost to elected officials at various levels, but also to political and administrative officials. Accordingly, training activities should be designed with specific objectives in mind for different groups of beneficiaries, especially: (i) members of Parliament; (ii) administrative officials in Parliament and in municipalities; (iii) local elected

officials, i.e. members of municipal and *colline* councils; (iv) officials of political parties, as well as representatives of civil society and media professionals because of their leverage regarding good governance.

281. The decentralization policy now being developed reflects the government's resolve to create optimal conditions for the organized participation of community entities in spelling out sectoral and thematic policies, in planning the poverty reduction programs that primarily affect them, and in implementing these programs.

282. Furthermore, also with respect to decentralization policy, the government pledges to recognize and take into account local development institutions such as the community development committees (CDCs), the Communal Development and Poverty Reduction Committees (CCDLPs), and the Provincial Development and Poverty Reduction Committees (CPDLPs), which have been democratically set up by communities themselves to act as necessary intermediaries for the socio-economic development of Burundi.

283. Through the organized participation of community entities, the government intends to bring about decentralized implementation of the PRSP, thus fostering a sense of ownership.

284. In addition, to strengthen this partnership with community institutions, the government will initiate appropriate mechanisms to facilitate their participation in projects and will create a Community Development Fund (FDC) for that purpose.

(ii) Strengthening administrative governance

285. The civil service reform policy, together with revisions of civil servant status aimed at improving the efficiency of administrative structures and improving the highly precarious working conditions of civil servants, is now being prepared. In addition, the government will develop a multiyear training, human resources development, and equipment plan in order to create an effective administration that is capable of confronting the many challenges of the post-transition period. An effort will also need to be made to address the widespread inadequacy of administrative buildings.

286. Within this framework, a national school for government officials and an institution of higher learning for judges will be created. These institutions will train personnel for public administration and the bench respectively.

287. The government has pledged to support the decentralization process so as to make full use of the conclusions of the participatory consultations by making municipalities true poles of development. It will provide the latter with the necessary means to design and execute local development plans with the participation of the various development actors.

288. The government will also support improvements in the planning and oversight capacities of local communities and the development of local leadership in order to correct the deficiencies observed in this area.

(iii) Strengthening economic governance

289. The Burundian government is gradually emerging from the ill effects of the crisis, which impacted its economic and financial management. The government is aware that major reforms are needed in this sector to ensure: (i) the creation of an institutional and regulatory environment conducive to transparent management and the fight against corruption; (ii) restoration of economic steering capacities; and (iii) judicious allocation of resources.

a. Corruption and transparent management of government finance

290. With respect to corruption, on August 3, 2006 the President of the Republic promulgated a law establishing the Special Anti-Corruption Brigade. This law represents a major step forward in the fight against corruption and economic embezzlement. In fact, the very first article of this law states that the Special Anti-Corruption Brigade holds sole jurisdiction to seek out alleged perpetrators of corrupt actions and related violations of the law. As regards the brigade's overall mission, Article 2 calls upon it to raise the moral standards of the public and deter and crack down on corrupt actions and related violations.

291. The government has also undertaken institutional reforms to strengthen transparency in government management and ensure optimal allocation of government resources. These include: (i) an independent watchdog agency on corruption, involving the private sector, civil society, the press, and all other stakeholders; (ii) an independent Audit Court that reports to Parliament on government budget execution; (iii) a State Inspectorate General; (iv) a commercial dispute arbitration center; and (v) a general census of civil servants, including the distribution of identification cards.

292. In addition, the government will also set in place other institutional mechanisms aimed at facilitating the following: (i) access to information on the source and use of public funds; (ii) efforts to reform laws and regulations pertaining specifically to tax and customs incentives and government contracts; (iii) implementation of incentive mechanisms designed to eliminate corrupt practices, particularly by rewarding the integrity and improving the working conditions of government employees, while subjecting them to effective controls and sanctions; (iv) enforcement of the anti-corruption law; (v) establishment of a computerized management information system on government resources; and (vi) a fully operational anti-corruption brigade and anti-corruption court. Also, in collaboration with the World Bank, the government is planning a diagnostic study on problems of corruption.

b. Economic steering

293. In this area, capacity building is an important component. Accordingly, the government is determined to strengthen public affairs management capacities at the macroeconomic and sectoral levels.

294. Accordingly, the planning and management tools and the databases will be updated periodically. Special attention will be given to upgrading the statistical apparatus, which means strengthening the institutions responsible for producing and analyzing statistics. In this regard, technical assistance will be requested from the IMF and the Economic and Statistical Observatory for Sub-Saharan Africa (AFRISTAT) to establish a database of reliable statistics.

295. At the same time, steps will be taken to build the capacities of communities and civil society so that all actors can participate in designing, managing, and monitoring development activities.

296. To bolster the participatory process, national NGOs and civil society organizations, particularly at the community level, will be strengthened so that they can make an effective contribution to the local development process.

6.2.2. Promote Sustainable and Equitable Economic Growth

297. The government of Burundi wants to set in place an economic recovery plan aimed at achieving an average annual growth rate of 6 percent to 7 percent and doubling per capita GDP over a period of 15 years.

298. Identification of a strategy for strong, stable, and sustainable growth is one of the major challenges for the PRSP. This strategy could involve expansion of the contributory capacities of growth sectors, sustainable development of the private sector, and diversification of job and income-generating opportunities.

299. The feasibility of this growth strategy hinges on substantial official development assistance, along with the rehabilitation and a greater density of infrastructure to support production. A stable macroeconomic environment, characterized by good control over inflationary trends and budgetary risks, will be a key factor in the success of this growth strategy.

6.2.2.1. Development of growth sectors

300. Efforts to support and strengthen sources of growth within the Burundian economy should foster economic recovery and poverty reduction by increasing the volume and value of output and by creating jobs. The principal sources of growth identified within the framework of this PRSP concern the agriculture, trade, industry, mining, tourism, and handicrafts sectors.

301. In collaboration with the World Bank, the government has recently undertaken a new study to complete the work already done in identifying rural (agricultural) sources of growth. A recent study commissioned by the government of Burundi highlighted the potential importance of traditional and nontraditional export crops, as well as food crops and livestock. The study carried out in partnership with the Bank should serve to confirm the areas of greatest potential growth and, most importantly, identify and prioritize the actions to be taken to fulfill this potential.

6.2.2.1.1. Stimulate the agricultural, livestock, fisheries, and fish farming sectors

302. The agricultural sector is the foundation of the Burundian economy. It occupies 94 percent of the working population, provides 95 percent of the food supply, and accounts for more than 90 percent of foreign exchange earnings. The rural sector is thus currently the principal source of growth of the economy and the foundation on which efforts to strengthen and improve the Burundian economy must be based.

303. To increase the sector's contribution to the creation of wealth and fight poverty more effectively, rural development must target three objectives for improving food and export crops, livestock, and fish farming: (i) improve volume of output and productivity; (ii) improve cost control; and (iii) improve and stabilize income from sales.

a. Develop and improve food production

304. The objective is to raise yields in this sector and thereby increase local market output, which remains insufficient overall to satisfy the needs of a growing population. This also involves finding the means, by monetizing trade in food products, to increase the income of populations living in rural areas. In addition, special emphasis will be placed on crops likely to improve food security and crops for which the country possesses a comparative advantage and which could find better outlets in the context of regional integration and globalization. This principally comes down to the following crops: paddy rice, wheat, maize, sorghum, beans, cassava, and bananas.

305. Rice production rose from 4,500 metric tons in 1972 to 64,000 metric tons in 2005 and should reach 120,000 metric tons by 2010. The output of wheat should also show a positive trend. Production had in fact stagnated at 8,000 metric tons after the processing plant closed down, but it is now steadily climbing and could reach 16,000 metric tons by 2010. This growth in output is supported by creditworthy demand from both processors (establishment of a second flour mill) and bread consumers in rural areas.

306. As for bananas, which account for the highest volume of output in the country by far, the departments of the Ministry of Agriculture estimate that banana yields, which are currently on the order of 20 metric tons per hectare, could rise to 30 metric tons per hectare. From a practical standpoint, that would enable smallholders to increase their output of bananas from 1.6 million metric tons in 2005 to 2.3 million metric tons in 2010, a surplus which could be traded on the local market.

307. Maize and sorghum yields are very low in the wake of problems of varietal degeneration and the lack of security prevailing in some producing regions. Bean yields have also been affected by declining soil fertility in the principal producing regions, especially the Kirundo region. Actions aimed at promoting the use of the best performing varieties, improving soil fertility, and upgrading cropping techniques would lead to significant increases in output and household income for farmers.

308. To increase the yields of these crops, the following actions are recommended: (i) improve input supply costs so as to make the use of inputs affordable for the poorest populations; (ii) identify and implement improved cultivation techniques; (iii) improve vegetable crop extension; (iv) encourage the development of food processing, preserving, and marketing technologies; (v) upgrade water management capacities; and (vi) promote the widespread use of quality seed.

309. While increased output, the restoration of food security, and nutritional improvements remain medium-term objectives, it is still important in the shorter term to be in a position to mobilize emergency assistance for a population beset by famine.

b. Stimulate exports

310. Traditional export crops such as coffee, tea, and cotton are the principal cash crops and main income sources for the government and for rural populations. New export options were identified by the study on sources of growth conducted by the government in May 2005 and will be further explored by the study now under way in collaboration with the World Bank.

(i) Coffee

311. Coffee is the principal cash crop in Burundi and the country's leading source of income. Coffee employs some 750,000 households. Proceeds from coffee sales have never accounted for less than 80 percent of the country's export earnings. However, the total output of coffee is subject to extremely broad fluctuations, with serious repercussions for Burundi's growth. Thus, for example, the output of green coffee came to roughly 16,000 metric tons in 2001-2002, 36,000 metric tons in 2002-2003, and 6,000 metric tons in 2003-2004! Of course, the cyclical nature of coffee growing does not suffice to explain such wide variations, which are rooted in a variety of problems to which solutions must be found.

312. The government of Burundi would like to restructure the coffee industry and gradually change the rules under which it is organized so as to rehabilitate the industry and more fully tap its potential contribution to growth. Boosting the coffee sector means increasing the output (from an average of 30,000 metric tons at present to 70,000 metric tons by 2015) and thus the profitability of orchards, as well as improving the quality and value of the product.

313. The government will withdraw from the coffee industry and, in particular, divest the SOGESTALS and SODECO and will continue to implement accompanying measures to ensure the success of the liberalization program.

314. The government will institute a divestment strategy, which will allow it to make a smooth transition from the role of developer to the role of regulator of the coffee industry. The liberalization and privatization strategy could thus include accompanying measures, yet to be defined. At the same time, the government will consolidate the reforms under way in order to identify instruments for managing coffee price risks and thereby mitigate the income vulnerability faced by coffee growers. A study is under way to update the action plan of the reform by spelling out: (i) the appropriate legal, regulatory, and institutional framework for liberalization and privatization of the sector; (ii) procedures for managing and financing critical functions; and (iii) strategies for transferring government assets (washing stations managed by the SOGESTALS and hulling plants managed by SODECO) to the private sector and accompanying measures.

315. Specifically, the government will develop a strategy for the coffee industry with the goal of improving industry performance and increasing the income of coffee growers. In this regard, a study on procedures for selling off the washing stations is planned for 2006, while efforts to promote private initiative will need to be gradually developed at all levels. Major reforms are under way to liberalize coffee-related activities and attract private investment and funding; these reforms will need to be strengthened. It will also be important to adopt measures to minimize the costs and lengthiness of marketing.

(ii) Tea

316. The tea industry is also known as a growth engine in Burundi. It makes a strong contribution to job creation and income generation in rural areas inasmuch as nearly three quarters of total output comes from village plantations. In addition, the tea industry requires acidic and high-altitude soils and thus competes only very slightly with alternative crops such as coffee and food crops.

317. In the past, Burundian tea attracted a substantial premium in comparison to tea from Kenya and the average value of teas sold at auction in Mombasa. This premium disappeared during the 1990s and Burundian tea now sells at a considerable discount, a sign that its quality has significantly declined over time. A number of factors underlie this major reversal: (i) a lack of the necessary means to provide fertilizer to producers; (ii) the dilapidated condition of plant equipment; and (iii) the poor quality of transportation and insufficient capacity for processing green tea into dry tea.

318. A recent study revealed the potential to expand this crop and indicated that such an expansion could provide additional cash income in high-altitude regions. Based on this potential, the output of tea can be projected at roughly 15,000 metric tons in 2010 and 25,000 metric tons by 2015, versus 8,000 metric tons today.

319. However, the tea industry in Burundi currently faces a number of problems that need to be overcome for the sector to contribute more fully to the country's growth.

320. First of all, no investments in tea processing plants were possible during the last ten years, which is no doubt one of the principal reasons for the decline in quality. In addition, the wages paid to tea pickers remain low, considering how hard the work is, and it is difficult to attract workers.

321. For the tea industry, government divestiture will lead to the development of a private sector possessing the necessary technical and financial capacities. To that end, the government will adopt the sector reform strategy implemented in 2004 and develop a road map, along with a three-year plan for 2007-2009 that lays out the principal stages and components of the reform (liberalization, opening to the private sector, government divestiture, institutional reforms, etc.). The reform will culminate in a single-lot sale or sales of separate lots, complex by complex, and will assign to OTB the role of regulator.

(iii) Cotton

322. Cotton production in Burundi is of minor significance. Some 20,000 households are involved in cotton growing. The output of cotton lint topped out at an average of 1,500 metric tons over the last ten years. The cultivated area averaged 3,500 hectares. The cotton growing regions suffered greatly during the war. Since cotton is an annual crop, the gradual restoration of security in the cotton growing areas, along with improved extension activities and better price levels, could lead to a boost in production and perhaps to output levels higher than before.

323. The potential output of the cotton industry, combined with the new opportunities provided by AGOA, should result in rapid development of production volumes, from 4,000 metric tons in 2005 to 10,000 metric tons in 2010, as suggested by the study on sources of growth.

324. In this context, the government's objective is to stimulate the sector by restructuring the industry, which requires fundamental legal, regulatory, and institutional reforms bearing upon production, processing, and marketing of the finished product. Accordingly, the government will proceed to update and adopt a cotton sector reform strategy, as well as a road map describing the principal stages and components of the reform (liberalization, opening to the private sector, government divestiture, institutional reforms, etc.).

(iv) Nontraditional exports

325. Burundi is currently developing a strategy to promote and diversify exports, which should enable the country to make its growth less vulnerable to market price fluctuations for coffee and tea. This diversification strategy should make it possible to boost the growth rate of agricultural output from 3 percent in 2005 to 5 percent by 2010.

326. The establishment of the Investments and Exports Development Agency (APIE) should play a major role in identifying and implementing an effective strategy for the diversification of agricultural products and income. The study on sources of growth will help determine the nontraditional exports that could be effectively supported by appropriate development. In particular, the study will examine the export potential of horticultural and fruit products and essential oils, which are of very high quality although output is currently marginal.

327. In order to promote nontraditional exports, the government will undertake actions conducive to the production and exportation of fruits and vegetables, flowers, ornamental plants, aromatic and medicinal plants, palm oil, mulinga oil, macadamia oil, ethnic products, and manufactured items, the potential of which will be proven by appropriate economic and financial analyses. Promoting sugar cane and creating a banana industry are also very important matters.

c. Develop livestock production

328. Stock raising is an omnipresent activity in Burundian households and represents savings on the hoof, which helps mitigate the poverty and vulnerability of rural populations.

329. To restore to stock raising its former role in achieving food security and generating income, the government will place a priority on rebuilding livestock populations and introducing genetic improvements, particularly by distributing breeding stock.

330. With respect to cattle, the government will also set in place an artificial insemination program, which is likely to yield better results than any plan to import cattle ill suited to the country's climate. In addition, the government will encourage forage crops and special attention will be given to herbaceous and woody pulse species that not only provide good fodder but also improve soil fertility. From this perspective, livestock stabling should also be encouraged in view of dwindling pasturelands.

331. The overall program to restore livestock populations that the government intends to undertake will also include small ruminants, which are highly prolific and have a short cycle, in order to obtain rapid results in terms of raising the living standards of rural families. It is projected that livestock populations can rise by 30 percent between 2005 and 2010.

d. Develop fisheries and stimulate fish farming

332. Boosting the fisheries sector means finding solutions to the industry's problems so that it can operate under sufficiently viable conditions and contribute effectively to nutrition, food security, and poverty reduction.

333. The government's objective in the fisheries sector is to increase the output of fish and develop channels to supply regions of the interior with fish.

334. The strategy in this sector focuses on: (i) establishing a fisheries and fish farming industry; (ii) sustainable management of fishery resources; (iii) negotiating fishery agreements with the countries bordering on Lake Tanganyika.

335. To increase the output of fish, the government will undertake actions to: (i) develop aquaculture in suitable areas; (ii) provide small-scale fisheries extension services; and (iii) strengthen maritime legislation concerning fisheries and reactivate sub regional cooperation.

6.2.2.1.2. Improve and protect the environment

336. According to data published by the World Bank in the 2002 edition of its report titled *The Little Green Book*, forests cover just 3.7 percent of the country's total area, versus 59.6 percent in the DRC, 21.3 percent in Uganda, and 3.9 percent in Rwanda.

337. To consolidate the necessary link between environmental protection and development, government strategy will be based on the following themes: (i) upgrade institutional, technical, and financial capacities; (ii) promote the national policy on natural resources management; (iii) promote the sustainable use of natural resources.

338. To implement this strategy, the government will focus its efforts on the following actions: inform and educate all stakeholders about the rational management of natural resources; train and equip specialists in water management; train and equip the environmental police; develop natural resources management plans and support and assist local communities in managing natural resources; revitalize the national commission on the environment; reforest and develop all catchment areas in a comprehensive fashion; identify and introduce substitutes to protect threatened natural resources; develop a land use plan and explore the use of community reforestation schemes as a source of income.

339. With respect to land use planning, the issue of land management will take center stage. The specific goal will be to set in place a land occupancy policy that incorporates standards developed with the participation of all stakeholders. Awareness-raising programs will be undertaken in order to promote villagization.

340. Action by public officials alone will not be sufficient to confront all the problems of environmental decline. Accordingly, institutional mechanisms and appropriate incentives will be set in place to encourage involvement of the private sector and other nongovernmental entities in the management and use of natural resources.

341. Burundi has signed a number of international agreements on environmental protection, including, in particular, the United Nations Convention on Climate Change, Biological Diversity, and Persistent Pollutants.

6.2.2.1.3. Develop trade and industry

342. Trade is a powerful engine of poverty reduction and growth. At the same time, the development of industrial activities is an absolute necessity in order to boost output, cut unemployment, and create new jobs.

343. The government's strategy is to create institutional, legal, and financial conditions conducive to the rebirth of industries impacted by ten years of war and the emergence of other wealth- and employment-generating industries.

344. Accordingly, the government will implement an attractive investment code, access to credit, training and information for businesses, and capacity building for existing support structures such as the Chamber of Commerce and APIE.

345. In addition, the government plans to take regulatory and institutional measures conducive to the development of commercial and industrial activities. To that end, a number of important steps will be taken, including: (i) make the investments and exports development agency fully operational; (ii) simplify the procedures for starting a business and establish a one-stop agency; (iii) implement the integrated framework for the development of international trade; and (iv) enforce the amended business law and prepare a new trade law and a law on competition.

346. Finally, the regulations for starting a business and those related to commercial activities will be developed in collaboration with the primary beneficiary, i.e. the structured and nonstructured private sector.

347. Implementation of these incentive measures will enable the industrial sector to play its role as an engine of development by processing local products and generating jobs and income.

6.2.2.1.4. Promote the mining sector

348. The Burundian mining sector boasts substantial assets, with a varied range of mineral deposits, including nickel and associated metals, colombo-tantalite, vanadium, iron, phosphates, limestone, titanium, carbonatites, gold, and cassiterite that have already been explored.

349. The sector also offers good prospects for the diversification of economic activities with direct positive effects on economic growth, income, employment, and technology transfer. The studies conducted on the potential of the mining sector project an initial output of 11,641 metric tons of nickel, 1,580 metric tons of vanadium, and 1.5 metric tons of gold.

350. The government's objective in this sector is to promote and launch a national mining sector program and improve the legal and regulatory framework in this area so as to attract potential local and foreign investors who possess the necessary capital and technical know-how.

351. The actions to be carried out will consist of the following: (i) stimulate exploration activities; (ii) design a sufficiently attractive mining code; (iii) promote the emergence of small-scale and semi-industrial activities; and (iv) form contacts with external partners for mineral extraction; feasibility studies on mineral deposits should be updated in the very short term.

6.2.2.1.5. Promote tourism and handicrafts

352. Burundi possesses substantial potential in the area of tourism. The country has parks and natural reserves with a variety of wildlife and different microclimates. It is also dotted with lakes where various water sports are possible. In addition, due to its geographic location, the country could become a tourism hub leading toward the Great Lakes region and especially Tanzania.

353. The government intends to capitalize on the diversity of tourism products and take advantage of its strategic location in the Great Lakes region, conducive to the development of ecotourism and sports tourism on Lake Tanganyika. Implementation of this strategy would enable Burundi to meet an objective of 150,000 tourists by 2015 and 300,000 by 2020.

354. To that end, the actions to be taken consist of the following: (i) upgrade human capacities and professional skills so as to raise the quality of tourism products and services; (ii) use new information and communication technologies to enhance the country's image; (iii) seek the necessary financing to rehabilitate infrastructure and equipment, particularly at sites ravaged by war; and (iv) involve local communities and civil society in developing ecotourism and community-based cultural tourism.

355. Tourism has very strong links with handicrafts development. The latter is essential to increase income, particularly for youth, and to reduce poverty in rural and sub-urban areas.

356. To stimulate handicraft activities, the plan is to: (i) organize and develop the handicrafts sector; (ii) improve the quality of handicraft products; (iii) identify profitable outlets; and (iv) encourage training.

6.2.2.2. Diversification of employment and income opportunities

357. One of the pressing challenges that the government must address is how to adopt policies that will enable the economy to absorb youth newly arriving in the labor market, on the one hand, and real and hidden unemployed populations in rural and urban areas, on the other. The problem is particularly acute because of rapid expansion of the working age population in the face of an employment shortage.

358. The raw data indicate that the working age population in Burundi, i.e. the population between 15 and 64 years of age, comes to 3.5 million. Agricultural activities on family farms occupy more than 80 percent of all persons in this category.

359. In the modern sector of the economy, opportunities to create new jobs remain limited, as does the capacity to absorb job applicants, particularly youth.

360. The private sector is in tatters and investment has not yet resumed. In addition, the credit system used by financial institutions is too cumbersome, too restrictive, and does not encourage young people who have ideas about starting businesses. Mortgage conditions and high interest rates deter them from such plans.

361. With the normalization of the political situation and consolidation of peace and security, it is reasonable to hope that the investment climate will rapidly improve and that economic activity will resume in the near future, creating new employment opportunities.

362. Diversification of employment and income opportunities for the poor will involve the following: (i) promote micro credit throughout the country; (ii) promote labor-intensive activities; and (iii) strengthen income-generating activities.

6.2.2.2.1. Improve credit access mechanisms

(i) Promote micro credit

363. The rural economy is marked by a low rate of monetization, and opportunities for access to credit remain especially undeveloped in rural areas. Savings volume remains very low because rural credit institutions are few in number and unevenly distributed across the country.

364. The government's strategy is to diversify the modes of production so as to transform the rural world. This policy will involve promoting and supporting micro credit systems and promoting small-scale individual and collective production units in the form of micro enterprises.

365. To promote the savings and credit system, particularly in rural areas, the government has just finished developing a microfinance policy that reflects its intention to: (i) establish an institutional, legal, and regulatory environment; (ii) promote collaboration among all development partners, beneficiaries, donor agencies, and other donors such as NGOs and churches; and (iii) assign to microfinance institutions, especially savings and credit cooperatives, the mission of approaching the poor instead of waiting for them to step forward to request services.

366. Establishing an institutional, legal, and regulatory environment will facilitate the expansion of micro credit in rural areas, and strengthening the partnership in the microfinance sector will serve to heighten the impact of poverty reduction activities.

367. The government's policy of approaching beneficiaries will enable the latter to be informed, overcome their fear of debt, and gain hassle-free access to credit. This approach will also enable microfinance institutions to better target their clients, learn the

real needs and aspirations of the poor in their environment, and distribute and monitor funds effectively.

368. To avoid setting up structures that are not viable for reasons of nonpayment, failure to understand the purpose of the system, confusion between loans and grants, or poor targeting of activities to be financed, the government will help train extension agents in a variety of disciplines, such as management of the micro credit system, marketing, and raising awareness of the importance of savings for access to credit or for self-financing.

(ii) Strengthen the conventional financial sector

369. Parallel to the development of institutions specializing in microfinance, the regular banking system should, more than in the past, play a decisive role in stimulating economic activity and growth. To that end, revitalization of the financial sector will involve the adoption and implementation of major reforms, particularly the following: (i) consolidate banking institutions; (ii) strengthen and implement effective systems of controls and regulations; (iii) improve credit risk assessments; (iv) develop the private sector's capacity to prepare business plans in support of loan applications; and (v) establish a clear legal framework in the areas of property rights and bankruptcy.

6.2.2.2. Promote income-generating activities

370. The situation of heightened poverty in Burundi has resulted in substantial resourcefulness, as shown by the emergence of small businesses and other income-generating activities that have enabled the population to face up to its most basic needs.

371. Efforts to promote income-generating activities are an integral part of the government's poverty reduction strategy. The government intends to support and encourage micro credits as a way to promote local initiatives.

372. The government will strengthen existing initiatives, particularly through the following actions: (i) provide sustained outreach to associations, cooperatives, and other groups in rural areas; (ii) revitalize traditional handicraft activities such as pottery, metalwork, and basketwork; (iii) encourage micro entrepreneurs to enter industries such as product processing, agro processing, hides and skins, carpentry, and masonry; (iv) facilitate access to credit and micro credit by establishing sustainable and reliable guarantee systems; and (v) promote lifelong opportunities to acquire skills and thereby provide new options to workers and address the needs of the national economy.

6.2.2.3. Promote labor-intensive activities

373. Nonagricultural employment in rural areas is a key component of the poverty reduction strategy. In the short term, programs to rebuild, rehabilitate, and maintain social and productive infrastructure represent an opportunity to expand rural employment and inject substantial income in rural communities, especially for youth.

374. The government will develop an environmentally sustainable and labor-intensive public works program for the rehabilitation and maintenance of roads and social infrastructure, marshland development, reforestation, terracing, and soil conservation. Specifically, programs undertaken by the government or municipalities will rely, as a matter of priority, on labor-intensive activities.

375. Implementation of these programs will target, first and foremost, women and youth so as to encourage them to participate as fully as possible in rural economic development. A concerted policy aimed at integrating the labor-intensive approach will be prepared for this purpose.

376. The objective will be not only to offer cash income to those who supply labor, but also to contribute to recapitalization of the countryside, which will help kick-start the cash economy and thereby provide leverage for transforming the rural world.

6.2.2.3. Private sector development

377. The government is convinced that accelerated and sustainable economic growth can only be achieved by a dynamic and diversified private sector oriented toward exports. Accordingly, the strategy advocated for the medium and long terms will consist of making the private sector the engine of growth.

378. Economic liberalization and government divestiture of the productive sector in favor of the private sector are the fundamental pillars of economic management in Burundi. The principal objectives are to: (i) restructure the productive base; (ii) stimulate competition and achieve greater efficiency in all sectors of production; and (iii) reduce the burden placed by public enterprises on government finance.

379. This policy of economic liberalization and privatization of public enterprises, through reinforced reform of the legal and regulatory framework, should help create an environment conducive to attracting direct foreign investment, which remains at a low but promising level, given the country's potential and the gradual consolidation of political stability.

380. To that end, four specific areas of activity have been identified: (i) short-term emergency actions; (ii) ongoing reforms of the legal and regulatory frameworks; (iii) reinforced incentives for growth in private investment; and (iv) government desengagement from the productive sector and privatization of public enterprises.

381. Emergency actions will include: (i) liquidation of the government's domestic arrears; (ii) implementation of appropriate mechanisms of support for economic operators harmed by the crisis, particularly through reconstruction activities; and (iii) rehabilitation of trade centers, productive infrastructure, marketing channels disrupted during the crisis, establishment of a private sector recovery fund, etc.

382. To strengthen the reforms of the legal and regulatory framework, the government has just restructured the public institutions that provide support to the private sector, with an eye to making them more effective, by creating an investments and exports promotion agency (APIE). This entity, which will function as a one-stop window, will help improve services for economic operators and reduce administrative red tape.

383. In addition, to improve the investment climate, the government is well on the way to preparing an action plan to modernize all incentives for promoting trade (commercial law, business law, investment code), including the establishment of an arbitration center, and the strengthening of the financial sector.

384. With respect to privatization, the government will adopt a road map that lays out the 2007-2009 three-year program of government divestiture in the productive, commercial, and banking sectors. The government has already adopted a number of important measures including, in particular, liberalization of the sugar sector, and intends to conduct a study on liberalization of the oil sector. A program to strengthen the agency responsible for public enterprises (SCEP) is also planned so that this institution can steer the privatization program effectively.

385. Finally, the restoration of a democratic system and an encouraging security environment will enable the government to establish mechanisms to promote the participation of the Burundian Diaspora in the country's development. The know-how and contributions of Burundians abroad can indeed assist in private sector development. Consultations with representatives of the Diaspora will thus be initiated and consolidated.

6.2.2.4. Development of infrastructure in support of production

386. Improvements to transportation and communications infrastructure and the availability of electric power will result in greater output, make Burundian enterprises more competitive, and improve the living condition of populations.

387. The government's objective will thus be, first of all, to rehabilitate infrastructure that supports productive activity, and then to space such infrastructure more densely for a gradual transformation of the rural sector. The government will attempt to strengthen its partnership with the private sector in carrying out projects to complete such infrastructure.

6.2.2.4.1. Improve transportation infrastructure

388. How transportation is organized and the condition of the roads, especially rural roads, are two key elements in alleviating the isolation of remote areas and reducing poverty.

389. In general, the transportation sector is characterized by structurally high costs and dilapidated, poorly maintained, and infrequently replaced equipment.

390. The national road system, which ten years ago was one of the sub region's best, has greatly deteriorated for lack of maintenance. In addition, the country's weak international links (by water and by air) result in excessively high transportation costs.

391. The government's objective is to improve access to remote areas in the interior of the country in order to promote development and bring populations closer to government services, basic social services, and trade centers. To reach this objective, the government's strategy is to promote a road system that is efficient in terms of both density and quality, support the development of lake, maritime, and rail transportation, and modernize air transportation.

392. To that end, the government intends to rehabilitate and construct a road system that is efficient in terms of quantity and quality and thereby interconnect all provinces with asphalt roads and expand the system of local feeder roads.

393. International connections will be strengthened and measures taken to reduce the country's isolation by integrating it into the regional rail system, expanding the port of Bujumbura in line with international standards, and making the airport of Bujumbura a transit center.

394. With respect to regional projects, Burundi will participate in: (i) the maritime rail project to cover the Southern Africa-East Africa link via Lake Tanganyika and the port of Bujumbura; (ii) the connection to the project to build the railroad line linking Tanzania and Burundi; and (iii) the project to build an oil pipeline to transport oil from Kenya (Eldoret, Kampala, Kigali, Bujumbura).

6.2.2.4.2. Improve communication infrastructure and promote New Information Technologies

395. The development of rural telephone service faces a number of obstacles, the most important of which are: (i) a weak national structure that does not permit the emergence of small local operators in either telecommunications or the Internet; and (ii) the nonexistence of a financial mechanism to assist the development of rural telecommunications.

396. The government's objective is to reduce the country's isolation by improving access to the various systems of communication, especially for populations living in remote areas. The strategy will be to develop communication infrastructure in order to improve the flow of information between urban and rural areas, stimulate production and regional trade, and thereby contribute to the emergence of new employment and income opportunities.

397. In line with this policy of working to reduce the country's isolation, the government will carry out the following actions: (i) formulate a national strategy for the development of information and communication technologies; (ii) develop basic infrastructure covering the entire country; (iii) liberalize the telecommunications sector

and upgrade the capacities of the regulatory agency; and (iv) provide benefits to those who agree to invest in remote areas.

398. The development of new information and communication technologies is an important pillar of efforts to accelerate growth and create new jobs. Accordingly, the government will adopt incentive measures in order to: (i) diversify opportunities for Internet access; (ii) develop the market of telecommunications services; and (iii) take advantage of regional markets.

6.2.2.4.3. Expand power supply capacity

399. The principal objectives in this area are to facilitate access to modern power sources for the greatest number of people possible, provide sufficient quantities of power for industrial, traditional, and mining activities, and satisfy the basic power requirements of households.

400. The government will undertake emergency actions for the short, medium, and long term to ensure the power balance. The immediate plan is to operate the existing power plant (5.5 MW) and build another plant of the same capacity to satisfy current demand and help kick-start the economy.

401. In the short term, the government will rehabilitate existing plants (Nyemanga, Buhiga, Ruvyironza, and Gikonge); the plan for the medium term is to upgrade regional hydroelectric plants such as KABU 16, RUSUMO Falls, and RUZIZI III; and, in the long term, the government will follow a policy of power balance at the national level by developing hydroelectric sites for which pre-feasibility and feasibility studies have already been done, as well as other new sites, yet to be identified, along such rivers as the Mpanda, the Maragarazi, the Ruvubu, the Ruvyironza, the Murembwe, the Kagunuzi, etc. The government also intends to make use of the Inga dam to cover power requirements.

402. In addition, the government will undertake a rural electrification program to provide the power needed for economic activities, in particular by extending the grid and connecting villages located near power lines, and disseminate information on alternative energy sources affordable for low-income households or suitable for communities located at some distance from the national grid.

403. Finally, there is a substantial need to rehabilitate the distribution grids, especially in suburban areas, and to increase their output.

6.2.2.5. Regional integration

404. Government policy is to ensure Burundi's integration in the sub regional market, as well as to strengthen the institutional and regulatory mechanisms and thereby enable the country's industrial facilities to diversify their output and stimulate the supply of exportable products.

405. The government's strategy will be to participate fully in COMESA, which offers real opportunities for the country to become integrated into the sub regional economy and expand the market in which Burundian enterprises operate, leading to economies of scale and fuller integration in the world economy.

406. In addition, the government is committed to promoting trade with the countries of Central Africa in order to take advantage of the opportunities provided by access to a wider market. It will also contribute to the revival of the Economic Community of the Countries of the Great Lakes (CEPGL), seek membership in the East African Economic Community, and help meet the economic growth objectives for Africa set by NEPAD.

407. Within this framework, the government will undertake dynamic and innovative steps to promote trade and encourage industrial investments, specifically by: (i) applying the common external tariff of COMESA; (ii) introducing the VAT by the end of 2006 to adopt indirect taxation conducive to the development of SMEs, SMIs, and direct foreign investment.

6.2.3. Develop Human Capital

408. As with the economic growth sector, Burundi also faces a human capital development crisis that spares no segment of society. The government's social objective is to restore prewar performance levels in the medium term and achieve the Millennium Development Goals (MDGs) by 2015.

409. To meet this challenge, the government is committed to progressive budget increases in pro-poor spending, principally in the areas of education, health, social welfare, and HIV/AIDS.

6.2.3.1. Education sector

410. The government is currently developing a concerted education sector policy with the assistance of development partners. This policy will consist of instituting major reforms to ensure sustainable development of the sector and establish the necessary conditions for its recovery.

411. The objective of this policy is to: (i) raise enrollment ratios at all levels of education; (ii) raise the enrollment ratio of girls; (iii) reduce illiteracy; and (iv) eliminate regional disparities.

412. To reach these objectives, the strategies planned by the government will focus on the following: (i) build, rehabilitate, and expand education infrastructure, placing a priority on the most underprivileged regions; (ii) upgrade the capacities of the education system by training trainers and teachers of sufficient quality and in sufficient numbers; (iii) make appropriate educational equipment and teaching aids available to both public and private institutions at all levels of training; (iv) enhance the status of teachers; (v) reinforce education planning entities and improve the school map; (vi) develop a national policy on vocational education in order to integrate youth currently outside the

school system; (vii) promote private education; (viii) mobilize financing; and (ix) match training to employment so as to meet the country's socio-economic development needs.

413. At the **primary level**, the government's objective is to achieve universal school enrollment by 2015 and improve the quality of education. In this regard, in late 2005 the government announced free primary education, which boosted enrollment levels from 260,000 to 500,000, i.e. an additional 240,000 children at the start of the 2005-2006 school year. In addition, by 2007 the government will begin to introduce courses in Swahili and English to facilitate successful regional integration.

414. To cope with this major influx of students following the decision to offer free education, the government has set up a primary education support program to address the imperative need to increase absorptive capacity and improve the quality of education.

415. At the **secondary level**, the government intends to support the creation of municipal secondary schools and provide educational equipment and qualified teachers so as to guarantee a quality education. These so-called colleges will gradually take over a full cycle of studies in order to avoid a bottleneck at the transition from the common-core curriculum to the higher cycle. A priority will be placed on technical education in order to satisfy real market needs. The objective is to gradually increase student enrollment from 4 percent at the present time to 20 percent in 2010 and 30 percent in 2015.

416. With respect to **higher education**, the government's objective is to expand access to a quality education. To achieve this goal: (i) training courses will be diversified to ensure a good match between training and staffing needs in the labor market; (ii) qualified trainers will be motivated to focus on training and research, with a priority placed on studies that pertain to the processing of local products; (iii) private developers will be encouraged to provide a quality education; and (iv) at the doctoral level, on-site training will be encouraged as much as possible.

417. With respect to **early childhood**, the government will capitalize on the experience acquired in implementing the World Bank and UNICEF projects, especially regarding protection of the young children of underprivileged families. In this area, a pilot project to develop preschool facilities in 34 municipalities demonstrated that such initiatives are favorably received by the population because of their dual positive effect on early childhood development and free time for mothers, who can then tend to other activities besides child care.

418. During this phase of revival of education sector development and financing, the studies carried out in connection with the task of formulating development and financing strategies for the entire sector will be updated and added to, with an eye to implementing an education policy that includes a clear description and good coordination of the roles of the various partners (local communities, parents, NGOs, private sector, and development partners).

419. As regards **culture**, a special emphasis will be placed on restoring the national heritage, in particular by creating true cultural industries and strengthening national identity.

420. Vigorous efforts need to be made to promote **sports**, not only in order to nurture young talent but also to boost the image of Burundi in the family of nations. A strategy will be developed and implemented to promote playing sports appropriate to the different social categories.

421. In this area, major efforts have recently been undertaken by the government. In particular, these include the all-purpose sports stadium and upcoming development of the Olympic stadium. Sports infrastructure will gradually be built throughout the country, specifically to promote popular sports.

6.2.3.2. Health sector

422. In 2005, the government established its health sector development policy on the basis of the conclusions of the national forum on health issues. This policy revolves around four objectives: (i) reduce the maternal mortality and neonatal mortality rates; (ii) reduce the infant mortality and child mortality rates; (iii) reduce the prevalence of transmittable diseases, deficiency diseases, and malnutrition; and (iv) strengthen health sector performance by improving access to services and the quality of care.

423. In the short term, the government's priority actions will be to: (i) rehabilitate health infrastructure and make existing infrastructure operational, in line with health standards; (ii) improve the availability and accessibility of essential drugs and other consumables, medical and surgical devices, and laboratory reagents in all health facilities throughout the country; and (iii) reassign health personnel to areas with staffing shortages, increase the availability of personnel in terms of quantity, and improve their quality. The government also intends to beef up programs to prevent and control the principal endemic-epidemic diseases, along with immunization, reproductive health, and health education programs.

424. In the medium term, the government will need to revitalize sectoral development reforms and, in particular: (i) formulate a new drug policy and new strategies for health sector financing, involving beneficiaries themselves, particularly through mutual benefit insurance schemes and appropriate health insurance for the informal sector specifically adapted to poor rural areas, so as to bring the cost of care in line with the purchasing power of the population; (ii) continue to promote the autonomy of health care facilities; and (iii) provide health care coverage to the most vulnerable groups, especially children under five years of age and women at childbirth.

425. With respect to health sector financing and sustainable management, the government plans to promote a partnership with the private sector, civil society, NGOs, and community-based organizations. In addition, the government will make every effort to resolve the issue of human resources to ensure that quality health care services are provided at the national and decentralized levels on a permanent basis.

426. As such, the objectives set by the government are to: (i) reduce the infant mortality rate from 114 deaths per 1,000 live births to 90 in 2010 and 65 in 2015; (ii) reduce the maternal mortality rate from 800 deaths per 100,000 live births to 560 in 2010 and 392 in 2015; (iii) raise the proportion of births assisted by health personnel from 17 percent in 2002 to 35 percent in 2010 and 60 percent in 2015; (iv) increase immunization coverage to 85 percent in 2010 and 90 percent in 2015; (v) reduce the percentage of children with low body weight from 30 percent to under 10 percent in 2010; (vi) reduce the percentage of children with growth retardation from 52.5 percent to 35 percent and low body weight from 39.2 percent to under 26 percent in 2010.

6.2.3.3. Access to potable water, hygiene, sanitation, and decent housing

427. The crisis weighing on Burundi for more than a decade took a devastating toll on the infrastructure for supplying potable water, hygiene and sanitation systems, and housing. Furthermore, it has been noted that all this destruction has led to a rise in waterborne diseases and the spread of malaria.

428. The government's strategy is to develop a water sector policy aimed at providing rural and urban populations with the minimum quantity of water necessary for their survival.

429. In the area of **hygiene and sanitation**, efforts will be undertaken in urban and rural centers to promote a sanitation program with the participation of organized communities and the private sector.

430. The principal objectives in this sector are to: (i) develop water sources and rehabilitate potable water supply systems; (ii) strengthen water production facilities; (iii) strengthen existing sanitation programs and expand them nationwide; (iv) promote community management of water supply; and (v) train and inform populations about hygiene and sanitation techniques appropriate to their environment.

431. With respect to **housing**, the destruction in the wake of the conflict has only worsened an already difficult situation. In rural areas, where more than 90 percent of the population lives, there is virtually no housing that meets standards of decency.

432. Even though Burundi is an overpopulated country, its urbanization rate of 9 percent makes it one of the least urbanized countries of the world. All signs indicate that it will continue to be an essentially rural country for a long time. For this reason, it is important to bring coherence to community land development issues within the framework of village-based clustering.

433. Such a policy will have the greatest chance of success because displaced and repatriated populations are already accustomed to village life in host sites. Making villages viable, specifically by developing water supply systems, electric hookups, and road access, will make them more attractive, especially for youth to develop nonagricultural activities.

434. To address the problem of the country's strongly rural makeup and to improve housing, the government will take steps to: (i) develop a long-term policy on housing and urbanization; (ii) make the urbanization policy an integral part of land use planning; (iii) promote more densely populated urban areas and secondary centers; (iv) institute mechanisms to raise funds and financing for housing; (v) promote collective housing; (vi) promote private initiative, especially regarding the use of local materials; (vii) strengthen decentralization; and (viii) promote the clustering of populations in villages.

6.2.3.2. Support to vulnerable groups

6.2.3.2.1. Strengthen social welfare

435. The government's strategy will be to strengthen existing structures in order to provide better services to users and establish new structures for improved coverage of populations harmed by the conflict.

436. In this context, the government's approach is to involve populations in designing and managing social welfare systems and thereby address specific financial constraints and diverse social needs.

437. The approach allows the government to provide guidance and also to adjust the systems in line with clearly felt and clearly stated priorities stemming from close contact with the social welfare systems set up in this fashion.

438. Within this framework, the government will set in place appropriate financing mechanisms and encourage and support the development of community-based mutual benefit health insurance schemes by launching a program to promote their development. This system will evolve concomitantly with growth in the income of populations and will make the other programs more effective. The development of mutual benefit health insurance schemes is part of the National Health Development Plan (PNDS).

6.2.3.2.2. Reintegrate victims in their communities

439. The starting point for real rehabilitation of victims is their acceptance within their community of origin. It is thus of fundamental importance that communities be prepared to support peaceful cohabitation between persons who have often engaged in combat on the hillsides and who decide to seek permanent reconciliation.

440. The main challenges will be to develop peaceful conflict resolution capacities at the community level, promote social mechanisms of mutual aid, and develop the habit of community management of social infrastructure and micro projects with an eye to securing a sustainable reconciliation.

441. The response to the problems of victims must place an emphasis on their socio-economic reintegration and ensure full respect for human rights. It should also be rooted

in a strategic approach of providing assistance to vulnerable persons, thus enabling them to strive for self-sufficiency and truly participate in the socio-economic development process. Successful implementation of this strategy will necessarily entail the implementation of additional programs designed to: (i) welcome victims in their communities; (ii) support reintegration; (iii) upgrade the productive capacities of victims; (iv) improve the coordination of interventions targeting victims; (v) strengthen the capacity to treat psychological trauma; and (vi) assist the disabled.

442. At the present time, more than 500,000 Burundians are living outside the country, and more than 200,000 others are internally displaced. Ex-combatants should be added to these figures.

443. Improving the security situation is the key to accelerating the number of voluntary returnees, and the corollary of this is a heightened need of financing for resettlement activities.

444. To ensure their voluntary reintegration in their communities with full dignity, the following activities are planned: (i) identify and develop transit host sites; (ii) inform, mobilize, and monitor returnees; (iii) facilitate the return of refugees and displaced persons by providing transportation to their region of origin and assistance in fulfilling the administrative formalities, thus permitting successful social rehabilitation; (iv) distribute a package of food and nonfood items to returnees to ensure survival under decent conditions during a period of at least three months pending the first harvest; (v) support the more vulnerable groups (unaccompanied children, the elderly, the chronically ill, pregnant women, etc.).

a. Support reintegration

445. The reconstruction and rehabilitation of social infrastructure are of critical importance to the reintegration of those displaced by the conflict. This situation offers the opportunity to rethink Burundi's housing policy. While it is agreed that, for cultural reasons and issues of social cohesion, it makes sense to encourage people to return to their native hillsides, it is also true that land pressures and the goal of bringing social services closer to rural populations are sound reasons for resettling victims in villages.

446. This policy of villagization is also conducive to the gradual transformation from a subsistence economy to a market economy, with the objective of diversifying income sources and thereby reducing the structural causes of income poverty. This vision also lends itself to the development of cooperatives that supply labor, products, and services at the sites of the new villages.

447. The government is aware of the stakes and challenges associated with the villagization policy. Accordingly, it intends to engage in serious discussions with the participation of the primary stakeholders in order to work out together the best strategy for true integration of communities and achieve peaceful cohabitation among Burundians.

b. Upgrade the productive capacities of victims

448. The victims of the Burundian conflict face a steady decline in living conditions and extreme poverty due to the pillaging of their means of production. This situation keeps them in a structural and perpetual, structurally imposed state of requiring assistance.

449. Restoration of the capacities of this segment of the population is thus an urgent concern in order to ensure a rapid return to an active agricultural and artisanal life, a prerequisite for improved living conditions.

450. The strategy for the economic reintegration of victims falls within the framework of economic diversification with the objective of absorbing the entire unskilled population of victims.

451. Under this approach, different economic opportunities can be opened up, with a focus on nonagricultural activities. The main challenge will be to provide facilities to victims for improved access to inputs.

c. Strengthen the capacity to treat psychological trauma

452. The psychological consequences of the conflict and other traumas show up as after-effects in the great majority of displaced populations. As a result, the rehabilitation of victims is not only of a material nature -it also requires coverage for victims in terms of psychological and mental health care. The government attaches a particular priority to this component of the program to rehabilitate victims of the conflict. It will be planned in such a way as to ensure national coverage with professional staffing and substantial resources.

d. Assist the disabled

453. The disabled are the most vulnerable group and the most prone to poverty. It is therefore important to identify specific programs for the disabled in the areas of advocacy, education, and health care.

454. Special emphasis will be placed on implementation of appropriate statutes and regulations, preparation of a specific policy, support to associations of the disabled, and the rehabilitation of disabled individuals.

6.2.4. Prevent And Control HIV/AIDS

455. The government is determined to provide a national response to the HIV/AIDS pandemic in order to achieve two major objectives: (i) stem the spread of HIV; (ii) reduce its impact on individuals, families, and communities. The goal is to prevent any expansion of HIV/AIDS and provide social support and appropriate care to those already infected or affected by the pandemic.

6.2.4.1. Prevention of HIV transmission

456. This is the fundamental basis of action in the fight against HIV/AIDS. Today, greater access to anti-retroviral treatment is raising the hopes of thousands of people living with HIV/AIDS in Burundi. It is essential that this improvement be accompanied by an expansion of prevention programs, because if the incidence of HIV is not reduced, then access to treatment will become more and more difficult.

457. The HIV prevention strategy will emphasize local awareness-raising activities, along with other activities focusing on education for girls and gender equality, human rights, interventions aimed at breaking the vicious circle of poverty, malnutrition, and HIV and opportunistic infections, and will seek greater involvement of youth and of people living with HIV in the effort to prevent the disease. These activities will follow the guidelines set forth in the national strategy on communication for behavioral change, developed and validated in 2004.

458. The government will support implementation of the new national policy on condom use, aimed at fine-tuning condom acquisition, storage, and distribution channels in order to make condoms available throughout the country.

459. To step up voluntary screening of high-risk groups, the plan is to outfit at least 300 voluntary HIV testing centers nationwide, with the dual objective of opening one voluntary testing center for every 65,000 persons and establishing a certification system based on the results of the testing center supervision activities.

460. Early diagnosis and treatment of sexually transmitted infections will be strengthened at health care facilities.

461. Efforts to prevent the blood-borne transmission of HIV will be strengthened by providing training to care providers, traditional healers, and traditional midwives and by making available to health care facilities the resources needed for emergency prevention and treatment in the event of rape or exposure to blood.

462. Implementation of the program to prevent mother-to-child transmission (MTCT) of HIV has made significant progress which should be continued and consolidated. Burundi proposes to accelerate the program by creating new treatment sites and incorporating MTCT prevention in prenatal consultation services, while also ensuring adequate geographic coverage.

6.2.4.2. Medical and psychosocial coverage of people living with HIV/AIDS

463. The government's strategy is to pursue psychosocial treatment, by creating centers for listening to concerns and dispensing advice, and to extend coverage to 25,000 people living with HIV. Treatment will be provided for opportunistic infections, and drugs will be made available for treating some 25,000 people living with HIV. Home care activities will also be strengthened with the support of health care mediators.

464. The opportunity provided by the availability of financial resources has resulted in adoption of a more robust policy concerning access to health care for people living with HIV. This area will remain the absolute priority in the coming years.

465. With respect to access to health care for people living with HIV, Burundi, in line with WHO's 3 by 5 Initiative, proposes to offer anti-retroviral treatment to all people living with HIV within the next three years. To that end, emphasis will be placed on continued decentralization and the creation of new treatment sites.

466. Intervention capacities in terms of human resources will be upgraded through training for doctors and nurses, specifically by developing a training program that leads to a qualification for comprehensive coverage as part of their respective courses of study.

467. Building the capacities of the human resources involved in implementing programs to promote access to health care for people living with HIV will also entail pre-service and in-service training for relevant actors. The training modules and the various monitoring and evaluation tools will be standardized and widely distributed. The development of new treatment sites to accelerate decentralization of access to health care is also planned.

468. Mechanisms will be set up for certifying facilities that are able to provide proper intake of patients undergoing anti-retroviral treatment.

469. Special attention will be given to monitoring HIV resistance to anti-retroviral treatment. Improved access to anti-retroviral treatment will be part of an overall plan of attack that also includes psychosocial coverage starting from the moment of voluntary HIV screening, early and proper treatment of opportunistic infections, and anti-retroviral treatment as soon as it is needed.

6.2.4.3. Socio-economic coverage

470. The government's priority in this area is to provide stronger protections for people living with HIV by disseminating the law that protects people living with HIV, monitoring its implementation, and taking steps to make the national watchdog agency for the rights of people living with HIV fully operational.

471. The government is also committed to supporting and assisting orphans and other vulnerable children, with the objective of providing adequate coverage to 900,000 orphans and other vulnerable children. At the present time, according to an identification survey performed by the Permanent Executive Secretariat of the National AIDS Council (SEP/CNLS), orphans and other vulnerable children under the age of 18 account for about 10 percent of the Burundian population. In 2002, there were already 230,000 AIDS orphans, out of a total of 620,000 orphans and other vulnerable children, according to UNAIDS estimates.

6.2.4.4. Institutional capacity building

472. The government will set in place appropriate mechanisms to mobilize resources and upgrade skills in order to ensure that the resources arrive at the point where they are needed to support the activities.

473. In addition, training will be provided to the relevant actors and equipment will be made available to them so that they can be fully operational.

6.2.4.5. Management and coordination of the national response to HIV/AIDS

474. In addition to the consultation and coordination frameworks already established by the National Aids Council through its facilities, a priority will be placed on leadership development at the municipal level as a way to improve national coordination. A review of the 2002-2006 Action Plan and the planning for 2007-2011 will be organized. Studies and research aimed at improving the quality of overall coverage of program beneficiaries will also be carried out in order to refine the basic guidelines for developing the 2007-2011 Action Plan. As part of the evaluation of the 2002-2006 Action Plan, combined monitoring of seropositivity and behavior is planned at the national level.

CHAPTER VII: MACROECONOMIC AND BUDGETARY FRAMEWORK

475. The macroeconomic framework for 2006-2009 has realistic aims and reflects a deliberately optimistic scenario, based first and foremost on the assumption of the effective implementation—in a climate of strengthened peace and increased security—of the PRSP itself, which contains multiple actions in favor of economic growth.

476. The framework takes account of the implementation, beginning in 2004, of a program supported by the resources of the International Monetary Fund (IMF) under the Poverty Reduction and Growth Facility (PRGF), the objectives of which are to favor economic recovery, ensure financial stability, and move forward with structural reforms.

7.1. Macroeconomic framework

7.1.1. Projection of the major aggregates

477. The macroeconomic framework seeks to account in a coherent fashion for the changes that will result from PRSP implementation in respect of the major macroeconomic aggregates such as (i) the real sector, (ii) the state budget, (iii) foreign trade, and (iv) monetary policy.

a. Real sector

478. The GDP projections are based on the level recorded for 2005, to which growth rates of 6.1 percent, 6.6 percent, 7.1 percent, and 6.7 percent are applied for 2006, 2007, 2008, and 2009, respectively, with a uniform deflator of 9 percent.

479. When all the above assumptions are taken into account, the results obtained are as reflected in the following table.

Table 7: Sectoral Contributions to Real GDP (at 1996 prices)

	<u>2004</u>		<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>	
	As % of total	As % of total	Weighted change									
Primary sector	48.7	45.2	-3.1	44.4	1.9	44.1	2.6	43.4	2.5	44.1	3.6	
Secondary sector	14.4	15.4	1.1	15.8	1.4	16.6	1.8	17.3	1.9	16.7	0.4	
Tertiary sector	30.2	32.6	2.7	32.8	2.2	32.3	1.6	32.5	2.5	32.3	2.0	
Indirect taxes	6.7	6.9	0.2	7	0.5	7	0.5	6.8	0.2	7.0	0.7	
Total	100	100		100		100		100		100		
Rate of growth			0.9		6.1		6.6		7.1		6.7	

480. The changes in the various sectors' contributions to real GDP reflect the ongoing gradual transformation of the Burundian economy. The share of the primary sector declines from 48.7 percent in 2004 to 43.4 percent in 2008; the share of the secondary sector increases from 14.4 percent in 2004 to 17.3 percent in 2008; and the share of the tertiary sector rises from 30.2 percent in 2004 to 32.3 percent in 2008.

b. Public finances

481. The table which follows shows the projected evolution of the budget over the 2006-2009 period. The total revenue for 2005 reflects the estimated outturn for 2005. The revenue for 2006 is derived from the approved 2006 budget. Owing to the elimination of taxes and levies called for by the budget, the tax ratio (total revenue as a percentage of GDP) declines from 20 percent in 2005 to 18.2 percent in 2006. Total revenue for 2007, 2008, and 2009 are projected on the basis of tax ratios of 18.2 percent, 17.8 percent, and 17.5 percent, respectively.

Table 8: Government Finance

	2005		2006		2007		2008		2009	
1. Total revenue	172.1	20	181.6	18.2	210.2	18.2	240.4	17.8	274.3	17.5
2. Total expenditure	316.5	36.8	496.1	49.8	575.3	49.7	705.8	52.3	691.0	44.0
- Excluding PU and PRSP	316.5	36.8	399.6	40.1	442	38.2	484.7	35.9	536.3	34.1
- <i>PU and PRSP</i>			96.5	9.7	133.3	11.5	221.1	16.4	154.7	9.8
2.1. Current expenditure	223.7	26	290.2	29.1	346.4	29.9	419.4	31.1	408.5	26.0
2.1.1 Excluding PU and PRSP	223.7	26	250.2	25.1	263.7	22.8	292.9	21.7	324.9	20.7
2.1.2 <i>PU AND PRSP</i>			40	4	82.7	7.1	126.5	9.4	83.6	5.3
2.2 Capital expenditure	92.8	10.8	205.9	20.7	228.9	19.8	286.4	21.2	282.5	18.0
2.2.1 Excluding PU and PRSP	92.8	10.8	148.4	14.9	178.3	15.4	191.8	14.3	211.4	13.5
2.2.2 <i>PU and PRSP</i>			56.5	5.8	50.6	4.4	94.6	7	71.1	4.5
3. OVERALL BALANCE	-144	-17	-315	-32	-365.1	-31.8	-465.4	-34.5	-416.7	-27
4. FINANCING	154.6	18	314.5	31.6	277.5	24	371.5	27.5	319.3	20.3
4.1 Change in arrears (interest)	-10.8	-1.3	-27.9	-2.8	-5	-0.4	-4.5	-0.3	-3.6	-0.2
4.2 Domestic financing	10.8	1.3	26.7	2.7	11	1	6	0.4	5.0	0.3
4.3 External financing excluding PU and PRSP	154.6	18	219.2	22	138.2	11.9	148.9	11.4	163.2	10.4
4.3 <i>External financing PU and PRSP</i>			96.5	9.7	133.3	11.5	221.1	16.4	154.7	9.8
5. "Gap" (+)/Fin. surplus (-)	-10.2	-1.2	0.0	0.0	87.6	7.6	93.9	7.0	97.4	6.2

1st column: in billions of Burundi francs.

2nd column: in percent of GDP.

482. Budgetary expenditure will remain substantial owing to the reinstallation and reinsertion of disaster victims, the rehabilitation and reconstruction of destroyed infrastructure, and the financing of socio-economic infrastructure. Expenditure will amount to about 50 percent of GDP annually owing to the sizable financial requirements for reducing poverty.

483. A proportion of the PRSP expenditure as well as external debt relief will be allocated to capital expenditure in the context of financing the national poverty reduction strategy.

484. Because total revenue expands less rapidly than total expenditure, the overall budget deficit triples from 2005 to 2008 (from FBu 144 billion in 2005 to FBu 465 billion in 2008) and doubles in terms of GDP (from 17 percent of GDP in 2005 to 35 percent of GDP in 2008).

485. The financing of the overall budget deficit in 2006-2009 reflects a declining share of external financing excluding the PU and PRSP (from 22 percent of GDP in 2006 to 10.4 percent of GDP in 2009) and a growing share of PU and PRSP financing (from 9.7 percent of GDP in 2006 to 16.4 percent of GDP in 2008).

486. The primary balance thus amounts to -1.7 percent of GDP and moves to -5.8 percent of GDP in 2009 (excluding the PRSP). This development should not be interpreted as calling into question the government's commitment to avoiding expenditure entailing unsustainable imbalances, but instead incorporates the obligation to maintain temporary increases in some expenditure categories provided that they are conceived within the aim of reducing subsequent recurrent costs and that this temporary increase in the primary deficit can support macroeconomic stability in the long term.

487. Thus, for example, rather than increasing the government's future commitments, the generalized availability of health care, the maintenance of infrastructure, the fight against AIDS, and demobilization costs will have a broadly positive impact on future reductions in state obligations.

488. A breakdown of the 2006 budget to show pro-poor expenditure and expenditure other than that for the poor shows that capital expenditure is basically allocated to poverty reduction.

Table 9: Breakdown of Public Expenditure by Pro-Poor and Non Pro-Poor Outlays

<i>Type of expenditure</i>	2006	2007	2008
Current expenditure			
Non-poor	37%	34%	30%
Pro-poor	22%	26%	29%
Subtotal	59%	60%	59%
Capital expenditure			
Non-poor	1%	1%	1%
Pro-poor	40%	39%	40%
Subtotal	41%	40%	41%
Grand total	100%	100%	100%

c. Foreign trade

489. Comparative analysis of the export and import trends shows that imports increase at a faster pace, reflecting increased demand for capital goods and intense needs for raw materials from abroad and a low degree of autonomy in respect of foreign exchange.

490. Owing to the uncertainties surrounding world market prices for coffee and tea, and despite the sizable programs aimed at export diversification, the national supply of exports remains well below the level of national requirements for imported goods, as a result of which the trade balance will continue to register a persistent and increasing deficit in the 2006-2008 period. The trade deficit will reach FBu 332.4 billion, or 21.2 percent of GDP, in 2009.

491. Export growth of 12.5 percent a year depends principally on increased coffee production. Moreover, the multiplication of the efforts to diversify export crops, the

development of the agro industrial sector, and the export of agro alimentary productions will also support exports.

492. The table which follows illustrates the developments in respect of the main trends in the export sector.

Table 10: Balance of Payments

	<u>2005</u>		<u>2006</u>		<u>2007</u>		<u>2008</u>		<u>2009</u>	
TRADE BALANCE	-195.5	-22.7	-243.0	-24.4	-299.4	-28.2	-370.3	-27.4	-332.4	-21.1
SERVICES BALANCE	-96.3	-11.2	-109.0	-11.0	-116.3	-10.0	-146.3	-10.8	-127.4	-8.1
GOODS AND SERVICES BALANCE	-291.8	-33.9	-352.0	35.4	-415.7	-35.9	-516.6	-38.2	-459.8	-29.3
Net revenue	-22.0	-2.6	-25.7	-2.6	-28.5	-2.5	-30.2	-2.2	-31.9	-2.0
Net current transfers	18.6	2.2	19.2	1.9	21.4	1.9	24.5	1.8	27.8	1.8
CURRENT BALANCE (B)	-295.3	-34.3	-358.5	-36.0	-422.7	-36.5	-522.4	-38.7	-463.9	-29.5
CAPITAL BALANCE	295.3	34.3	358.5	36.0	405.1	35.0	404.0	29.9	411.3	26.2
Net capital transfers (TRCn) TRKn	250.4	29.1	209.8	21.1	205.7	17.8	134.4	9.9	208.7	13.3
Private capital	15.0	1.7	8.0	0.8	20.2	1.7	22.5	1.7	26.0	1.7
Official capital, excl. PU and PRSP	61.7	7.2	40.5	4.0	37.7	3.3	37.1	2.7	34.7	2.2
PU and PRSP financing			96.5	9.7	133.3	11.5	221.1	16.4	154.7	9.8
Net foreign exchange reserves	-31.8	-3.7	3.7	0.4	8.2	0.7	-11.0	-0.8	-12.8	-0.8
<i>"Gap"(-)/ Financing surplus (+)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-17.6</i>	<i>-1.5</i>	<i>-118.4</i>	<i>-8.8</i>	<i>-52.7</i>	<i>-3.4</i>

1st column: in billions of Burundi francs.

2nd column: in percent of GDP.

493. Estimates of the financing items for 2005 are based both on the available data and on IMF staff estimates. The projections of the financing items for 2006 are based on the indications set forth in the 2006 Budget Law, and on indications provided by IMF staff projections. In most cases the projections for 2007 and 2008 are extrapolations from the projections for 2006.

494. The current balance will thus continue to deteriorate during the period under review, moving from -34.3 percent of GDP to -38.7 percent of GDP between 2005 and 2008. Financing requirements will be covered in large measure by external grants, with loans being carefully controlled in order to avoid new borrowing which would be incompatible with the undertakings adopted in the context of the HIPC Initiative.

d. Monetary sector

495. The government will ensure that monetary policy fully plays its role of supporting the economic growth process. Thus, any increase in the money supply must reflect increased economic activity.

496. In particular, an increasing proportion of credit should be oriented toward development of the private sector.

Table 11: Monetary Survey

	2005		2006		2007		2008		2009	
CHANGE IN NET FOREIGN ASSETS (ΔNFA)	31.8	15.7	-3.7	-1.4	-8.2	-2.8	11.0	3.4	12.8	3.9
CHANGE IN NET DOMESTIC ASSETS (ΔNDA)	21.9	10.8	35.5	13.8	44.8	15.5	28.6	8.8	30.9	9.5
Change in net credit to gvmt. (ΔNBCG)	16.5	8.1	21.1	8.2	0.0	0.0	0.0	0.0	0.0	0.0
Change in credit to the economy (ΔBCPS)	-20.4	-10.1	27.1	10.6	44.8	15.5	28.6	8.8	30.9	9.5
Change in other net domestic assets	25.8	12.7	-12.7	-5.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN MONEY SUPPLY (ΔM2)	53.7	26.5	31.8	12.4	36.6	12.7	39.6	12.2	43.7	12.0
Memorandum item: M2 (t-1)	202.7		256.4		288.2		324.8		364.4	

1st column: in billions of Burundi francs.

2nd column: in percent of M2 (t-1).

497. The increase in government expenditure resulting from the increase in new expenditure under the PRSP (and the 2006 PU) results in a proportional increase in financing requirements, to which it is assumed that donors will respond in an altogether satisfactory manner. This is another aspect of the optimism of the macroeconomic framework.

498. In addition, the macroeconomic framework, which shows a considerable increase in imports of goods and services and deterioration in the current balance of payments, implies that the economy of Burundi will make the best of its increased dependence on external financing.

7.1.2. Management of macroeconomic and structural policies

499. The government's strategy is to stabilize and enhance the predictability of the macroeconomic framework in order to permit growth in trade and in investment opportunities and to stimulate the potential for growth.

500. During the 2006-2008 period, the objective will be to achieve an average annual GDP growth rate on the order of 7 percent by 2008; to limit inflation to 4 percent by 2008; to contain the budget deficit, to control the growth of the money supply to within limits compatible with the objective of controlling inflation, while releasing the resources necessary for the revitalization of private sector activity; and to maintain foreign exchange reserves at a level exceeding three months' imports of goods and nonfactor

services. This will contribute to restoring as rapidly as possible the performance levels preceding the crisis, thereby ensuring a solid basis for economic recovery.

501. In this context, in collaboration with the IMF and World Bank, Burundi has implemented major reforms aimed at correcting the budget and external imbalances and thereby eliminating the distortions which hamper economic activity.

502. Carrying out these reforms will make it possible to improve the predictability of the economic fundamentals (acceptable inflation, a realistic exchange rate, a tolerable fiscal deficit, etc.) through the establishment of a sure, reliable framework which favors capital accumulation.

503. Controlling inflation, the adoption of prudent fiscal policies, and the implementation of a monetary policy compatible with growth as well as the liberalization of the external sector will constitute the four main components of the strategy for rehabilitating the macroeconomic framework.

a. Mastering the management of public finances

504. Fiscal policy is aimed at controlling and rationalizing the allocation of public expenditure, accompanied by an effort to increase state revenue, so as to absorb what has become a chronic fiscal deficit.

505. To increase domestic public revenue, specific revenue enhancing measures are oriented toward: (i) extending taxation to cover activities which so far are still outside the tax system, so as to achieve an efficient tax system with revenue-enhancing tax rates; (ii) reducing tax and customs duty exemptions; (iii) improving the efficiency of tax and customs administration; (iv) improving the identification of taxpayers by adopting a single identification system; (v) preparing and introducing a value-added tax (VAT); and (vi) privatizing the management of the revenue collection offices to improve their performance.

506. With regard to public expenditure, because it is not possible to reduce expenditure in the short term owing to the uncompressible nature of most spending, the actions to be taken will be aimed at improving the expenditure profile by allocating public resources to priority expenditures, in particular toward poverty reduction programs.

507. Some measures to stabilize the operating expenditure of the state will be taken, including: (i) elimination of the direct and indirect subsidies to companies with public sector participation (SPPs); (ii) controlling the wage bill by freezing hiring in the civil service, except in the priority social sectors (health, education); (iii) putting ceilings on the consumption of selected goods and services so as to limit abuses and diversion from public usages, in particular in the personalized state administrations, projects, and boards; (iv) formulating clear sectoral policies as regards the actions of the state, leaving a place of choice for the private sector; and (v) regular monitoring of pro-poor expenditure.

508. With a view to achieving greater effectiveness in expenditure, the processes of preparing Medium-Term Expenditure Frameworks (MTEFs) and Public Expenditure Reviews (PERs) will be systematically initiated in the various priority sectors. The expenditure circuit will be computerized and recurrent project costs will be identified at the sector level and incorporated into the program budgets. Similarly, the allocation of resources to investment will be carried out in accordance with the rationality and effectiveness of public action and in keeping with the priorities of this PRSP as identified through participatory consultations.

b. Introduce a prudent monetary policy

509. During the period of socio-economic crisis, the indirect monetary policy instruments used did not make it possible to achieve the results anticipated, owing to a macroeconomic environment characterized by deterioration in the public deficits and the sluggishness of economic activity.

510. The primary objective of monetary policy will be to ensure price stability, the basis for macroeconomic stability and sustainable growth.

511. To achieve this objective, the central bank (BRB) will, with the government, establish quantitative criteria for credit to the administration and the public sector. With regard to credit to the economy, the central bank will rely upon indirect monetary control instruments.

512. In order to further improve the effectiveness of monetary and credit policy, an interbank money market will be created so as to enable banks and financial institutions to periodically exchange their liquidity surpluses among themselves. Finally, to improve the conduct of monetary policy, the BRB will strengthen its technical capacities in the area of monetary programming, with technical support from the IMF and from other central banks.

c. Liberalize the external sector

513. The economic management strategies envisaged for this sector are based on the assumption of a recovery in exports and international economic cooperation. They are aimed at strengthening the external financial position of the economy and reducing its vulnerability to external shocks. The strategies will consist, among other things, in gradually ending the foreign trade restrictions that were reintroduced following the crisis situation, continuing the exchange policy reforms, continuing the reforms aimed at liberalizing the trade and payments system, and promoting exports.

514. As regards exports, the reforms and incentive policies aimed at creating a climate conducive to export promotion and diversification will be continued and intensified. They pertain primarily to tax incentives, the easing of administrative procedures, and the introduction of appropriate support infrastructures.

515. To further strengthen Burundi's integration into the global economy, the government will participate actively in regional integration initiatives as well as the liberalization of the trade and payment system. Necessary reforms will be initiated, in particular in the customs area, in respect of the legal and regulatory framework for business, and as regards the investment regime.

516. The government will continue the policy of flexible management of the exchange rate with the objective of ensuring the continuous equilibrium between the supply of and demand for foreign exchange. The policy of liberalizing the external trade and payments system will be continued to strengthen the range of incentives for the promotion of nontraditional exports.

d. Streamline debt management

517. The government is resolved to continue vigorously a policy of external debt reduction initiated in the context of the Enhanced HIPC Initiative. By 2007 Burundi will be in a position to reach the completion point, subject to the condition, however, of satisfactory implementation of the reform program under way with the IMF and the World Bank and implementation of the PRSP. The resources freed from debt service could be used to increase spending in favor of poverty reduction.

518. Another far more important consequence of reaching the completion point will be the forgiveness of multilateral debt in accordance with the Gleneagles terms approved at the meeting of the G8 in 2005.

519. Sensitivity analysis reveals that Burundi's capacity to cover its external debt service is heavily dependent on exogenous shocks and export performance. In addition, the soundness of the external position is affected significantly by the composition and modalities of external aid. Export weakness strictly limits the level of debt that Burundi could service in the medium and long terms, in particular if the priority for public expenditure is to achieve the Millennium Development Goals.

520. Consequently, the government advocates the adoption of vigorous and sustained domestic reforms, focused on the development of exportable output, a prudent debt management strategy, and recourse to external aid in grant form.

521. Furthermore, the government will ensure that new external loans contracted or guaranteed by the state and the BRB have a grant element consistent with the objectives of lasting sustainability of the debt.

522. The government is aware of the problems with aid and the need to enhance its effectiveness. A National Aid Coordination Committee chaired by the Second Vice President of the Republic has recently been established. Under this PRSP, the government has assigned itself the objective of implementing the recommendations of the Paris Conference on aid harmonization and alignment with national instruments and

policies. Special emphasis will be placed on the gradual and concerted shift toward direct (or sectoral) budgetary aid modalities.

523. In addition to the efforts under way to improve the budget and public expenditure as well as the mechanisms for ensuring transparency, control, and audit, the government will prepare a policy paper setting forth the principles which should lead to greater aid effectiveness.

7.1.3. Challenges to PRSP implementation

(i) Obtaining the financing projected

524. The anticipated aid “lined up” for the 2006-2009 period is estimated at about FBu 669 billion. Implementation of the PRSP—apart from the 2006 Emergency Program (PU)—should result in the additional mobilization of FBu 535 billion over three years. The total amount of financing, both “lined up” and “new,” would thus come to some FBu 1,204 billion, at least on the assumption that donors not replace all or part of their “traditional” aid by simple reallocations.

(ii) Address the deterioration in the current balance of payments

525. Assuming that the anticipated financing is available, the framework shows that the sudden increase of about FBu 129.5 billion a year in the government’s current and capital expenditure would bring about an annual increase of FBu 103.03 billion in imports of goods and services, slightly greater than the average for the three preceding years, namely FBu 84 billion, which would aggravate the current deficit of the balance of payments: it would increase from 34 percent of GDP in 2005 to 37 percent on average over the 2006-2008 period. Finally, a decrease in net foreign exchange reserves would take the place of their accumulation in 2005 (FBu +32 billion), reaching the level of FBu 11 billion at end-2008.

(iii) Significantly increase the capacity to absorb financing

526. A third challenge concerns the capacity of Burundian structures to absorb the new PRSP financing, especially the financing relating to the government’s capital expenditure. The increase in the government’s expenditure on consumption poses few problems other than that of the availability of the financing for it, because the capacity to absorb the related appropriations is generally not subject to limits (as in the case of food aid, medicines, etc.). This said, the current expenditure relating to health care or education, for example, may be limited by the capacity to recruit nurses or teachers.

527. The Ig/GDP ratio, which was 10.8 percent in 2005, rises sharply to 20.7 percent in 2006 and 21.2 percent in 2008, and of necessity calls for a significant improvement in the capacities of national structures to manage such growth efficiently. This urgent need to build the capacity to absorb the financing of capital expenditure can be addressed, for example, by reforming public bidding and government procurement procedures, by

promoting effectiveness in project supervision, by developing capabilities in the administrative structures, etc.

(iv) Need to preserve macroeconomic stability

528. A macroeconomic environment characterized by tensions between supply and demand, by external imbalances, and by unsustainable debt, may constitute a major impediment to poverty reduction and growth. Consequently, alongside the effort to build institutional capacities so as to respond adequately to an increase in aid volumes, the government will take the measures necessary for preserving macroeconomic stability and thereby ensure that there is a sound basis for sustainable development.

7.2. Costs of the priority programs

529. Table 12 was prepared on the basis of data on the projects currently being implemented and for which financing has been lined up, and which are consistent with the implementation of the PRSP, as well as programs now being prepared for the 2006-2009 period.

530. The historical amount of resources comes to US\$669 million, and the additional financing required to cover priority actions under the PRSP amounts to US\$535 million, for a total of US\$1,204 million. Table 12 below shows the annual breakdown by strategic axes of the potentially mobilizable resources and the financing.

Table 12: PRSP Costs and Financing

STRATEGIC AXES	PROGRAM FINANCING					INCREASE PROPOSED BY PRSP					TOTAL				
	2006	2007	2008	2009	TOTAL	2006	2007	2008	2009	TOTAL	2006	2007	2008	2009	TOTAL
1. IMPROVED GOVERNANCE AND SECURITY	39.2	35.1	23.3	44.7	142.3	2.7	11.8	14.3	10.7	39.5	42.0	46.9	37.7	55.4	181.9
1.1 Strengthening the rule of law and the fight against impunity						0.2	0.8	1.0	0.6	2.5	0.2	0.8	1.0	0.6	2.5
1.2. Promotion of good governance	14.2	11.5	16.1	38.4	80.3	1.9	7.8	7.8	5.0	22.6	16.2	19.3	23.9	43.4	102.8
1.2.1. Democratic governance						0.0	0.2	0.2	0.2	0.6	0.0	0.2	0.2	0.2	0.6
1.2.2. Administrative governance	3.8	5.0	9.5	9.5	27.8	1.7	6.7	5.4	2.4	16.3	5.5	11.8	14.9	11.9	44.0
1.2.3. Economic governance	10.4	6.5	6.7	28.9	52.5	0.2	0.9	2.2	2.5	5.7	10.6	7.4	8.8	31.4	58.2
1.3. Building peace, national reconciliation, and security	25.0	23.6	7.2	6.3	62.1	0.6	3.2	5.6	5.1	14.5	25.6	26.8	12.8	11.4	76.6
2. PROMOTION OF SUSTAINABLE AND EQUITABLE GROWTH	61.4	63.1	52.1	67.3	243.9	9.8	53.5	92.8	61.5	217.5	71.2	116.6	144.9	128.8	461.4
2.1. Development of sectors with growth potential	16.3	18.6	35.0	46.6	116.5	6.0	31.9	50.8	28.9	117.6	22.4	50.4	85.8	75.5	234.1
2.1.1 Recovery of agriculture, livestock, and fisheries	15.2	15.2	30.2	41.8	102.3	4.9	26.0	42.3	25.1	98.4	20.1	41.2	72.5	66.9	200.7
2.1.2. Improvement and protection of the environment		2.2	3.7	3.7	9.6	1.1	5.6	8.1	3.4	18.2	1.1	7.8	11.8	7.1	27.8
2.1.3 Development of trade	1.2	1.2	1.2	1.2	4.7						1.2	1.2	1.2	1.2	4.7

and industry															
1.1.4 Promotion of the mines and quarries sector					0.0	0.0	0.2	0.4	0.4	1.0	0.0	0.2	0.4	0.4	1.0
2.1.5. Promotion of tourism and crafts															
2.2 Increased job and income-generating opportunities in favor of the poor	17.9	15.1	0.0	0.0	33.1	0.7	3.8	7.6	6.2	18.2	18.6	19.0	7.6	6.2	51.3
2.2.1. Improved access to production factors						0.2	1.0	1.4	0.9	3.6	0.2	1.0	1.4	0.9	3.6
2.2.2. Broadened use of micro credit system in rural areas						0.1	0.3	0.4	0.2	1.0	0.1	0.3	0.4	0.2	1.0
STRATEGIC AXES	PROGRAM FINANCING					INCREASE PROPOSED BY PRSP					TOTAL				
	2006	2007	2008	2009	TOTAL	2006	2007	2008	2009	TOTAL	2006	2007	2008	2009	TOTAL
2.2.3. Promotion of highly labor-intensive public works	17.9	15.1			33.1	0.0	0.2	1.2	1.6	3.0	17.9	15.4	1.2	1.6	36.1
2.2.4. Promotion of income-generating activities and professional insertion						0.2	1.2	2.2	1.8	5.4	0.2	1.2	2.2	1.8	5.4
2.2.5 Promotion of culture, sports, and leisure						0.2	1.1	2.4	1.6	5.3	0.2	1.1	2.4	1.6	5.3
2.3. Revitalization of the private sector						1.4	6.3	8.5	5.8	22.0	1.4	6.3	8.5	5.8	22.0
2.4. Development of infrastructures supporting production	27.1	29.4	17.1	20.7	94.3	1.7	11.5	25.9	20.6	59.6	28.8	40.9	43.0	41.2	153.9
2.4.1 Improved transport infrastructures	27.1	29.4	17.1	20.7	94.3	0.8	4.5	8.6	6.8	20.7	27.9	33.9	25.7	27.4	115.0
2.4.2 Improved communications infrastructures						0.4	2.6	5.6	2.9	11.5	0.4	2.6	5.6	2.9	11.5
2.4.3 Increased capacities for supplying energy						0.5	4.3	11.7	11.0	27.5	0.5	4.3	11.7	11.0	27.5
3. DEVELOPMENT OF HUMAN CAPITAL	42.1	34.3	71.5	43.4	191.3	8.8	49.5	92.8	71.6	222.8	50.9	83.7	164.3	115.0	414.0
3.1. Improved access to and quality of basic social services	13.6	14.0	23.7	25.0	76.2	5.0	30.1	61.4	48.4	144.8	18.6	44.1	85.0	73.3	221.1
3.1.1 Promotion of education	8.3	9.6	19.4	20.7	57.9	0.9	11.8	36.6	28.3	77.6	9.3	21.4	55.9	49.0	135.6
3.1.1.1 Primary education	8.3	8.4	10.9	10.9	38.5	0.4	8.7	30.1	23.0	62.2	8.7	17.0	41.0	33.9	100.7
3.1.1.2 Secondary education		1.2	7.6	7.6	16.4	0.3	2.0	4.8	3.9	11.0	0.3	3.2	12.4	11.5	27.4
3.1.1.3 Higher education			0.8	2.2	3.0	0.2	1.1	1.6	1.4	4.4	0.2	1.1	2.5	3.5	7.4
3.1.2 Improved access to health care	5.3	4.4	4.3	4.3	18.3	4.1	18.3	24.8	20.1	67.2	9.3	22.7	29.1	24.4	85.5
(i) Improved performance of the national health system	5.3	4.4	4.3	4.3	18.3	1.9	8.9	12.8	10.4	34.0	7.2	13.4	17.1	14.7	52.4
(ii) Reduction in the prevalence of transmissible and nontransmissible diseases						1.0	4.3	5.4	4.6	15.3	1.0	4.3	5.4	4.6	15.3
(iii) Reduction in maternal and neonatal mortality						0.3	1.4	2.5	1.9	6.0	0.3	1.4	2.5	1.9	6.0
(iv) Reduction in child morbidity and mortality						0.9	3.7	4.2	3.2	11.9	0.9	3.7	4.2	3.2	11.9
3.2. Improved access to potable water, hygiene, sanitation, and decent housing	28.5	20.3	47.9	18.4	115.0	3.8	19.4	31.4	23.3	77.9	32.3	39.6	79.3	41.7	193.0
3.2.1 Improved access to potable water and sanitation	2.7	8.0	26.1	12.5	49.3	1.4	6.8	11.6	10.1	29.8	4.0	14.8	37.6	22.6	79.1
3.2.2 Housing and town planning						0.0	1.8	6.6	5.2	13.7	0.0	1.8	6.6	5.2	13.7
3.2.3 Support for vulnerable groups	25.9	12.2	21.8	5.9	65.8	1.8	8.3	10.4	5.8	26.3	27.7	20.5	32.2	11.7	92.1

3.2.4 Promotion of gender awareness					0.0	0.6	2.5	2.9	2.1	8.2	0.6	2.5	2.9	2.1	8.2
4. FIGHT AGAINST HIV/AIDS	16.3	0.0	0.0	0.0	16.3	4.3	18.6	21.1	10.9	54.9	20.6	18.6	21.1	10.9	71.2
4.1. Prevention of HIV transmission						2.1	8.4	8.8	6.8	26.1	2.1	8.4	8.8	6.8	26.1
4.2. Assumption of care for patients infected by HIV	16.3				16.3	1.8	8.4	9.7	3.1	23.1	18.1	8.4	9.7	3.1	39.4
4.3. Reduction of impact on persons affected by HIV						0.3	1.6	2.0	0.8	4.7	0.3	1.6	2.0	0.8	4.7
4.4. Institutional capacity building						0.0	0.2	0.6	0.3	1.1	0.0	0.2	0.6	0.3	1.1
Budgetary support	60.1	6.0	1.9	7.8	75.8	0.0	0.0	0.0	0.0	0.0	60.1	6.0	1.9	7.8	75.8
Total	219.1	138.5	148.9	163.2	669.6	25.6	133.3	221.1	154.7	534.7	244.7	271.8	369.9	317.9	1204.3

531. It is projected that the additional expenditure incurred under the PRSP will be spread over time and develop as follows: US\$25.6 million in 2006, US\$133.3 million in 2007, US\$221.1 million in 2008, and US\$154.7 million in 2009. The continual year-on-year increase in the budget ceiling is explained by the following factors: (i) the need to conduct feasibility studies or to update investment files; (ii) preparation of bidding materials, the review of the bids received, and negotiations with the firms selected; (iii) continuing the ongoing reforms of the administration, preparation of sectoral strategies, and preparation of programming and monitoring tools; (iv) consolidation of the budget and of public expenditure, and finalization of the audit, monitoring, and evaluation mechanisms; (v) organization of a donor round table for purposes of mobilizing additional financing for the PRSP; and (vi) preparation of a partnership framework with the development partners, setting forth a set of reciprocal obligations and responsibilities which will make it possible, starting in the second year of the program, to transition from the project approach to budgetary support in the form of either direct or sectoral budgetary support.

532. The increase in the magnitude of the new expenditures projected for 2008 is explained principally by a dynamic project pipeline, more rigorous sectoral programming, and, especially, an improved public expenditure framework leading to direct or sectoral budgetary support. The latter modality should make it possible to increase the capacity to absorb aid, as international experience in other countries in the sub region has shown.

533. The table below provides information on resource allocation, in percentage terms, to the various axes and sub axes.

the state, and human and material resources matched to the challenge to be met in the short, medium, and long terms.

536. Moreover, implementation of the strategy must be carried out in compliance and conformity with the strategic axes identified consensually and supported by the priority actions formulated in the course of the community-level, sectoral, and thematic consultations.

537. Like the PRSP preparation process, PRSP implementation is intended to be participatory and inclusive. This means the establishment of an environment conducive to participation by all the front-line stakeholders in development, including community organizations, the private sector, national and international NGOs, and civil society organizations. It will be incumbent on the government to facilitate and encourage participation in decision-making concerning the policies, reforms, programs, and development projects which concern them, and in their implementation, monitoring, and evaluation.

8.1. Guiding principles

538. PRSP implementation adheres to principles derived from the preparation process and from the objective of efficiency and effectiveness, which must guide the execution of programs and projects aimed at reducing poverty and revitalizing economic growth. The principles defined below will be at the center of the PRSP implementation, monitoring, and evaluation process.

- **Proximity.** The decentralization of decision-making will constitute the cornerstone of the active participation of community organizations in the PRSP implementation process. To this end, the government will encourage the emergence of community development organizations and civil society organizations at the commune and province level, so that they may stand as the required channels for the selection, planning, preparation, and implementation of poverty reduction projects.
- **Transparency.** As in the case of decentralization and the participation of beneficiaries in decision-making, mechanisms will be established at all levels to guarantee the monitoring, trackability, visibility, accessibility, and control of the state's public investments. To this end, the government will produce periodic reports on the financing status of the poverty reduction programs and will inform the public, the media, and the beneficiaries. Transparency will also entail community participation in the process of monitoring and evaluating public expenditure.
- **Participatory Implementation.** Combating poverty is not a task for the state alone. Community development organizations, the private and informal sectors, civil society organizations, and national and international NGOs have all proven that they have considerable know-how that only needed to be tapped in a broader framework of national reconstruction and poverty reduction. The government will create the partnership

framework and the conditions necessary for the optimal participation of nongovernmental organizations in the economic and social development of Burundi.

- **Speed.** The participation of community organizations and NGOs in the implementation of the PRSP requires a completely different approach to development planning and the allocation of financial resources. The efficiency and effectiveness of programs, as well as their impact on poverty reduction, depend on this. The government will introduce mechanisms to guarantee rapid, transparent disbursements and procurement. The state's management structures will be restructured in order to address these constraints.

8.2. Implementing mechanisms

539. As mentioned previously in this paper, this poverty reduction strategy is deliberately realistic and takes account of the programs and projects already being carried out, currently being prepared, and currently in the planning stage. Noteworthy in this regard are the reforms already initiated with support from development partners in the areas of sectoral and theme-based programs, and political, administrative, and economic governance. Efforts are also being made in the context of the demobilization of former combatants and their reintegration into civilian life.

540. Generally speaking, the implementation of the PRSP is up to each sectoral ministry concerned in its area of specialization, in partnership with other development stakeholders such as the NGOs, the private sector, civil society, religious groups, etc. These partners are also involved in the implementation of actions in their area of activity at the national, provincial, and communal levels.

541. Implementation of the PRSP requires building the institutional capacities of the state and the nonstate partners such as the NGOs, the community development organizations, etc. This capacity building of the public and private structures involved in PRSP implementation will be carried out as part of the poverty reduction programs and projects at all levels.

8.3. Institutional framework for PRSP implementation

542. The participatory approach to preparing the PRSP made it possible to identify structures that could play a lead role in its implementation, monitoring, and evaluation. The involvement of these structures, which have gained know-how in the implementation of community projects and during the preparation of the interim and full strategies, ensures continuity of action and the safeguarding of institutional memory, a major asset for quality execution of the priority actions but also for assessment of the government's needs in terms of program execution capacity. These PRSP implementation structures, which will be active both at the national and the decentralized levels, will benefit from coordinated support from the development partners. The various echelons for PRSP implementation are:

- At the national level
- At the decentralized level
- Partnership

At the national level

543. **The Office of the Second Vice President of the Republic**, in charge of economic and social issues, is responsible for PRSP implementation. It monitors execution with support from the Interministerial Committee for Monitoring Economic and Social Reforms (CI/REFES) and the Permanent Secretariat for Economic and Social Reforms (SP/REFES) which provides its secretariat services. The Office of the Second Vice President reports to the Council of Ministers on progress with PRSP implementation.

544. In the context of PRSP implementation, the Office of the Second Vice President is supported in its work by:

The Ministry of Finance as regards resource mobilization, in particular that of HIPC resources and their allocation to poverty reduction programs and projects, and the structural and institutional reforms to be carried out with the development partners, in particular the Bretton Woods institutions; and

The Ministry of Planning as regards the implementation of programs and projects to bring about a resumption of growth and reduce poverty, in coordination with the sectoral ministries.

8.3.1 The Interministerial Committee for Monitoring Economic and Social Reforms (CI/REFES)

545. The main role of the Interministerial Committee for Monitoring Economic and Social Reforms is to formulate and propose approaches to PRSP implementation, including: (i) assessing the policies and reforms aimed at revitalizing poverty reduction and growth; (ii) monitoring and assessing the PRSP implementation at all levels, in keeping with the conclusions and recommendations emerging from the community-level, thematic, and sectoral consultations; (iii) monitoring and evaluating the PRSP in the technical ministries, the private sector, civil society, and the communities; and (iv) monitoring the allocation of HIPC resources in collaboration with the Ministry of Finance.

546. The Committee endeavors to find appropriate solutions for PRSP implementation, managing the necessary trade-offs, and defining measures to ease any constraints identified.

547. The Committee meets once each quarter or more often as required, in particular during the first twelve (12) months of PRSP implementation with a view to ensuring reaching the completion point on schedule.

548. The Committee works in synergy with the Minister of Finance, its co-chair, and the Minister of Planning, a de facto member. The Committee is supported in its work by the SP/REFES, which provides its secretariat services. The Committee reports to the Council of Ministers.

8.3.2 The Permanent Secretariat for Monitoring Economic and Social Reforms (SP/REFES)

550. The Permanent Secretariat for Monitoring Economic and Social Reforms is the national structure for PRSP implementation. It coordinates, supports, and monitors PRSP implementation. The SP/REFES is under the authority of the Office of the Second Vice President of the Republic. The Permanent Secretariat fulfills an intermediation, information, communication, and education role in respect of all stakeholders in socio-economic development in Burundi.

551. In this connection, the SP/REFES works synergistically with the technical ministries, the NGOs, civil society structures, the private sector, community development organizations, the Provincial Development and Poverty Reduction Committees (CPDLPs) and the Communal Development and Poverty Reduction Committees (CCDLPs) in the context of the decentralization policy.

552. The SP/REFES sees to the harmonization of the development programs and projects initiated by the development partners, respecting the spirit and letter of the unified planning framework for economic and social development represented by the PRSP. This harmonization should result in a concerted development approach in order to avoid duplication of efforts and the unfocused use of financial and human resources. It also makes it possible to establish efficient and consensual mechanisms for monitoring and evaluating the PRSP.

8.3.3 The Technical Oversight Committee (CTS)

553. The SP/REFES is assisted in its efforts by a Technical Oversight Committee on PRSP implementation. It is made of up ten (10) members representing civil society organizations, the NGOs, the sectoral technical ministries, the private sector, and the development partners.

554. The primary role of the CTS is to: (i) ensure that PRSP implementation proceeds in accordance with the guidance imparted by the CI/REFES and that the recommendations made during the participatory consultations are followed; (ii) define the analytical work to be carried out by the SP/REFES in the context of monitoring and evaluating the PRSP and improving knowledge about poverty; (iii) ensure that coordination with the development partners is achieved during the planning and harmonization of poverty reduction programs and projects and with the sectoral ministries; and (iv) ensure that the PRSP monitoring and evaluation process is participatory and involves the other development stakeholders.

555. The CTS prepares discussions on PRSP monitoring around topics consistent with the four axes of the strategy:

- Topic 1. Security and Good Governance (axis 1)
- Topic 2. Growth and Macroeconomic Management (axis 2)
- Topic 3. The Social Sector: Education, Health, Vulnerable Groups (axis 3)
- Topic 4. HIV/AIDS (axis 4)

556. The CTS, in its role of monitoring the PRSP process, provides continuity in the areas of advancing the diagnosis of poverty, the process of evaluating poverty and its impact on the people, internalizing and perpetuating the participatory approach, decentralization, and grassroots dynamics.

557. The CTS prepares quarterly progress reports on PRSP implementation for the CI/REFES. These reports are disseminated by the SP/REFES to the various development partners of Burundi.

8.3.4. Sectoral and Thematic Committees (CSTs)

558. The Sectoral and Thematic Committees are the linchpin of implementing sectoral policies, programs, and projects in partnership with the stakeholders in the relevant sector. The committees are coordinated by the Research and Planning Directorates (DEPs) of the technical and thematic ministries involved in the PRSP. With the development partners, NGOs, civil society organizations, the private sector, and the decentralized development and poverty reduction structures (CPDLPs and CCDLPs), the CSTs develop programs and projects to promote poverty reduction and growth, with attention to the participatory method and the spirit of ownership of actions which have prevailed throughout the PRSP preparation process.

559. The CSTs are responsible for grassroots support in partnership with the national and international NGOs in the context of preparing community-level micro projects as well as their financing, execution, and monitoring and evaluation with the participation of the primary beneficiaries.

560. The CSTs organize periodic monitoring and evaluation meetings with the SP/REFES and the CSTs in order to take stock of progress and to resolve any constraints which may have been identified. The CSTs produce sectoral reports.

8.3.5. Permanent Secretariat of the National Committee on Aid Coordination (SP/CNCA)

561. The Permanent Secretariat of the National Committee on Aid Coordination (SP/CNCA) is a national structure for the coordination and monitoring of economic and social development assistance in Burundi. In this capacity, the SP/CNCA is responsible

for the mobilization and availability of the resources allocated to PRSP implementation and their optimal allocation in the context of poverty reduction policies.

562. The function of the SP/CNCA is to create the conditions and practical modalities for the participation of development partners in the financing, execution, monitoring, and evaluation of the PRSP, in partnership with the Ministry of Finance and the Ministry of Development Planning and National Reconstruction. The SP/CNCA works in synergy with the SP/REFES, which is responsible for the national coordination of PRSP implementation.

563. Like the SP/REFES, the SP/CNCA reports to the Office of the Second Vice President of the Republic.

At the decentralized level

8.3.6. Provincial Development and Poverty Reduction Committees (CPDLPs)

564. The Provincial Development and Poverty Reduction Committees are the links with the SP/REFES for development planning at the provincial level, and gather together the stakeholders concerned. The CPDLPs prepare the development plans for their provinces on the basis of the development plans for the communes in their jurisdiction. The CPDLPs ensure that the plans are financed and that the communes comply with the conditions applicable to their management. They monitor the implementation of the communal plans and assist the communes with building their operational capacities. The CPDLPs are supported in their tasks by all the sectoral structures of the province concerned.

565. In addition, the CPDLPs monitor and evaluate the projects financed with the CCDLPs, and validate them before sending them forward to the sectoral and thematic ministries, the SP/REFES, and the NGOs.

8.3.7. Communal Development and Poverty Reduction Committees (CCDLPS)

566. The Communal Development and Poverty Reduction Committees are, as they were for preparation of the PRSP, the genuine starting point for implementation of the strategy. These committees initiate the programs and projects on which poverty reduction will be based, and participate from the design stage through implementation. The CCDLPS are the primary stakeholders and beneficiaries of the strategy in which the policies and programs for revitalizing growth and combating poverty should be inspired in order to have legitimacy and have a true chance of producing the anticipated results. They are supported by the sectoral technical structures of the provinces, communes, and the SP/REFES in preparing communal development plans and enhancing their operational capacities.

567. The CCDLPS will have all necessary autonomy thanks to the decentralization policy, which recognizes them legally and institutionally as essential development structures in Burundi. The CCDLPS will thus be supported in development programs by

the nongovernmental organizations, the sectoral ministries, civil society, the CPDLPs, and the private sector for purposes of strengthening their capacities for planning, financing, intermediation, negotiation, and sustaining activities aimed at achieving sustainable development in Burundi.

Partnership in PRSP implementation

568. Implementation of the PRSP provides an opportunity to introduce partnership frameworks and coordination mechanisms for development partners, namely the national and international NGOs, the bilateral and multilateral development partners, and the government of Burundi. The aim is to create a framework conducive to concertation and exchanges among partners, but also with the government, in the implementation and monitoring of the PRSP.

8.3.8. Partnership with the development partners

569. Implementation of the PRSP as the sole framework for short-, medium- and long-term planning in Burundi affords an opportunity to guarantee conditions conducive to the establishment of a dynamic partnership with the development partners. To this end, new instruments and modalities will be introduced to guarantee better coordination and harmonization of the implementation of the PRSP and official development assistance. The new partnership thus espoused will need to be accompanied by concrete measures aimed at improving disbursement procedures while the government simultaneously makes every effort to increase the absorptive capacities of the administration.

570. To this end, donors will support the introduction of a partnership framework which will work in collaboration with structures such as the Permanent Secretariat for Monitoring Economic and Social Reforms (SP/REFES), in charge of the implementation and monitoring/evaluation of the PRSP, and the National Committee for Aid Coordination (CNCA) for the coordination of official development assistance.

571. Efforts will be made to strengthen both these structures so that they can both fully play their respective roles.

8.3.8. Partnership with NGOs

572. The national and international NGOs played a very important role in supporting the victims of conflict, displaced persons, and refugees in the decade of crisis experienced by Burundi. They are also behind many grassroots projects which have enabled the beneficiaries to combat poverty.

573. The know-how of the NGOs contributed to the organization and implementation of the participatory consultations which made it possible to more closely involve the rural and urban populations in the PRSP preparation process.

574. NGO participation in PRSP implementation will be an essential condition for it to succeed. The NGOs will be special partners in: (i) the organization of rural and urban

communities so that they may participate more deliberately in the PRSP implementation process; (ii) capacity building in the structures concerned; and (iii) support for the preparation of community-level subprojects as well as their financing, management, and monitoring/evaluation.

575. Moreover, the know-how of the NGOs will be extremely important in assisting the CPDLPs and CCDLPs in their role as a pole of development and poverty reduction at the province and commune levels.

576. In the context of PRSP monitoring and evaluation, the NGOs will be: (i) essential local links in the gathering of qualitative and quantitative information on the impact that policies and programs have on the people; and (ii) knowledgeable advisors as to the changes to be made in the course of periodic revisions of the PRSP.

577. The framework for partnership between the government and the NGOs will make it possible to involve the latter in Burundi's development process in policy assessment, decision-making, planning, execution, and monitoring/evaluation of poverty reduction programs.

8.4. PRSP monitoring and evaluation mechanisms

578. The monitoring and evaluation of the PRSP is an important stage in its implementation. It must provide information on the various policies, reforms, and programs initiated by the government to revitalize the economic sector and reduce poverty, and on their impact on the living conditions of the people.

8.4.1. Monitoring and evaluation indicators

579. The government will introduce a participatory monitoring and evaluation mechanism that functions both horizontally (participation of all partners in PRSP implementation) and vertically (participation at all levels, from the communes to the sectoral ministries). The aim of the process is to closely involve all stakeholders in poverty reduction in the monitoring and evaluation process. In this connection, an information and communication system will be introduced that has three aspects: (i) monitoring of implementation; (ii) monitoring of impact; and (iii) monitoring of participatory evaluation.

580. The SP/REFES, the national coordination structure for PRSP implementation, is responsible for the implementation of monitoring and evaluation in collaboration with the other stakeholders in the process: the Ministry of Finance, the Ministry of Planning, the Institute of Statistics and Economic Research of Burundi (ISTEEBU), the central bank, the development partners, the NGOs, the grassroots development structures, and the sectoral ministries. Following approval of the PRSP by the Executive Boards of the IMF and the World Bank, it will determine the implementation timetable for the various activities.

(i) Monitoring of implementation

581. Implementation monitoring relates to the physical and financial execution of all the projects and programs identified in the strategy, for which two indicators will be identified for measurement purposes: (i) financial and physical resource indicators, measuring the resources provided by the government and the development partners; and (ii) indicators of operational outcomes, evaluating the results in terms of outputs (for example, the number of health centers built).

(ii) Impact monitoring

582. Impact monitoring involves analysis of the changes in poverty and in the living conditions of the people. Two types of indicators will be calculated in order to measure the impact of projects and programs: (i) outcome indicators, evaluating the final results as compared to objectives and the policies established (enrollment ratios, MDGs); and (ii) impact indicators, measuring the consequences of changes in outcomes on the quality of the people's well-being.

583. Monitoring and evaluation will be conducted by means of a statistical program that makes it possible to track relevant indicators to periodically analyze changes in poverty. In this spirit, the indicators of the Millennium Development Goals (MDGs) will be used as the basis for the statistical program.

8.4.2. Participatory monitoring and evaluation

584. Participatory monitoring and evaluation will be carried out with grassroots communities, civil society, and development associations, using the participatory approach in order to gather qualitative views on the poverty reduction policies, programs, and projects.

585. The process concerns the targeted beneficiary groups, community organizations, civil society, the sectoral ministries, and the informal private sector. Participatory monitoring and evaluation techniques with appropriate performance indicators will be developed and incorporated into the planning and implementation process for community-level micro projects.

586. Partnership with the NGOs will make it possible to conduct participatory monitoring and evaluation throughout the entire country.

8.4.3. Quantitative monitoring and evaluation

587. Quantitative monitoring and evaluation of the PRSP is the responsibility of the technical ministries such as the Ministry of Finance and the Ministry of Planning, and of the ISTEERU, the central bank, and the sectoral ministries involved in PRSP implementation. This monitoring and evaluation requires the introduction of an action plan for the statistics sector which stipulates the responsibilities of the various players in coordination with the development partners.

588. The aim of the monitoring and evaluation of the PRSP will be to measure the level and quality of the financial, human, and physical resources used to execute the priority actions carried out to achieve the objectives of the government's development vision and of the Millennium Development Goals (MDGs).

589. The PRSP presents a medium- and long-term vision for the country. However, the government will have to prepare an annual stock-taking of the execution of priority programs and update the PRSP every three years.

8.4.4. Strengthening the statistical system

590. The regular production of all the indicators called for under Burundi's PRSP requires the strengthening of the human, financial, and technical resources of the statistical system, and of the ISTEEDU in particular. The need and obligation to produce indicators for purposes of the full PRSP should provide an opportunity to improve the country's statistical capacity. The costs of the statistical operations necessary for the production of outcome and impact indicators should be systematically evaluated and incorporated into the budget for the priority programs to be carried out.

591. To strengthen its statistical system and improve the quality of the data produced, Burundi has decided to adhere to the GDDS, in which 84 countries are already participating. In the context of its participation in the GDDS, Burundi will disseminate on the IMF's data dissemination standards bulletin board information on its current statistical practices (metadata) and on proposals to develop its national statistical system.

592. The availability of reliable statistics will make it possible to implement performance-based management as proposed in the *Paris Declaration on Aid Effectiveness*⁴ of March 2, 2005, which recommends the establishment of a transparent framework for evaluating performance.

593. Accordingly, to establish a sound basis for the monitoring and evaluation of the PRSP, the government will continue to implement the statistical development plan in accordance with the recommendations made in 2002 in an appraisal report.⁵ In this connection, in collaboration with its development partners it has already initiated major efforts aimed at gathering and updating selected data on household living conditions, informal employment, and consumption. This includes in particular the CWIQ 2006 survey, use of the 1-2-3 survey on the urban environment, and the MICS survey.

594. These actions should be supplemented in order to meet the pressing needs associated with monitoring poverty, evaluating the PRSP, and engaging in

⁴ Recommendation 11 of the Declaration: <http://www.oecd.org/dataoecd/53/38/34579826.pdf>

⁵ Ministry of Planning, Development, and Reconstruction, "Evaluation Report on Burundi's Statistical System and Proposal for a Mechanism for Preparing a Statistical Development Program," report prepared by Martin Balépa with financing from the World Bank.

macroeconomic management (price index and national accounts). To this end, the priority actions listed below must be carried out.

- (1) Adoption of the statistical law, which will define, in particular, the role of ISTEERU and those of the statistical units of the ministries (2006);
- (2) Reform of the personnel regulations of ISTEERU, as part of a general policy on the training and management of human resources. In this connection, a training section for statisticians has been established at the University of Burundi to train some 50 statistical engineers in a single class and 60 statistical assistants in two classes. Training efforts will be continued with the organization of preparations for the entry examinations for African statistical schools;
- (3) Finalization of an action plan, with a realistic implementation timetable, to permit the publication on the IMF's data dissemination standards bulletin board of Burundi's statistical practices. To facilitate the identification of the strengths and weaknesses of the statistical system, the GDDS metadata and the action plan will follow the classification used in the Data Quality Assessment Framework (DQAF).⁶ Once it has been finalized, the action plan will be disseminated on the Internet sites of the government agencies concerned (2006);
- (4) For the macroeconomic sectors, major measures to strengthen the statistical system have already been identified;

The table which follows summarizes some of the measures regarded as the most important:

Table 14: Main Objectives of Developing the Statistical System

DQAF	
Real sector	
5.1.1.	National accounts Resume the regular production of the national accounts in accordance with the methodology of the <i>System of National Accounts 1993 (SNA93)</i> and publish the series for the 1990-2005 period.
3.1.1.	Organize the agricultural surveys which are absolutely critical to preparation of the national accounts; update the bases for the regular collection of agricultural data. Input and process the data gathered through the count of farms.

⁶ Information on the DQAF: http://dsbb.imf.org/Applications/web/dqrs/dqrs_dqaf_fra/

2.2.1.	<p>Consumer price index (CPI)</p> <p>Broaden the geographical coverage of the CPI by:</p> <p>(1) revising the list of consumer price observation points in Bujumbura;</p> <p>(2) broadening the scope of the new index to the provinces where data are already regularly gathered;</p> <p>(3) once the household consumption expenditure survey has been completed, extending the coverage of the CPI to the entire country; and</p> <p>(4) updating the weighting coefficients of the CPI.</p>
2.2.1.	<p>Industrial production index (IPI)</p> <p>Extend the coverage of the IPI so as to include a wider range of products and enterprises in the sample.</p>
3.1.1.	<p>Employment</p> <p>Conduct a survey of jobs in the informal sector.</p>
Government finance sector	
0.1.1.	<p>Central government operations</p> <p>Prepare a single TOFE in accordance with the recommendations of the government <i>Finance Statistics Manual 2001 (GFSM2001)</i>.</p>
2.2.1.	<p>Extend the coverage of the annual TOFE to the operations delineated under Personalized State Administrations (APEs) and Administrative Public Establishments (EPAs). Incorporate the accounts of the National Social Security Institute (INSS) and the Civil Service Mutual Associations (MFP) in the monthly report on account rendering for integration into the TOFE.</p>
Monetary and financial statistics	
2.1.1.	<p>Central bank statement</p> <p>Produce monetary statistics in conformity with the methodology of the <i>Monetary and Financial Statistics Manual 2000 (MFSM2000)</i>.</p>
2.2.1.	<p>Statements of financial companies</p> <p>Establish a financial statement covering the operations of all financial companies (as understood by the <i>SNA1993</i> and the <i>MFSM</i>).</p>
External sector	
3.1.1.	<p>Balance of payments</p>
3.1.1.	<p>Modify the statements of foreign exchange operations and introduce a system for electronic reporting.</p> <p>Prepare new forms: (1) foreign exchange reports; (2) declarations of international transactions; (3) reports for air, sea, and road transport companies and enterprises; (4) initiate a survey covering all embassies, international organizations, peace-keeping forces, and donors.</p>

0.2.1.	Foreign trade
3.1.1.	Develop foreign trade indexes. Conduct a survey on exports of non monetary gold to determine whether exports are residents or nonresidents.
5.1.1.	Overall external position Publish the overall external position in the Annual Report of the Bank of the Republic of Burundi.
5.1.1.	External debt Release data on the amounts of government guaranteed debt as a memorandum item when publishing data on the government debt.
5.1.1.	Publish the debt service schedules in the monthly bulletin and Annual Report of the BRB.

- (5) Preparation of a national strategy for statistical development, a long-term action plan, and an evaluation of related costs (2006);
- (6) Additional ongoing support for the ministerial statistical units for gathering, processing, and disseminating the administrative data on their areas of activity;
- (7) Strengthening of the unified federal database incorporating the data from all surveys, including the CWIQ 2006 and MICS surveys, for purposes of in-depth analysis of household living conditions;
- (8) 1-2-3 surveys in rural areas in 2007;
- (9) Annual survey on industrial production;
- (10) Updating of the poverty profile using data from the CWIQ, MICS, and 1-2-3 surveys (2007);
- (11) MICS surveys (Multi-sectoral Indicators Cluster Survey) (Every two years);
- (12) CWIQ survey in 2008 ;
- (13) Consumption budget survey in 2010;
- (14) Agricultural survey in 2008;
- (15) The 3rd general population and housing census is being prepared and will be conducted in 2008.

CHAPTER IX: CONSTRAINTS AND RISKS OF STRATEGY IMPLEMENTATION

595. Adoption of the PRSP occurred in a particularly propitious environment, characterized by the consolidation of democracy, the restoration of security, and more sustained commitment on the part of donors to extend greater support to the government's efforts.

596. However, its implementation could experience problems which should be monitored attentively in order to limit their negative repercussions over time. The major constraints are of two orders: (i) endogenous constraints; and (ii) exogenous constraints.

9.1. Endogenous constraints

(i) Political risks

597. The return of peace is the foundation for a number of strategic axes, such as: (i) national reconciliation; and (ii) a reunified army, with security throughout the territory. Failure of the FNL to agree rapidly could jeopardize the security gains.

(ii) Economic risks

598. The implementation of the macroeconomic reforms, introduction of a prudent monetary policy, the establishment of a structural reform program, and the establishment of a climate conducive to development of the private sector are all pillars of the PRSP.

599. Failure to observe the measures and provisions of the already fragile macroeconomic framework would make PRSP implementation difficult. The limited capacity to absorb resources would also constitute a significant impediment.

(iii) Constraints associated with the participatory process

600. Inadequate mastery of the cohesive participatory process would be an obstacle to acceptance of the PRSP strategies by communities and the development partners. Poor coordination and weakness of the structures for steering the PRSP could jeopardize the implementation of its strategic axes and negatively impact their effectiveness, especially in the context of the decentralization policies.

9.2. Exogenous constraints

601. Burundi's landlocked situation, deterioration in the terms of trade, or declines in the competitiveness of its export products constitute significant handicaps. Failure to observe the HIPC conditionalities is another risk that could compromise the implementation of the poverty reduction strategies and programs.

602. Moreover, the inadequacy and shrinkage of budgetary resources could impede the execution of the sectoral strategies. Delays in the disbursement of external resources for financing some rapid-impact reforms would constitute a major drawback.

ANNEX 1: ACTIONS MATRIX BY AXIS

Measures to be taken	Implementation responsibility	Outcome indicator	Performance indicator	Completion date
AXIS 1: IMPROVED GOVERNANCE AND SECURITY				
1.1. Strengthening of peace, national reconciliation, and security				
1.1.1 Negotiation of ceasefire				
Integration of former FNL rebels into the FDN and PNB	MDNAC and MISP	Number of FNL combatants integrated into the FDN and PNB	The FNL functions as a political party	End-2006
1.1.2 Demobilization, disarmament, and reintegration				
Implementation of programs to support the socioeconomic reintegration of demobilized ex-combatants	SE/CNDRR	Number of demobilized ex-combatants benefiting from support programs	Number of professional demobilized ex-combatants	End-2007
Dismantling of groups of peace guardians and militant combatants	SE/CNDRR, MDNAC, MISP	Persons affected	Reduction in security incidents associated with such groups	End-2007
Study of the impact of development programs on demobilized ex-combatants	SE/CNDRR	Case studies performed	Programs improved	End-2007
Training/education of demobilized child soldiers	SE/CNDRR	Training sessions	Number of demobilized child soldiers resuming schooling	End-2007
Education in peace and reconciliation targeting disaster victims and ex-combatants	SE/CNDRR	Number of demobilized ex-combatants trained	Reduction in number of demobilized ex-combatants engaging in criminal acts	Ongoing
Alignment of national legal provisions with the optional protocol to the convention on children's rights and the participation of children in armed conflicts	MSNDPHG; MinJustice	Ratification instruments received by the United Nations	Lack of child participation in the conflict	End-2006
Monitoring and prevention of the recruitment of minors by those armed groups still active	SE/CNDRR	Number of children recruited by or associated with armed groups	Reduction in number of children recruited or associated	Ongoing
Continuation of the demobilization program	MDNAC, MISP	Persons affected	Demobilized ex-combatants reincorporated into the social fabric	Ongoing
1.1.3 Professionalization of the defense and security forces				
Development of a national strategy for security sector reform	MDNAC and MISP	Strategy developed and adopted	Reforms applied	2008
Identification of the personnel of the various forces [FDN, PNB, SNR]	MDNAC, MISP, SNR	Number of registration cards and/or identification badges issued	Databases established and verified	Mid-2007
Streamlining of personnel management system [recruitment, training, job definition, reconversion] of the forces	MDNAC, MISP, SNR	Official publication of procedures manuals for recruitment and career management	Procedures manuals applied	Ongoing
Reorganization and outfitting of the national police	MISP	Equipment available and supplied	Improved police performance	2007
Literacy campaign for illiterate members of the defense and security forces	MISP, MDNAC, and SNR	Number of literacy certificates issued	Improved FDN and PNB services	Ongoing
Construction of minimum infrastructure needed for housing members of the defense and security forces and their equipment	MDNAC and MISP	Number of infrastructures built	Improved working conditions	2009
Basic legal training for unqualified military judges	MDNAC	Number of judges having received training in law	Improved justice	End-2007
Civic training for all defense and security force personnel, including gender-related issues	MDNAC, MISP, MSNDPHG	Number of personnel trained	FDN and PNB personnel made aware of their role in a democratic society	End-2007
Creation within the MISP of a unit specializing in combating gender-related violence and juvenile delinquency	MISP and MSNDPHG	Establishment of the unit	Reduction in the incidence of rape	2007

1.1.4 Disarmament of the civilian populations				
Revision and application of the legal texts and associated measures establishing as an offense the manufacture, possession, and illicit storage of small arms, in accordance with the Nairobi protocol	MinJustice	Promulgation of the legal texts in question	Number of weapons turned in	2007
Establishment of a National Commission for the Disarmament of Civilian Populations (CNDPC)	MDNAC, MISP	Commission operational	Number of weapons seized or turned in	2007
Preparation and implementation of an appropriate public awareness strategy in support of disarming the civilian populations	CNDPC	Strategy developed	Number of awareness sessions	Ongoing
Identification of civilians in possession of arms	MDNAC	Establishment of a database on small arms and small caliber weapons	Number of weapons registered	2007
Mine clearing and deactivation of unexploded explosive devices	MDNAC and MISP	Number of devices deactivated	Reduction in number of wounded by 80% from 2005 level	End-2008
1.2 PROMOTION OF THE RULE OF LAW, COMBATING IMPUNITY, AND JUSTICE FOR ALL				
1.2.1 Facilitate access to justice				
Translation of all legislative texts by the National Legislation Service	MinJustice	Number of texts translated, Codes distributed	Change in the percentage of citizens with knowledge of the basic legal texts	2008
Preparation and dissemination of an educational pamphlet introducing the main legal provisions	MinJustice	Number of pamphlets distributed	Number of members of the public reached	2008
Media training and support in disseminating and providing education about laws	MinJustice	Number of media training sessions	Radio broadcasts made or articles published	2008
Introduction of a legal and judicial assistance framework for the disadvantaged, minors, rape victims, and persons at risk of receiving the death penalty or life imprisonment	MinJustice	Legal and judicial assistance framework established and operational	Percentage of potential beneficiaries having been tried with the assistance of a pro bono attorney	Ongoing
1.2.2 Strengthened credibility of the legal system				
Organization of States General on Justice (with involvement of the public)	MinJustice	Summary report published	Adoption of a justice reform plan	2006
Establishment of the National Legislation Unit (SNL) and building its capacities	MinJustice	SNL personnel regulations established, operational, training sessions	Number of legal texts prepared and harmonized	2008
Revision of legal texts	MinJustice	Codes revised	Judicial procedures improved	2007
Adoption of the law on inheritance, marriage settlements, and gifts	MinJustice	Law on successions, marital regimes, and gifts adopted and promulgated	Reduction in the number of succession-related conflicts associated with gender	2007
Distribution of 1,500 copies of the codes to judges, public libraries, and university libraries	MinJustice	Number of codes distributed	Procedures improved	2007
Regular publication of legal texts (BOB)	MinJustice	Regular publication of the official gazette, the <i>Bulletin Officiel du Burundi (BOB)</i> ; number of copies available and distributed	Distribution of the BOB to the ministries, courts, and jurisdictions	Ongoing
Reform of the legal framework for managing the career of judge	MinJustice	Reformed legal framework	Independence criteria strengthened	2007
Creation of a magistrates school in partnership with law faculties	MinJustice	Magistrate's school created and operational	Number of active judges retained and of new magistrates trained (including military judges)	2008
Support for magistrates training center	MinJustice	Number of magistrates trained		
Outfitting and computerization of courts and tribunals	MinJustice	Percentage of courts and tribunals computerized	Reduced delays in handing down decisions	Ongoing
Strengthening of the brigade for minors in Bujumbura and establishment of comparable brigades in the provinces	MISP	Brigades strengthened and created	Reduction in the number of exploited minors	Ongoing
Strengthened capacities of the courts to enforce court decisions	MinJustice	Higher rate of judgments enforced	Reduced delays in enforcing judgments	Ongoing
Strengthened capacities of police and security forces in the judicial area	MISP	Number of police officers trained	Percentage of cases handled	Ongoing
Computerization of the penitentiary system and improvement in tracking cases	MinJustice	Penitentiary administration and number of prisons computerized	Reduced percentage of cases of violations of judicial procedure by police and security officers	2009
Training in human rights (prisoners' rights) for penitentiary officers	MinJustice	Percentage of penitentiary officers trained (in terms of total number of officers to be trained)	Reduction in cases of violation of prisoners' rights by penitentiary officers	Ongoing
Establishment of social programs (literacy and job training) for prisoners	MinJustice	Number of training sessions	Percentage of prisoners to have received training	Ongoing
Establishment of the Truth and Reconciliation Commission	MinJustice	Commission operational	Number of cases examined and decisions handed down	2007
Establishment of the Special Tribunal for judging crimes against humanity	MinJustice	Tribunal operational	Number of decisions handed down	2007

1.2.3 Promote and defend human rights				
Ratification and implementation of the international conventions and/or protocols on human rights that have yet to be ratified	MinJustice	Protocol ratification instruments received by the UN	Number of conventions implemented	Ongoing
Harmonization of national legislation with the international standards on human rights	MinJustice	Number of texts evaluated and prepared	Texts promulgated	Ongoing
Establishment of the National Independent Commission on Human Rights (CNIDH)	MSNDPHG	Commission created and operational	Number of cases settled following CNIDH intervention	2007
Establishment of Ombudsman's Office	MSNDPHG	Legal framework created and Ombudsman appointed	Percentage of Ombudsman's recommendations implemented	2007
Establishment of decentralized tribunals and/or specialized chambers for minors	MinJustice	Relevant laws adopted and promulgated	Number of judgments handed down which genuinely reflect the special status of minors	2008
Promotion and adoption of penalties not involving incarceration	MinJustice	Integration of penalties that are alternatives to detention, training of court personnel in penalties that are alternatives to detention	Number/percentage of penalties handed down that are alternatives to detention	2009
Introduction of social reinsertion programs in favor of minors (schooling, literacy training, and vocational apprenticeships)	MSNDPHG	Number of social programs established and operational	Number of minors schooled, newly literate, or trained	Ongoing
Reform of the legal and regulatory framework for Nonprofit Associations (ASBLs)	MISP	Legal framework reformed, conditions for establishing an ASBL made more flexible	Number of informal associations gaining ASBL status, number of ASBLs created by the poor	2007
Strengthening of locally accessible arbitration and reconciliation structures	MISP	Number of structures strengthened	Arbitration rulings issued	Ongoing
Strengthening of civil society	MISP	Number of ASBLs supported	Strengthened and dynamic civil society	Ongoing
Training in human rights for journalists	Ministry of Communications	Number of journalists trained	Increase in human rights programs disseminated or published	Ongoing
Public awareness and education campaign on human rights: preparation and dissemination of an appropriate teaching tool, field visits	MSNDPHG	Teaching tool created and distributed, number of meetings organized by commune	Number of persons affected by commune	Ongoing
1.3. Reduce the risks of conflict associated with land tenure/sustainable management of land tenure conflicts				
1.3.1 Consideration of the land tenure dimension in conflict management				
Updating the inventory of government lands	MINATTE	Validation of reports	Preparation of plans for the reintegration of disaster victims	2007
Dissemination of the land tenure code in national languages	MINATTE	Workshops organized	Establishment of land reserves by the State	2008
1.3.2 Greater equity in the management of national land holdings				
Public awareness campaign on the access of women to land ownership	MSNDPHG	Radio and television broadcasts, number of workshops held in communes	Improved access to land on the part of women	Ongoing
Resolution of the issue of land ownership in the small farmer areas (Cibitoke, Bubanza, Bujumbura rural)	MINATTE	Promulgation of the new law	Increased investments by farmers in these areas (<i>payasanas</i>)	2007
1.3.3 Strengthening of mechanisms for conflict prevention and resolution				
Support for the establishment and operation of the Commission on Land and other property	MSNDPHG	Funding available	Number of conflicts settled	2007
Development of a legal framework simplifying the process of obtaining official documentation of land ownership	MINATTE	Legal framework adopted	Documentation issued	2007
Public awareness campaign on the need to have solid evidence of ownership rights	MINATTE	Public awareness enhanced	Disaster victims rehabilitated	2007
Introduction in the land tenure law of a mechanism for monitoring real property transactions	MINATTE	Mechanism introduced	Number of irregularities reduced	2007

1.4 PROMOTE GOOD GOVERNANCE					
1.4.1. Political governance					
1.4.1.1. Build the capacity of elected institutions					
Preparation and implementation of a training program for members of Parliament (on Parliamentary work, budget questions, human rights, conflict resolution and reconciliation, the factors behind conflict and poverty, and constituent relations)	Parliament	Number of training sessions	Number of members of Parliament trained	Ongoing	Ongoing
Preparation and implementation of a training program for supervisory personnel in the Parliamentary administration (on legal drafting techniques, on budget questions, and on topics relating to conflict and poverty)	Parliament	Number of training sessions	Number of supervisory personnel trained	Ongoing	Ongoing
Training for members of the communal councils, communal administrators and supervisory personnel in communal administration, and members of the <i>c</i> ollines councils (on development planning techniques, on the preparation, execution, and control of budgets, on conflict prevention and management, and on human rights)	MISP	Number of training sessions, number of provincial offices opened	Existence of budget and planning documents in the commune (prior to training: no; after training: yes)	Ongoing	Ongoing
Strengthening of the logistical tools and resources needed for the work of members of Parliament: Provision of furniture and equipment for Parliamentary offices (one office for each of the 17 districts)	Parliament	Furniture and equipment delivered	Number of actual days of stay in the districts	2009	
Strengthening of the logistical tools and resources needed for the work of the 130 communal administrations, after assessment of the needs and constraints	MISP	Needs assessment report	Number of communes served (receipt documentation)	Ongoing	Ongoing
1.4.1.2 : Promote decentralization and strengthen citizen participation					
Preparation and adoption of a decentralization policy and adaptation of a legal and institutional framework: study on decentralization, preparation of a national decentralization policy, drafting of legal texts on decentralization	MISP	Study validated, policy paper adopted by the Government, promulgation of texts	Implementation of the measures proposed by the policy paper	2008	
Training of the <i>c</i> olline heads (approximately 15,000 persons) in fundamental rights (especially human rights and the individual and family code) and the concept of the rule of law (communal law)	MISP	Number of training modules Number of <i>c</i> olline heads trained	Increase in the number of denunciations of human rights violations Percentage of legal cases and cases of human rights violations settled following the intervention of <i>c</i> olline council members (surveys)	Ongoing	Ongoing
Training of civil society representatives (especially the <i>bashingantaxes</i>) in conflict prevention and resolution (2 persons per <i>c</i> olline, or about 6,000 persons)	MISP	Number of members of civil society organizations trained Number of training sessions	Evaluation of the work of civil society representatives by the people of the <i>c</i> ollines (field surveys)	Ongoing	Ongoing
Training of media professionals on the role of the media (in strengthening the rule of law, combating corruption, ensuring transparency in the monitoring and control of the management of public affairs) in the consolidation of a democratic culture and in conflict resolution and reconciliation	Ministry of Communications	Number of training modules and sessions Number of persons trained	Number of radio broadcasts and articles in the press devoted to public affairs and cases of corruption	Ongoing	Ongoing
Training and information seminars for the senior staff of the political parties on the role of the parties (35 parties, meaning a total of about 150 persons)	MISP	Number of training sessions persons trained	Improved level of tolerance in communications to Parliament, and in public declarations (poll)	Ongoing	Ongoing
Creation of a Children's Parliament	MSNDPHG	Parliament established	Improved representation of children	Ongoing	Ongoing

1.4.1.3: Strengthened reporting requirements for senior government officials and elected officials				
Strengthening of the Parliament's means of communication with the public (study of the needs and expectations of members of Parliament, preparation and implementation of a support program and the provision of technical equipment enabling national radio to cover debates and other activities in Parliament)	Parliament	Study validated Support program adopted Equipment delivered to the RTNB	Change in the rate of media coverage of Parliamentary debates	Ongoing
Preparation of a law on citizens' rights to information, with implementing provisions	MSND/PHG	Text on the right to information promulgated Implementing provisions published	Degree of ease of access to information (survey of elected officials, the media, and associations)	2009
Awareness campaign for local elected officials on their reporting requirements pursuant to communal law, and particularly the obligation to publish and discuss periodic activity reports	MISP	Number of awareness meetings held, number of participants	Increase in the number of activity reports submitted to the Governor, observance of the periodicity requirements for the reports	2008
Strengthening of the legal texts on the reporting requirement, after a diagnostic study of the weakness of the current legislation, particularly the lack of sanctions	Parliament	Diagnostic study validated	Amended legislative texts adopted	2010
Revision of the constitutional and legal provisions on the obligation of public officials to declare their assets when taking and leaving office (extend the scope of application and penalize violations of these provisions)	MinJustice	Publication of the revised texts	Percentage of concerned parties reporting their assets Percentage of violators sanctioned	2009
1.4.1.4: Adapt the electoral systems in light of sociopolitical developments				
Study of the current institutional system in light of the concerns identified in the last elections (various equilibria, co-opting, electoral systems, relevance and powers of certain institutions)	MISP	Number of consultation missions held throughout the country Evaluation study validated and published	New laws on the subject enacted by Parliament	2009
1.4.2. Promote efficient public administration				
1.4.2.1 Strengthen the organizational capacities of public administration				
Institutional audit (study re-evaluating the missions of the State, and general census of the personnel of public administration and study on the matching of functions-qualifications-staffing levels within public administration)	Office of the President, Ministry of Civil Service	Study of the missions of the State validated Results of census published Study of functions validated	Reform of public administration Wage bill brought under control	Ongoing
Training of political cadres and senior administration personnel in management and communications; provision of office automation equipment and supply of career management and wage calculation software	Ministry of Civil Service	Number of training sessions offered Number of political cadres and senior officials trained, material delivered, and software operational	Evaluation by beneficiaries of the impact of the training on their work	Ongoing
Creation of the National Administration School (ENA)	Ministry of Good Governance	School created	Supervisory personnel trained	2009
1.4.2.2 Bring public services closer to users				
Creation of deconcentrated services: a court service in Ngozi and Gitega (Court of Appeal), a civil service center in Gitega, Ngozi, and Bururi, and an ASBL authorization service	Ministry of Civil Service	Deconcentrated services centers established	Reduction of costs and time spent with procedures	2010
Prepare and distributed information manuals for the users of services relating to taxes, customs, land registry, notaries, migration, civil status, health, education, justice, etc.	Ministries concerned	Information manuals distributed Posting of extracts from these information manuals	User satisfaction survey	2009
1.4.2.3 Reduce labor conflicts in public administration				
Establishment of a permanent framework for dialogue between the labor unions, public employees, and the Government	Ministry of Civil Service	Number of meetings held	Reduction in the number of conflicts and strikes in public administration	Ongoing

1.4.3. Economic governance			
1.4.3.1 : Create an institutional and legal environment conducive to good governance			
Min. of Good Governance	Implementing provisions available	Number of sanctions imposed on violators	Ongoing
Application of the anti-corruption law	Functional observatory and level of support	Involvement of civil society	Ongoing
Support for an independent observatory of the fight against corruption, involving the private sector, civil society, and the press	Degree of functionality of the CNCA	Amounts mobilized	Ongoing
Support for the National Aid Coordination Committee	Report produced	Participants	Ongoing
Annual organization of States General on the economy	Report published	Decline in number of money laundering cases	Ongoing
Facilitation of access to information on the origin and use of public funds	Mechanisms in place	Persons involved	Ongoing
Introduction of incentive mechanisms favoring the elimination of corrupt practices, in particular those making it possible to reward the integrity and improve the condition of public employees while making them subject to effective controls and sanctions			
Support for organization of the donor round table	Round table held	Amounts mobilized	2006
1.4.3.2: Rehabilitate the management of public finances and government procurement			
Public expenditure review and improved management of public finances (revenue and expenditure)	Process under control	Annual review available	2006
Decentralization of services and budgets	Process operational	Beneficiary structures	2007
Reform of the government procurement system	Procurement reformed	Reduction in number of disputes	2007
Establishment of structures for managing and regulating government contracts	Structures in place	Improved management	2007
Comparative study of the systems for collecting public revenue in countries similar to Burundi	Study validated	Reform of collection system	Ongoing
Prepare and distributed manuals of procedures for customs, taxes, and government procurement	Dissemination of manuals		Ongoing
Reform of direct taxation system and exemptions	Reform carried out	Increase in public revenue	2006
Strengthened tax administration	Tax administration reformed	Enhanced efficiency	2006
Reform of customs administration	Customs administration reformed	Enhanced efficiency	2006
Introduction of VAT	VAT introduced	Increase in public revenue	2007
Abolition of the 3% fee for the registration of mortgages	Fee abolished	Rate of recorded mortgages increased	2006
Continued application of the action plan of the Accounting Department of the Ministry of Finance	Action plan applied	New PBCE used, TOFE prepared, and SIGEFI introduced and in use	2006
Control of wage bill	Staffing census conducted and recruitment limited	Control of public expenditure	2006
Study on privatization of revenue collection services	New structure created	Revenue increased	2008
Regular monitoring of pro-poor expenditure	Reports produced	Impact of budget on the poor	Ongoing
Creation of genuine, negotiable Treasury bills and bonds	Bills and bonds created	Operational regulations	2006
Preparation of a quarterly TOFE	TOFE produced	Improved management	2006
Introduction of an automatic mechanism for adjusting the at-pump prices of petroleum products	System in place	Effective adjustment	2006
Implementation of the strategy for settling arrears	Reduction in arrears	Restored dynamism of private sector	2006

1.4.3.3: Improve economic policy orientation Strengthen or create statistics and planning units in the sectoral ministries: training and office automation equipment	MinPlanning	Number of training sessions Number of personnel trained Hardware delivered	Increase in amount of statistical data available for sectoral policies	2010
1.4.3.4: Streamline the management of public enterprises Systematic external audits of the accounts and management of public enterprises	Office of the Second Vice President	Regular publication of audits	Number of recommendations adopted by the public enterprises	Ongoing
Support to SCEP for developing the management capacity of public enterprises	Office of the Second Vice President	Number of experts recruited		
Reform of public enterprises through privatization and public/private partnerships	Office of the Second Vice President	Number of enterprises reformed	Improved enterprise profitability	Ongoing
1.4.3.5: Strengthen the institutional structures for internal and external control and for combating corruption Diagnostic study on corruption in Burundi (forms, causes, scope by sector, etc.)	Ministry of Good Governance	Study validated	Plan for combating corruption	2010
Capacity building at the Audit Court (increase in the number of magistrates, training of magistrates)	National Assembly	Number of magistrates recruited	Number of cases handled	2009
Strengthened capacities of internal control structures, with training in audit and supervision, office automation equipment, and transport equipment	MinFinance	Number of training sessions Number of persons trained Equipment delivered	Decrease in the number of cases rejected by the courts	2009
Support for introduction of the Anti-Corruption Court: training in investigatory techniques, office automation equipment, and transport equipment	MinJustice	Number of persons trained Equipment delivered	Number of corruption cases sent to the courts Number of corruption cases decided	2010
Support for the anti-corruption brigade	Ministry of Good Governance	Cases detected	Decline in corruption	2007
Support for the establishment of the State General Inspectorate: training of senior staff in control techniques, provision of office automation equipment	Ministry of Good Governance	Number of persons trained Equipment delivered	Number of cases handled	2010
Strengthened capacities of the communal inspectorates of finance: training of senior staff in control techniques and provision of office automation equipment	MISP	Number of persons trained Equipment delivered	Number of recommendations made by communal inspectorates implemented	2010
1.4.3.6: Strengthen the role of civil society in the economic governance of the State Strengthen the civil society organizations working in the area of economic good governance: Training of senior staff in control and communications techniques, and provision of office automation equipment	Ministry of Good Governance	Number of training sessions Number of persons trained Equipment delivered	Number of embezzlement cases detected	
Training of journalists in the main issues relating to the management of the economy by the State	Ministry of Communications	Number of training sessions Number of persons trained	Number of radio broadcasts devoted to public affairs	Ongoing
Strengthening of the national decentralization program	Ministry of Good Governance	Program implemented and operational	Improved organization of the administration	2008
Creation of the National School of Administration (ENA)	Ministry of Good Governance	School created and operational	Number of persons trained at said school	2008
National capacity building program (administrative reform)	SP/REFES	Program implemented	Number of institutions and individuals benefiting from the program	Ongoing

AXIS 2: PROMOTION OF SUSTAINABLE AND EQUITABLE GROWTH			
2.1. Development of sectors with growth potential			
2.1.1. Revitalization of agriculture, livestock, fisheries, and fish farming			
2.1.1.1. Revitalization of food crops and export crops			
	MinAgri	Yields per improved crop Quantities produced by crop	Increased production
Development and improvement of food production	MinAgri		Increased export receipts
Revitalization of export crops	MinAgri		Ongoing
Promotion of new subsectors of import substitution food crops (wheat, tomatoes, sorghum)	MinAgri	Increased food production	Increased export receipts
Revitalization and diversification of cash crops intended for export (essential oils, fruits, vegetables)	MinAgri	Increased export volumes	Increased export receipts
Promotion of coffee and tea exports, agroindustry, and technological upgrading	MinAgri	Increased export volumes	Ongoing
Strengthened institutional capacities for coordination, planning, managing, and monitoring/evaluation (DGPA, DPFAE, DGA, research, etc.) and supervisory and training structures in close proximity to farmers	MinAgri	Training provided at the various levels (central, intermediary, and peripheral); equipment made available	Structures operational
Reforms and readjustment of the sectoral policy for agriculture, livestock, fisheries, and fish farming	MinAgri	Number of reforms carried out, sectoral policy paper adopted	Implementation of the sectoral policy
National survey on production, and agricultural databank	MinAgri	Data available; reference status reports	Programming and monitoring/evaluation of development actions made possible
Strengthening of the CNITA and support for private parties for the establishment of systems for gathering, processing, and marketing agricultural and livestock products	MinAgri	Number of units in place and quantities produced	Post-harvest sector developed
Creation of a cold chain for perishable agricultural, livestock, and fisheries products	MinAgri	Conservation capacity, cold chain operational	Trade in products facilitated and improved
Harmonization of the legislative and regulatory framework for fisheries and aquaculture with the countries bordering the lakes	MinAgri	Legislation and regulations available and applied	Improved trade
Support for farmers during the fallow period	MinAgri	Number of beneficiary households; quantities	Improved food security of the people
Strengthened agricultural and livestock research and training institutes (IRAZ, ISA, ISABU, FACAGRO)	MinAgri	Rehabilitated stations and centers	Modern technologies and inputs available
Rehabilitation and outfitting of a product analysis and quality control laboratory	MinAgri	Laboratory rehabilitated and equipped	Improved product quality
Irrigation works (retention ponds for slope runoff water, irrigation, and wetlands improvements)	MinAgri	Areas and rate of increase in areas under irrigation, improved, reforested, and protected	Improved natural resource management
Special fund for facilitating access to inputs	MinAgri	Funding available	Input prices reduced
Promotion of local production of fertilizers, reactivation of the composting system at farm level	MinAgri	Quantity of fertilizer produced	Improved crop yields
Continued reforms of the coffee subsector (monitoring of marketing, financial audit of the subsector, development of a strategy for the sale of the 133 stations and husking plants, restructuring of the OCIBU)	MinAgri	Reforms carried out	Improved conditions for coffee growers

Rehabilitation of the seed subsector	MinAgri	Rehabilitated seed centers	Seed quantities produced	2008
Rural land registry	MINITRAPE	Area registered	Reduced number of conflicts	Ongoing
Promotion of small-scale agricultural mechanization	MinAgri	Number of households served and growth rate by category	Shared experiences	Ongoing
2.1.1.2. Development of animal production				
Reconstitution and genetic improvement of animal breeds through the community solidarity chain, the insemination program, and the dissemination of breeding stock	MinAgri	Head made available per species, rehabilitated farms and centers, rate of health coverage	Increase in herd size	Ongoing
Promotion of highly prolific short-cycle small livestock	MinAgri	Number and quantities produced by species	Improved animal production	Ongoing
Support for the creation of livestock feed production units	MinAgri	Quantity produced, units created or rehabilitated	Livestock feed available and accessible	2009
Promotion of forage crops and livestock rearing in semi- or permanent feed farms, and integration of agro-sylvi-zootechnology (raising of herbaceous and woody pulse species)	MinAgri	Increased areas devoting to raising forage crops Number of animals at feed farms	Intensive stock-rearing practiced Improved livestock feeding	Ongoing
Strengthened surveillance and combat against crop diseases and pests	MinAgri	Prevalence of diseases; number of infrastructures and equipment	Improved health coverage of animals	Ongoing
Strengthening of and support for farmer-livestock farmer groups and associations	MinAgri	Number of beneficiaries	Rural community organizations strengthened	Ongoing
Exchanges of experiences at the national, subregional, and international levels	MinAgri	Number of visits and exchanges of experiences Frequency of exchanges	Beneficiaries	Ongoing
2.1.1.3. Development of bee-keeping and fisheries, and revitalization of fish farming				
Negotiation of fishing agreements with the countries bordering Lake Tanganyika and reactivation of subregional cooperation	MinAgri	Agreements signed and applied	Intensified and improved subregional cooperation	2008
Development of aquaculture	MinAgri	Quantity of catches	Increased supply	Ongoing
Supervision of artisanal fishing	MinAgri	Share of artisanal fishing in total fish catches	Varied and improved fishing techniques	Ongoing
Strengthened legislation on fishing and fisheries	MinAgri	Legislation applied	Fisheries sector is orderly and coordinated	2008
Promotion of bee-keeping	MinAgri	Quantity of honey produced	Increase in bee and hive production achieved	Ongoing
2.1.2 Environmental protection and improvement				
2.1.2.1 Strengthening of institutional capacities and techniques of environmental units				
Creation of climatic observation and statistical monitoring centers	MINATTE/ IGEBU	Number of centers and amount of data available	Increased agricultural production	2009
Creation of an Environmental Training Center	MINATTE	Center is functional	Reduction in brush fires, decreased erosion, diminished water pollution	2009
Strengthening and harmonization of the legal framework for the utilization of natural resources	MINATTE	Texts harmonized	Decrease in administrative disputes regarding the management of natural resources	2009
Formulation of a national water management policy	MINATTE	Policy formulated	Cohesive water management policy implemented	2009
Formulation of a territorial and land improvement policy	MINATTE	Policy formulated	Territorial and land improvement policy implemented	2009
Restoring the dynamism of the National Commission on the Environment	MINATTE	Commission provided with working resources	Enhanced awareness	2007
Implementation of the international environmental conventions ratified by Burundi	MINATTE	Implementation reports published	Decrease in erosion Preservation of plant and animal species	2009

2.1.2.2 Promotion of the national policy on management of natural resources			
Information and training of all stakeholders in the rational management of natural resources	MINATTE	Number of persons trained and informed	Enhanced environmental protection
Outfitting and training of water control specialists	MINATTE and Min'Agri	Number of specialist trained and provided with working resources	Rational water use
Training and outfitting of the Environmental Police	MINATTE	Number of police officers trained and outfitted	Decrease in deforestation
Fight against erosion and for soil conservation	MINATTE	Kilometers of ridges installed	Increased agricultural production
Improvement and management of existing forests	MINATTE/INECN	Area improved	Preservation of plant and animal species
Reforestation and management of existing forests	MINATTE	Areas reforested	Wood available, crests protected
Comprehensive improvement of catchments	MINATTE	Area improved	Increased agricultural production
2.1.2.3 Promotion of the sustainable use of natural resources and environmental rehabilitation			
Identification and introduction of substitutes in order to protect endangered natural resources	MINATTE	New species introduced	Endangered species preserved
Maintenance of the water treatment station in Buterere	MINATTE and MISP	Station supplied with energy	Reduction in the pollution of Lake Tanganyika
Construction of a waste water treatment station in Kanyosha	MINATTE and MISP	Station constructed	Reduction in the pollution of Lake Tanganyika
Improvement and control of public dumping throughout the country	MINATTE and MISP	Dumping improved	Reduction in water pollution
Strengthening of the analytical and quality control laboratories for water, air, foods, medicines, and other chemical products.: INSP, REGIDESO, SETEMU, INCEN, LACA, FACAGRO, ISABU	MINATTE and partners	Laboratories equipped	Data available on the quality of water, air, foods, and chemical products
Creation of a national reference laboratory for analysis and quality control	MINATTE and partners	Laboratory created	Morbidity rate decreased
Protection of lake water against pollution	MINATTE and partners	Surveillance systems introduced	Control of pollution
Establishment of an early warning and response system for natural disasters	MINATTE	Warning system introduced	Increase in fisheries productivity
Prevention of and combat against bush fires	MINATTE	Public awareness sessions organized and set areas covered by firebreaks	Reduction in damages caused by natural disasters
Purchase of equipment for meteorological monitoring and reporting	MINATTE	Equipment purchased	Availability of wood, protection of soil
2.1.3. Development of trade and industry			
Continuation of regional integration policy	Min. Commerce and Ind	Burundi's entry into the COMESA customs union	Increased exports to the region
Establishment of an investment and export promotion agency	Office of the Second Vice President	Agency operational	Number of operators involved in exports
Establishment of a one-stop window	Min. Commerce and Ind	One-stop window	Decrease in time required by administrative procedures
Implementation of the integrated framework for the promotion of international trade and exports	Min. Commerce and Ind	Increase in financing	Increased investment
Revision and application of the Commercial Code and of the Company Code	Min. Commerce and Ind	Code revised	Increase in the volume of business
Promotion of micro and small rural enterprise	Min. Commerce and Ind	Number of micro enterprises created	Increased production
Promotion of industries producing local construction materials	Min. Commerce and Ind	Units established	Quantity produced
Strengthening of the quality control structures for imported or exported products (Burundi Standards Office)	Min. Commerce and Ind	Equipment furnished and a number of persons trained	Decrease in poor quality products and increase in exports
Rehabilitation and extension of SOSUMO	Min. Commerce and Ind	Plant operational	Increase in sugar production
Revision of the investment code	Min. Commerce and Ind	Text revised	Operators encouraged

2.1.4. Rational exploitation of mines and quarries					
Imparting renewed dynamism to mining research activities	MinE&M	Number of indexes or anomalies verified	Number of deposits discovered	Ongoing	
Rehabilitation of rundown sites and quarries	MinE&M	Number of sites improved	Restored economic viability of sites	Ongoing	
Revision of the mining code and drafting of implementing provisions to make mining more attractive	MinE&M	Code revised and implementing provisions produced	Increase in the number of mining companies	2007	
Supervision and monitoring of artisanal and semi-industrial activities in the sector	MinE&M	Number of artisans trained and receiving equipment	Increase in mining revenue	Ongoing	
Updating of existing prefesibility and feasibility studies (cement plant, ceramics plant, nickel, etc.)	MinE&M	Study reports	Effective exploitation of the various deposits evaluated	2009	
Strengthening of the partnership with international companies	MinE&M	Number of contracts and agreements signed	Exploitation of the deposits discovered	Ongoing	
Verification of the geophysical anomalies identified	MinE&M	Number of geophysical anomalies verified	Number of deposits discovered	2010	
Strengthening of technical capacities for monitoring and coordination in the mining sector	MinE&M	Number of technicians trained, quantity of equipment purchased	Decrease in cost of works	Ongoing	
2.1.5. Promotion of tourism and handicrafts					
Development of a national plan for developing of the tourism sector	ONT	Plan developed	Implementation of the policy	2007	
Strengthening of the capacities of the National Tourism Office (supervision and quality control) and operators in the sector (transporters, hotel keepers, restaurateurs, etc.)	ONT	Number of persons trained	Improved promotion of tourism	Ongoing	
Rehabilitation and creation of new tourist sites (physical, cultural, and historical)	ONT	Number of sites rehabilitated or created	Increase in the actual number of visitors	2010	
Integration of Burundi into the tourism channels of the Great Lakes region	ONT	Convention of tourism administrations of the region signed	Number of tourists using the integrated circuits	2008	
Ensure that local communities and civil society participate in the development of ecotourism and community-based cultural tourism	ONT	Number of committees established	Protected sites, revenue collected by communities	Ongoing	
Organization and development of the crafts subsector, and improvement of the quality of crafts products through the training of artisans and the identification of remunerative markets	ONT	Number of artisans trained	Standardized crafts products	Ongoing	
2.2 Increase in job opportunities and income earning opportunities in favor of the poor					
2.2.1. Improved access to production factors					
Strengthened institutional capacities for the supervision of self-development	MISP	Decentralization policy properly implemented	Policy implemented	Ongoing	
Strengthening of self-development initiatives of small farmer associations and groups	MISP	Program initiated locally	Structures operational	Ongoing	
Improved systems for channeling products to local and foreign markets	Min Commerce and Ind	Trade circuit improved	Larger interregional flows	Ongoing	
2.2.2. Popularization of the microcredit system in rural areas					
Establishment of a regulatory and institutional framework conducive to the expansion of rural microcredit	MinFinance	Framework published	Number of recipients of microcredit	Ongoing	
Bringing microcredit services into greater proximity to recipients	MinFinance	Promotion policy developed	Private operators in rural areas	Ongoing	
Enhanced public awareness of the importance of savings for gaining access to microcredit	MinFinance	Public awareness campaign developed	Increase in rural savings	Ongoing	
2.2.3. Promotion of highly labor-intensive public works					
Construction and rehabilitation of roads, buildings, and social infrastructures	MINITRAPE	Number of infrastructures constructed and rehabilitated	Workers hired	Ongoing	
Development of an appropriate policy for promoting highly labor-intensive techniques	MINITRAPE	Preparation of standard specifications	Workers hired	Ongoing	

2.2.4. Promotion of income-generating activities and activities leading to professional insertion				2009
Participatory preparation of a sector development policy	MISP	Policy adopted	Public awareness sessions	Ongoing
Participatory evaluation of the training/jobs matchup and reform of training programs in the trades	Ministry of Civil Service	Programs prepared	Courses introduced in preparatory cycles	Ongoing
Hammondization of programs and training the trainers in trade schools	Min Education and Culture	Programs prepared	Graduates	Ongoing
Strengthening and expansion of the training and professional enhancement centers	Ministry of Civil Service	Apprenticeship systems improved	Beneficiaries	Ongoing
Rehabilitation, construction, and outfitting of trade school infrastructures	Min Education and Culture	Potential enrollment capacities	Beneficiaries	Ongoing
Supervision of rural associations, cooperatives, and professional groups	MISP	Improved rural incomes	Associations created and operational	Ongoing
Encouragement of micro-entrepreneurs in the processing and marketing of agroalimentary products made of wood, slate, metal, and fabrics	MISP	rural activities promoted	Units created	Ongoing
2.2.5 Promotion of culture, sports, and leisure activities				
Construction, rehabilitation, and outfitting of entertainment halls, public libraries, art galleries, the National Museum, etc.	Min Education and Culture MINITRAPE	Number of infrastructures created	capacity improved	Ongoing
Support for the creation of audio and video production studios	Min Education and Culture	Units created	Production improved	Ongoing
Support for the creation of publishing houses	Min Education and Culture	Units created	Services available	Ongoing
Rapid implementation and dissemination of the Copyright Law	Min Education and Culture	Royalties paid to artists	Number of persons concerned	2006
Strengthening of cultural exchanges	Min Education and Culture	Visits carried out	Countries involved	Ongoing
Protection of the national cultural heritage: historic sites, monuments, and ancient structures	Min Education and Culture MINATTE	Proportion of the cultural heritage placed under proper protection	Public awareness enhanced	Ongoing
Promotion of positive cultural values	Min Education and Culture	Works published and workshops organized	Public awareness enhanced	Ongoing
Rewriting the history of Burundi	Min Education and Culture	History rewritten	Consensus of the population	2007
Strengthened education in the arts and support for music clubs, traditional and modern dance, drawing and painting	Min Education and Culture	Number of persons trained	Club performing	Ongoing
Rehabilitation, improvement, and extension of sports, cultural, and leisure activities	Min Education and Culture MINITRAPE	Improved capacity	Sports promoted	Ongoing
Creation of a support fund for literary and artistic creation	Min Education and Culture	Change in number of individuals involved	Cultural activities improved	2007
Support for the organization of competitions and expositions	Min Education and Culture	Events organized	Improved image of the country	Ongoing
Promotion of adult literacy training, taking gender considerations into account	Min Education and Culture	Number of recipients	Information access for all	Ongoing
Development of a National Youth Policy	Min. Youth and Sports	Policy developed	Implementation of priorities	2007
Organization of a National Youth Forum	Min. Youth and Sports	Forum organized	Action plan developed	2007
Establishment of the Rundi Academy	Min Education and Culture	Structure created	National language standardized	2010
Participation in the Confederation of Youth Ministers (CONFEMJES)	Min. Youth and Sports	Festival held	Actions supported	Ongoing
Construction and outfitting of youth centers	Min. Youth and Sports	Number of centers built	Number of individuals concerned	Ongoing
Rehabilitation of Kwigasore Stadium	Min. Youth and Sports	Stadium rehabilitated	Services improved	2008
Youth festival	Min. Youth and Sports	Festival held	Number of youths involved	2007
Organization of reconstruction sites by youths	Min. Youth and Sports	Workshops organized	Number of youths involved	Ongoing
2.3. Private sector development				
2.3.1. Urgent short-term actions				
Rehabilitation of trading centers	MINITRAPE	Markets built and/or rehabilitated	Increase in transactions within the country	Ongoing
Creation of the reconstruction and recovery and private sector development fund	Min. Commerce and Ind	Fund created	Resumption of trading activities interrupted because of the crisis	Ongoing
2.3.2. Continued reforms of the legal and regulatory framework				
Capacity building at the Ministry of Commerce and Industry	Min. Commerce and Ind	Personnel trained	More diversified services for economic operators	2009
Support for the Burundi Arbitration and Reconciliation Center	Min. Commerce and Ind	Arbitrators trained	Commercial disputes resolved	Ongoing
Inventory of legal and regulatory gaps in respect of given economic activities	Min. Commerce and Ind	Study validated	Reforms of the legal and regulatory framework	Ongoing
Creation of a one-stop window for the administrative procedures relating to the creation of enterprises and to customs and tax procedures	Min. Commerce and Ind	Opening of the one-stop window	Reduction in the costs of and time spent on procedural matters	2010

2.3.3. Providing greater incentives for the growth of private investment			
Support for the creation of a Health Mutual Association for the private sector	Min. Health and Private Sector	Mutual association established	2009
Training of economic operators in accounting and management, in the legislation in force, and in the benefits available under the Investment Code	Min. Commerce and Ind	Number of operators trained	Ongoing
Support for participation in fairs and study tours	Min. Commerce and Ind	Number of beneficiaries	Ongoing
Creation of a website on enterprises in Burundi	Min. Commerce and Ind	Website created	2008
Introduction of mechanisms promoting participation by those in the diaspora in the country's development process	MSNDPHG	Mechanisms put in place	Ongoing
2.4 Development of infrastructures in support of production			
2.4.1 Improvement of transport infrastructure			
Construction of new paved roads interconnecting the administrative centers of the provinces	MINITRAPE	Number of kilometers of roads built	Ongoing
Rehabilitation and maintenance of the existing road network and improvement of bus stops	MINITRAPE	A number of kilometers of roads rehabilitated Number of bus stops improved	Ongoing
Improvement of intersections in Bujumbura	MINITRAPE	Number of intersections improved	Ongoing
Construction of the Bujumbura bus terminal	MINITRAPE	Bus terminal constructed	2010
Infrastructure modernization at Bujumbura international airport	MINITRANSFORT	Runways and air terminal improved	2009
Feasibility study for the construction of an alternate airport (Gitega)	MINITRANSFORT	Study conducted	2008
Feasibility study on improving the security of lake transport	MINITRANSFORT	Study conducted	2008
Feasibility study on dredging the port of Bujumbura	MINITRANSFORT	Traffic improved	2008
Feasibility studies on the project to build a rail line connecting Tanzania, Rwanda, and Burundi (Burundian portion)	MINITRANSFORT	Project initiated	2010
Feasibility study on the project to build a Mombassa, Kampala, Kigali, and Bujumbura pipeline	Min Commerce and Ind	Project initiated	2008
2.4.2 Improvement of communication infrastructures			
Updating of the strategic plan for the development of telecommunications and new information and communication technologies	MINITRANSFORT	Plan updated	2008
Extension of the rural telephone network	MINITRANSFORT	Number of rural phone booths installed Number of relays installed	Ongoing
Creation of a Universal Access Fund (FAU) to support the installation of private telephone operators in rural areas	MINITRANSFORT	Increase in the capacity of the Bujumbura and Gitega telephone exchanges Fund created	2009
Creation of a computer training program starting in secondary school	MINITRANSFORT	Number of trainers trained Number of classrooms improved	Ongoing
Feasibility study on the construction of a national fiber optic backbone	MINITRANSFORT	Study conducted	2008
Creation of cyberposts in 15 provincial administrative centers	MINITRANSFORT	Number of cyberposts	Ongoing
Creation of post offices in 93 communes	MINITRANSFORT	Number of post offices created	Ongoing
Rehabilitation of the six post offices destroyed during the civil war	MINITRANSFORT	Number of offices rehabilitated	2009
Computerization of 25 existing post offices	MINITRANSFORT	Number of post offices computerized	2009
Creation of a Postal-Bus transport system (mail and passengers)	MINITRANSFORT	Number of service routes identified Number of specially configured vehicles purchased	2007

Study on changing the status of the National Postal System	MINITRANSPORT	Study conducted	Reform of its status	2008
Establishment of community-level communication centers	Min Information	Centers functional	Number of persons informed	
Rehabilitation of public media equipment	Min Information	Public media rehabilitated	Public informed	
Feasibility study on the creation of a postal bank	MINITRANSPORT	Study conducted	Creation of the postal bank	2009
Construction of a new airport at Bugendana	MINITRANSPORT	Works executed	Traffic improved	2010
2.4.3. Increased energy supply capacities				
Reform of energy subsector	Min E&M	Reform carried out and implementing regulations issued	Improved management of public energy companies, support for private investment in the energy sector	2008
Support for energy planning, management, and monitoring services	Min E&M	Concerted planning	Priority projects financed and executed, rural centers of public interest electrified	Ongoing
Updating of the National Master Plan for Electrification	Min E&M	Master plan updated and implemented	Rate of access to electrical power in rural and urban areas	2007
Development and diversification of energy sources (peat, solar and wind power, waste burning) and strengthening of the Burundian Alternative Energy Center	Min E&M	Multiple energy supply sources on the market	Energy available, supplies assured, free choice of energy supplier, and lower energy costs	Ongoing
Updating of feasibility studies for the construction of new hydroelectric power plants	Min E&M and DGEE	Number of studies updated	Power plants operational	2010
Rehabilitation, extension, and maintenance of existing infrastructures: dams, power plants, and power lines	REGIDESO and DGHHER	Number of plants and grids rehabilitated	Quality of energy provided and improved, grid stability and reduction of losses, security of electricity supply	Ongoing
Operation of the existing thermal power plant and installation of a another 5 MW plant	REGIDESO	Power plants functional, installed capacity increased	Subscribers satisfied with regularity of power supply	2007
Increased electricity production capacity	Min E&M	Production structures improved	Regularity of supply	Ongoing
Electrification of urban and rural communities	Min E&M, REGIDESO, DGHHER	Degree of access to electricity	Isolated rural areas electrified	Ongoing
Support for the construction of a boat for transporting fuel on Lake Tanganyika	Min Commerce and Ind	Vessel built	Regularity of supply	2010
Tax relief for imports of alternative technology products	Min E& M and MinFinance	Legal texts promulgated and applied	Reduction in the acquisition cost of equipment	2009
Imparting renewed dynamism to regional energy organizations, including the EGL	Min E&M	EGL redynamized and increase in the level of participation in organizations	Increase in the number of households and institutions with such equipment	Ongoing
Promotion and distribution of improved, fuel-efficient fireplaces and ovens	Min E&M	Number of households using the ovens Number of communities equipped with such devices	Reduction in fuel consumption Preservation of forestlands and protection of the environment	Ongoing
AXIS 3: DEVELOPMENT OF HUMAN CAPITAL				
3.1 Improved access to and quality of basic social services				
3.1.1 Promotion of education				
(i) Strengthen school support and supervision				
Outfitting of 16 offices for the provincial education directorates	Min Education and Culture	Quantity of equipment delivered	Improved supervision	Ongoing
Feasibility study on revision of the personnel regulations for teachers	Min Education and Culture	Study validated	Revision of regulations	2008
Strengthening of instructional offices: supply of equipment and training	Min Education and Culture	Trainers trained and equipment delivered	Improved supervision	Ongoing

(ii) Improve access to and quality of learning					
Preschool children	Min Education and Culture	National policy paper validated	Drafting of an implementation plan		2008
Participatory development of an integrated national policy on caring for preschool children					
Primary education					
Public awareness campaigns to promote primary education in provinces with low enrollment ratios	Min Education and Culture	Number of campaigns	Increase in enrollment ratios		Ongoing
Construction of 750 schools in provinces with low enrollment ratios and high student/classroom ratios	Min Education and Culture	Number of communes affected Number of schools constructed	Increase in gross and net primary school enrollment ratios		Ongoing
Rehabilitation of schools destroyed by the conflict (865 schools)	Min Education and Culture	Number of schools rehabilitated	Increase in gross and net primary school enrollment ratios		2010
Construction of teacher housing in isolated areas (750 housing units)	Min Education and Culture	Number of housing units built	Improved rate of teacher recruitment in isolated areas		Ongoing
Supply of instructional equipment for existing schools and those to be built (student desks, blackboards, teachers' tables and chairs, textbooks, school kits)	Min Education and Culture	Number of student desks, blackboards, etc., delivered	Decrease in school dropout rates		Ongoing
Qualification training for underqualified instructors	Min Education and Culture	Number of training sessions conducted Number of teachers trained	Increase in success rates at schools with trained teachers		Ongoing
Ongoing training for teacher retraining	Min Education and Culture	Persons affected	Improved success rate		Ongoing
Secondary education					
Construction of general secondary schools in provinces with low coverage rates	Min Education and Culture	Number of secondary schools built	Gross and net secondary school enrollment ratios		
Construction of a technical secondary school in provinces which have none	Min Education and Culture	Number of technical secondary schools	Percentage of students receiving technical education		Ongoing
Supply of instructional equipment for the new secondary schools (student desks, blackboards, teachers' tables and chairs, textbooks, school kits)	Min Education and Culture	Number of student desks, blackboards, etc., delivered	Improved success rate		Ongoing
Supply of equipment for technical secondary schools	Min Education and Culture	Quantity of equipment delivered	Improved success rate		Ongoing
Supply of textbooks	Min Education and Culture	Number of textbooks distributed by student	Success rate at tests and examinations		Ongoing
Construction of housing units for secondary school teachers in isolated rural communes	Min Education and Culture	Number of housing units built Number of students housed	Rate of retention of teachers in the schools of isolated communes		Ongoing
Qualification training for underqualified secondary school teachers	Min Education and Culture	Number of training sessions Number of teachers trained	Success rate at tests and examinations		Ongoing
Higher education					
Construction and outfitting of lecture halls at the University of Burundi	Min Education and Culture	Number of lecture halls built Number of seats	Decrease in absenteeism rate		Ongoing
Rehabilitation of classrooms, offices, and housing units on the campuses	Min Education and Culture	Number of classrooms, offices, and housing units rehabilitated	Surveys on the degree of satisfaction of beneficiaries		Ongoing
Supply of books, laboratory equipment, instructional materials	Min Education and Culture	Number of books provided Quantity of laboratory equipment furnished Quantity of instructional material provided	Success rate at examinations		Ongoing
Organization of other higher education structures in the provinces	Min Education and Culture	Number of university institutes created	Number of student beneficiaries		2010
Feasibility study on the reform of programs (Bologna process)	Min Education and Culture	Study validated	Re-form implementation plan		Ongoing
3.1.2 Improved access to health care					
(i) Improved performance of the national health system					
Drafting of personnel regulations that motivate health personnel	Min. Health	Personnel regulations promulgated and implemented	Number of hospitals in poor areas staffed with physicians and senior technicians Number of health centers in poor areas staffed with medical technicians		2009
Training, retraining, and advanced training for medical and paramedical staff and traditional midwives	Min. Health	Personnel trained	Number of healthcare structures with trained personnel Number of assisted childbirths Number of cases handled in accordance with therapeutic protocols		Ongoing
Improved management of health personnel	Min. Health	Database available	Number of reports on personnel movements available		Ongoing
Improved capacities of the National Epidemiology and Health Statistics Units	Min. Health	Resources available	Timeliness of monthly, quarterly, and annual statistical reports >= 80% Completeness of monthly, quarterly, and annual statistical reports >= 90%		Ongoing
Support for outfitting healthcare structures	Min. Health	Healthcare structures equipped in accordance with standards	Quality of care improved Usage rate		Ongoing

Improvement in the management, availability, and accessibility of medicines	Min. Health	Distribution circuit controlled Absence of interruptions in supplies Homogeneous distribution of healthcare infrastructures	Quality of care improved Usage rate	Ongoing
Support for sectoral health reforms	Min. Health	Number of reforms initiated Number of reforms implemented	Improved system management	Ongoing
Establishment of a health insurance system that is viable for all (rural areas and informal sector)	Min. Health	Number of community-level health mutual associations created Number of voluntary health insurance programs created for the structured private sector Fund created and funded	Improved coverage of health risks	2009
Creation of a Fund for covering the care of indigents and vulnerable groups	Min. Health		Access to care by the indigent and vulnerable groups improved	Ongoing
Revision of the health map and construction of healthcare structures in the most disadvantaged areas	Min. Health	Number of healthcare structures built in the most disadvantaged areas	Healthcare infrastructure coverage in disadvantaged areas improved	Ongoing
Establishment of a management and maintenance system for healthcare equipment and infrastructures	Min. Health	Equipment functional Well-maintained infrastructures	Quality of care improved	Ongoing
Strengthening and extension of the reference/counter-reference system	Min. Health	Provinces having a functional reference/counter-reference system	Improved care for the ill	Ongoing
(ii) Reduction in the prevalence of transmissible and nontransmissible diseases				
Further development of health research	Min. Health	Number of studies conducted	Quality of care improved	Ongoing
Enhanced capacities of communications units to promote behavioral change	Min. Health	Number of units strengthened and functional	% of population informed and aware, and % of population responding	Ongoing
Support for associations combating transmissible and nontransmissible	Min. Health	Associations supported and functional	% of population that benefit	Ongoing
Strengthened activities to combat malaria	Min. Health	Rate of coverage with treated mosquito nets	Morbidity rate	Ongoing
Strengthened activities to combat tuberculosis	Min. Health	Absence of interruptions in ACT supplies	Mortality rate	Ongoing
Strengthened activities to combat AIDS in healthcare structures	Min. Health	Healthcare structures with personnel trained in caring for the ill using antiretroviral drugs Healthcare structures for AIDS patients experiencing interruptions in the supply of antiretrovirals and other consumable products Healthcare structures equipped for voluntary screening	AIDS patients requiring treatment Exposed persons cared for AIDS patients receiving antiretrovirals Seropositive pregnant women receiving care Persons screened	Ongoing
Increased provision of care for the severely undernourished	Min. Health	Healthcare structures responsible for voluntary screening experiencing interruptions in reagent supplies Healthcare structures with functional integrated nutritional therapy centers Healthcare structures with functional integrated supplementary nutrition centers	Undernourished persons observed Undernourished persons receiving care % of the undernourished receiving care in healthcare structures	Ongoing
Strengthened activities to combat nontransmissible diseases	Min. Health	Prevalence surveys Care protocols defined and disseminated Health personnel trained Laboratories equipped and functional Medicines available	Patients receiving care in accordance with therapeutic protocols	Ongoing
Strengthened laboratory activities	Min. Health	Laboratories strengthened	Cases confirmed by laboratory examinations % of products controlled	Ongoing
Strengthened collaboration between traditional medicine and modern medicine	Min. Health	Traditional practitioners collaborating with healthcare structures	Patients referred and counter-referred	Ongoing

(iii) Reduction in maternal and neonatal mortality					
Availability and subsidization of emergency obstetrical care	Min. Health	Healthcare structures with well-equipped and functional maternity units	Number of caesarians performed free of charge	Ongoing	
Extension of family planning activities and the promotion of sexual and reproductive health at the grassroots level	Min. Health	Strengthened health promotions services (PNSR, USLS, PSI, IEC etc.)	Percentage of contraceptive coverage Rate of condom use Incidence of early sexual relations	Ongoing	
Quantitative and qualitative improvement of pre- and postnatal consultations	Min. Health	Personnel retrained Structures equipped (materials and consumables)	Rate of coverage of prenatal consultations and post-obstetrical consultations	Ongoing	
(iv) Reduction in child morbidity and mortality					
Improvement of EPI logistics and strengthened routine vaccination	Min. Health	Improved cold chain Vaccines available Security of injections ensured Personnel trained in EPI techniques Supplies ensured	Rate of vaccination coverage Morbidity and mortality rates from the illnesses targeted by EPI	Ongoing	
Strengthened capacities for the Integrated Management of Childhood Illness (IMCI)	Min. Health	Personnel trained in IMCI Provinces covered Units involved	Children cared for in accordance with the IMCI protocol	Ongoing	
Promotion of the local production of medicines	Min. Health	Local production centers Local production centers supported	Quantity of medicines available	Ongoing	
Increase in the stock of IMCI medicines and materials	Min. Health	List of IMCI medicines updated Interruptions in the supply of medicines and materials	Children cared for in accordance with the IMCI protocol	Ongoing	
3.2 Improved access to potable water, hygiene, sanitation, and decent housing					
3.2.1 Drinking water, hygiene, sanitation					
Updating of the National Master Plan for Potable Water Supply (PDNAE)					
Inventory of underground water resources, and the protection and proper management thereof	MISP Min.E & M MINATTE	PDNAE updated Proportion of water resources protected	Water sector well planned and water rationally managed Quantity of underground water evaluated and inventory conducted	2007 2007	
Rehabilitation and maintenance of existing infrastructures	MISP Min.E & M	Percentage of households with access to potable water	% of population served	2008	
Construction of new water supply networks	MISP Min.E & M	Percentage of households with access to potable water	% of population with access to potable water	2008	
Imparting new dynamism to the National Water Commission	MISP, Min.E & M Min.E & M	Rate of growth of particular resources Cooperation agreements signed and applied	Availability of water Development of the sector	2008 2008	
Joining and participating in the regional initiatives involved in developing the water subsector	MINATTE	Level of lake regulated Incidence of pollution of water in the networks	Protection of the environment	2008	
Rehabilitation of the regulation mechanism for Lake Tanganyika	MISP	Rate of growth of improved and functional systems	Trash removed and drains maintained	Ongoing	
Preservation of environmental quality by applying the legislation on the exploitation of water resources	MISP, MINITRAPE and MINATTE	Rate of growth in the number of quality control operations	Availability of potable water	Ongoing	
Improvement and maintenance of the systems for collecting and treating waste water and public landfills	MINATTE				
Strengthened capacity for controlling water, air, food, and environmental quality	MISP and Min.E & M Min. Health	Rate of growth of networks in good condition Households with decent housing Households with potable water within 500 m	Maintenance provided by communities % of ill persons suffering from diseases resulting from improper washing	2008 Ongoing	

3.2.2 Housing and urban planning					
Study on restructuring the Urban Housing Promotion Fund to make it a housing bank	MinFinance FPHU	Study finalized, FPHU restructured, and funds mobilized	Financing of accessible housing	2007	
Creation of a housing finance mechanism	MinFinance	Rate of growth in number of loan recipients	Easy access to housing finance	2006	
Support for housing planning, cadastral, and rural and urban space management services, and adaptation of the relevant legislative and regulatory texts	MINITRAPE	Rate of growth in resources allocated, and texts adapted	Rational occupation of the urban perimeter and rural space	Ongoing	
Village-structuring and viability enhancement of the urban centers of Burundi	MINITRAPE	Rate of growth in the number of city dwellers	Emergence of urban centers	Ongoing	
Construction of subsidized housing (multistory housing and prefabricated housing)	MINITRAPE	Rate of growth in the number of houses built	Decrease in rents	Ongoing	
Creation of an annual government support fund for the construction of subsidized housing (enhanced viability, counterparties, etc.)	MINITRAPE	Rate of growth in the amount allocated and number of beneficiaries	Access to housing on the part of the low-income population	Ongoing	
Improvement of urban perimeters in secondary centers	MINITRAPE	Rate of growth in areas improved	Growth of secondary cities	Ongoing	
Improvement of peri-urban neighborhoods	MINITRAPE	Proportion of neighborhoods improved	Organized expansion of cities	Ongoing	
Promotion and development of construction industries (incentive measures, mobilization of resources, land grants)	MINITRAPE	Rate of growth in the number of housing units constructed	Founding of new construction firms	Ongoing	
Formulation of the National Housing and Urban Planning Policy of Burundi	MINITRAPE	Policy developed and adopted	Access to housing on the part of the low-income population	2008	
Drafting of the implementing provisions of the law on rental incomes and incentive measures to encourage private real estate promoters	MINITRAPE	Texts and law in place	Decrease in rents	2008	
Mobilization of resources for maintaining shared infrastructures	MINITRAPE	Rate of growth in the amount of resources and degree of infrastructure maintenance	Shared infrastructures well maintained	Ongoing	
3.2.3 Support for vulnerable groups					
Creation of a Fund for the care of indigents and vulnerable groups (demonitized and repatriated youths)	MSNDPHG -Min. Health, Min. Youth	Fund created and functional	Vulnerable groups and indigents taken in and cared for	Dec-07	
Preparation and dissemination of teaching materials free of gender stereotypes	MSNDPHG	Teaching materials prepared and disseminated	Proportion of population reached by training incorporating the gender dimension	Ongoing	
Strengthening of structures for taking in and comprehensively caring for the victims of sexual violence	MSNDPHG	Structures for taking in and comprehensively caring for the victims of sexual violence established	Population reached by the campaigns to prevent sexual violence carried out, and number of victims of sexual violence cared for	Ongoing	
Strengthened solidarity and community participation	MSNDPHG	Traditional solidarity and community participation structures strengthened, and other solidarity mechanisms introduced	Rate of community participation in the various national programs, and number of mechanisms introduced at the community level	Ongoing	
Reconstruction and rehabilitation of housing for repatriated, displaced, and demonitized persons, for war widows and orphans, and for other vulnerable	MSNDPHG	Decentralized structures or partners for implementation of the national program for the	Number of houses rebuilt or rehabilitated by province Number of villages or reinstallation sites built	2009	
Integration of disaster victims through trade apprenticeships, income-generating activities, and access to microcredit	MSNDPHG	Trade apprenticeship structures established Microfinance structures partnering with the Ministry	Number of disaster victims having participated in trade training and education sessions Number of disaster victims with access to microfinance institutions by commune	Ongoing	
Drafting of the various legislative and regulatory provisions concerning disabled persons	MSNDPHG	Texts drafted and promulgated	Rate at which the issue of the disabled is addressed in laws and decisions by the administration	Ongoing	

Development of a clear national policy on the disabled	MSNDPHG	Policy developed and adopted	Number of disabled tended to by appropriate structures	Ongoing
Census of disabled persons	MSNDPHG	Report available	Special programs prepared	2007
Support for associations of disabled persons	MSNDPHG	Structures identified and supported	Associations of disabled persons supported	Ongoing
Support for centers for the disabled	MSNDPHG	Centers for the disabled receiving support	Proportion of disabled persons benefitting from adequate social integration	Ongoing
Organization of special education for the disabled	MSNDPHG	Trade training and education centers established	Proportion of disabled persons with access to specialized training centers	Ongoing
Psychosocial rehabilitation of the disabled	MSNDPHG	Psychosocial readaptation structures created	Share of disabled persons cared for in psychosocial readaptation centers	Ongoing
Improved capacities for diagnosing those traumatized by war	MSNDPHG	Structures created for caring for those traumatized by war	Number of cases treated in the care centers for those traumatized by war	Ongoing
Improved coordination of the sector for assisting disaster victims	MSNDPHG - CNCA	Platform for coordinating aid to disaster victims introduced at all levels	Improved mobilization of aid	Ongoing
3.2.4 Promotion of gender issues				
Strengthened capacities of CDFs for proper program implementation and sound coordination of actions favoring the promotion of gender issues	MSNDPHG	Number and type of training sessions, recruitment processes Equipment available, action plans implemented	Competent personnel, CDFs equipped, action plans implemented	2008
Support for stakeholders in promoting gender equality in all areas	MSNDPHG	Gender training program; guides and tools for incorporating gender available, national gender policy disseminated	Number of stakeholders trained in gender and development	2008
Strengthening the role of women as a pillar of peace and for the promotion of good governance	UNIFEM MSNDPHG UNIFEM NGOs	Number of training/awareness sessions for women organized	National programs/projects sensitive to gender issues Number of women involved in the peace consolidation structures	2009
Surveys and studies to provide material for the gender database	MSNDPHG	Number and quality of surveys and studies carried out	Gender data available for all areas, gender database completed	2007
Training of decision-makers in taking gender into account in national budgets and the use of resources from development assistance	MSNDPHG	Number of training sessions organized Number of persons trained	National budgets sensitive to gender issues	2007
Training of elected officials at all levels to strengthen their policy and decision-making participation	MSNDPHG	Number of training sessions organized Number of persons trained	Number and quality of women involved in decision-making areas	2008
Development of appropriate technologies and of a social organization system making it possible to ease the workload of women	MSNDPHG	Types of modern technologies introduced Rate of use of these technologies, number of awareness seminars held for men and women	Number of hours of work (reduced) for women	2009
Strengthening of the economic and political power of women	MSNDPHG	Training program, number of women trained, number of female entrepreneurs	Number and quality of women involved in decision-making	2009
Improved access by women to production factors and to the management of the resulting resources	MSNDPHG	Guarantee fund in place, business and ICT center established	% of women with access to and control of production factors	2009
Promotion of an environment conducive to girls' access to school and staying in school	MSNDPHG	School regulations sensitive to gender issues	% of school dropout rate of girls	2007
Increase in the resources allocated to the sector for promoting women, taking into account the challenges that must be faced	MSNDPHG	Gender units/departments created in the ministries	% of budget allocated to them	2008
Imparting new dynamism to the network of gender focal points in the ministries	MSNDPHG	Texts governing the network Report on the meetings and action plan of the network	Gender-sensitive activities within each ministry	2008
Promulgation of a law severely punishing sexual violence		Draft law Law promulgated	Number of perpetrators punished, number of trials held on the basis of the new law	2007
Promulgation of the code on inheritance, marriage settlements, and gifts	MSNDPHG	Kirundi version of the text, number of persons reached by the awareness sessions Code promulgated	Equity between men and women in this area	2007

Establishment of a specialized structure within court structures in order properly to care for the victims of violence	MSNDPHG	Structure created and functional	Number of new cases, speed of violence-related trials	2008
Creation of a Permanent Commission for monitoring the implementation of the laws on gender issues	MSNDPHG	Texts governing the commission	Number of women informed and made aware of the laws which protect them	2007
Revision of the existing legal instruments which embody gender-related discrimination	MSNDPHG	Commission created and functional	Gender provisions applied	2007
Translation, simplification, and dissemination of the texts of laws and codes in place to promote and protect the rights of women	MSNDPHG	Number of legal texts revised	Number of persons aware of their rights	2009
National survey on violence to women	MSNDPHG	Number of laws translated Number of laws disseminated Type and number of simplified tools Survey report produced and validated	Causes and consequences known Political commitment to prevent and suppress violence and to care for victims thereof	2007
Creation and/or strengthening of structures for taking in and providing integrated care for the victims of sexual violence	MSNDPHG	Number of centers opened Number of staff trained/recruited Equipment available Activities supported	Number of new cases received and monitored, structures functional	2009
Gender training in the decentralized structures of the CNLS in order properly to integrating gender in programming and program implementation	MSNDPHG	Number of training sessions organized, number of persons reached	Gender indicators in all programs	2009
Taking gender into account in the reinsertion and reintegration of the victims of war and other vulnerable groups	MSNDPHG	Gender-related budget lines, gender indicators formulated and monitored	Quality of services extended to women and other vulnerable groups in terms of their specific needs	2009
Increased access to land ownership on the part of girls	MSNDPHG; Min. Justice		% of girls/women with access to land ownership	2009
AXIS 4: FIGHT AGAINST HIV/AIDS				
4.1. Prevention of HIV transmission				
Condom availability	Min. Health, MPLS and USLS	Condoms distributed or sold	Prevalence of HIV/AIDS/STIs in at-risk groups	Ongoing
Increase in number of voluntary screening centers for HIV and sexually transmitted infections (STIs) within health structures	Min. Health, MPLS	CDVs created	Persons screened	Ongoing
Strengthened information, education, and communication activities to change behaviors, especially among at-risk groups (youths, disaster victims, women of childbearing age, prisoners, men in uniform, women with multiple partners, unaccompanied travelers)	MPLS, OSC, USLS concerned	Persons reached	Percentage of persons in at-risk groups having ceased at-risk sexual behavior	Ongoing
Strengthening of activities to prevent and combat HIV/AIDS in health structures	Min. Health, MPLS	Health structures benefiting from support with capacity building (training, equipment)	Health structures with improved security practices for transfusions and injections/total number of health structures	Ongoing
4.2. Care for patients infected with HIV				
Availability of medicines to combat opportunistic diseases, antiretroviral (ARVs), and biological monitoring of persons living with HIV	Min. Health, BPS, MPLS, CNLS, USLS concerned	PLHAs treated for opportunistic infections PLHAs receiving ARVs	% of PLHA 24 months after initial ARV treatment	Ongoing
Training of health personnel in evidence-based practice (EBP)	Min. Health, MPLS, CNLS, USLS concerned	Number of persons trained	Improved care	Ongoing
Training of healthcare providers in psychosocial care	CNLS, Min. Health, MPLS, USLS concerned.	Persons trained	Persons trained and structures equipped	Ongoing
Extension of the Mother-Child HIV Transmission Prevention Program, incorporating pediatric EBP	Min. Health (BPS), MPLS, CPLS.	New Mother-Child Transmission Prevention sites created	% of beneficiaries by comparison with total number of seropositive women	Ongoing

4.3. Reduction of impact on persons affected by HIV					
Promotion of rights and protection of persons living with HIV/AIDS and other vulnerable groups	MPLS, MSNDPHG, OSC, USLS concerned	Protection structures working to promote the rights of PLHAs and other vulnerable groups	PLHAs and other vulnerable persons having received assistance with human rights	Ongoing	
Support for the care of orphans and vulnerable children (OVCs) and other vulnerable groups (education, trade schooling, socioeconomic support, medical and psychological care, legal assistance, and protection of rights of OVCs)	MPLS, Min Education and culture, MSNDPHG	Community support structures for OVCs established	Enrollment ratio of OVCs % of OVCs with trade schooling OVCs benefiting from medical and psychological care and economic and legal assistance	Ongoing	
Support for income-generating activities initiated by persons infected and/or affected by HIV/AIDS and by OVCs (access to microcredit)	Min. Health, Min Agri and USLS concerned	Microprojects financed	Beneficiaries engaged in income-producing activities	Ongoing	
4.4. Strengthening of institutional capacities					
Strengthened capacities of government structures and stakeholders in the fight against AIDS	MPLS, Min. Health, CNLS, USLS concerned.	Persons trained and structures equipped	Effectiveness of interventions	Ongoing	
5. PRIORITY ACTIVITIES FOR STRENGTHENING THE NATIONAL STATISTICAL SYSTEM					
5.1: Capacity building					
5.1.1. Strengthening of the legal and institutional framework for statistical activities					
Statistical Law	ISTEEBU	Statistical Law promulgated	Bodies established are functional	2006	
Revision of the personnel regulations for ISTEEBU staff	ISTEEBU	Revised personnel regulations	Wage scales that serve as incentives applied	2006	
5.1.2. Strengthening of the technical capacities of the staffs of statistical structures					
Strengthen the training mechanisms for statisticians begun at the University	UNIVERSITY	60 Statistical Assistants and 50 Statistical Engineers trained and assigned to the structures of the National Statistical System	Data production requirements met	2007	
Preparation of candidates for the competitive entry examinations for the Statistics Schools	ISTEEBU	50 candidates prepared annually	At least 10 successes recorded annually	2007-2009	
5.1.3. Preparation of the National Statistical Development Strategy (SNDS)					
Holding of preparatory SNDS meetings, seminars, and workshops	ISTEEBU	Preparatory SNDS meetings, seminars, and workshops held	Reports leading to the SNDS paper	2006	
Finalization of the budgeted Action Plan to be incorporated into the SNDS	ISTEEBU	Paper on the Action Plan for the National Statistical System	All priority actions identified are implemented	2006-2009	
Participation in the GDSS	ISTEEBU	Participation accepted	Metadata produced and disseminated	2006	
Resumed regular production of the national accounts and publication of a series prepared using the <i>System of National Accounts 1993 (SNA 93)</i> methodology	ISTEEBU	National accounts produced	Macroeconomic management improved	2007	
Broadening the scope of application of the consumer price index (CPI)	ISTEEBU	Revised observation points, weights, and products contained in the updated consumption baskets	CPI updated	2007	
5.2: New dynamism in statistical production					
5.2.1. Strengthening of sectoral systems for the production of statistics					
Technical support for the statistical production of the ministerial statistics units	ISTEEBU and Ministerial Statistical Units	Units supported	Sectoral statistical production complete	2007	
Establishment of a unified federal base	ISTEEBU	Base established	All databases federated	2006	
5.2.2. Strengthening of statistical production by conducting survey operations					
Conduct of I-2-3 survey	ISTEEBU	Survey results document	Data on employment and the informal sector	2007	
Conduct of the Annual Industrial Production Survey	ISTEEBU	Survey results document	Industrial production index	2007-2009	
Updating of poverty profile with data from the recent surveys (MICS, CWIQ, I-2-3 survey, etc.)	ISTEEBU	Poverty profile produced	Indicators available for the in-depth analysis of poverty	2006-2007	
Conduct of the MICS Survey	ISTEEBU	Survey results document	Indicators available on the living conditions of children	2007	
Conduct of the CWIQ-2008 survey	ISTEEBU	Survey results document	Indicators available on the living conditions of the people	2008	
Conduct of the Agricultural Survey	ISTEEBU and MinAgri	Survey results document	Agricultural statistics	2008	
Conduct of the Household Budget-Consumption Survey	ISTEEBU	Survey results document	Consumption basket updated and indicators on household living conditions available	2008	
Conduct of the 3rd General Population and Housing Census	ISTEEBU and Population Department	Census results document	Sociodemographic statistics available	2008	

Annex 2: Selected Major Economic and Financial Indicators (1992-2005)

	1992	1993	1994	1995	1996	1997	1998	1999	2000
1. Economic growth and prices									
Real GDP (annual rate of growth)	2.7	-5.7	-3.8	-7.3	-8.3	0.4	4.8	-1.0	-0.9
Nominal GDP (FBu billions)	225.6	227.9	233.7	249.9	263.1	342.8	400.2	455.5	511.1
CPI/Inflation (annual average in %)	4.5	9.7	14.9	19.4	26.4	31.1	12.5	3.4	24.3
2. National accounts									
Gross investment ratio (% of GDP)	15.0	16.3	10.1	9.3	12.0	7.9	9.5	8.5	8.4
of which: Private investment ratio	2.8	3.0	1.6	1.4	1.8	2.2	2.3	1.6	2.3
Gross national savings rate (% of GDP)	-1.0	7.7	-7.2	5.1	5.8	5.0	1.8	2.3	-1.7
of which: private	-3.1	7.4	-8.5	5.4	7.8	9.3	1.9	4.8	-2.2
Consumption rate (in % of GDP)	105.7	101.4	108.2	105.0	97.9	96.7	102.0	99.9	105.1
of which: private	90.8	85.7	93.9	89.0	81.7	81.7	87.0	84.3	89.8
3. Value added/sector(% of GDP fc)									
Agriculture	53.4	52.6	46.8	48.2	57.2	49.2	46.3	43.7	40.4
Industry	21.4	20.9	22.5	19.2	12.6	15.8	16.9	17.8	18.8
Services	25.2	26.5	30.7	32.6	30.2	35.0	36.8	38.5	40.8
4. External sector									
Exports of goods and services (US\$ millions)	94.8	88.1	95.1	129.2	50.6	95.7	71.5	61.9	55.1
Imports of goods and n.f. srves (US\$ millions)	319.2	255.0	263.5	272.8	136.9	140.4	173.8	129.0	150.6
Terms of trade (deterioration: "-")	-28.4	31.8	45.2	3.4	-23.9	-8.7	19.4	0.3	-22.2
Average annual exchange rate (FBu/US\$)	208.3	242.8	252.7	249.8	302.8	352.4	447.8	563.6	720.5
Real effective exch. rate (deprec. "-")	-12.3	-0.7	3.2	9.8	12.2	23.9	-6.4	-14.8	9.5
Net foreign assets (US\$ millions)	96.8	96.7	145.1	155.6	98.1	82.5	43.6	30.9	26.3
Net reserves (mnths. imp. g.&n.f.s.)	4.1	4.4	6.6	6.8	8.6	7.1	3.0	2.9	1.9
External debt service (US\$ millions) ^[a]	40.0	38.7	30.2	50.5	53.2	57.0	54.4	48.0	46.4
Ext. debt serv. ratio (% exp. g&nfs) after HIPC	42.2	43.9	31.8	39.1	105.2	59.6	76.1	77.6	84.3
Ext. pbl. debt stock (US\$ million) before HIPC	1 054.8	1 066.6	1 049.2	1 225.6	1 166.1	1 203.9	1 241.1	1 199.2	1 183.2
In % of GDP	103.8	120.6	118.3	118.3	130.3	120.6	136.4	149.0	169.3
Stock ext. debt arrears (US\$ millions)	0.0	0.0	4.1	5.2	24.8	49.1	66.1	86.7	92.6
Drawings a/ext. loans (US\$ millions) ^[b]	112.7	70.4	50.5	40.4	46.2	26.0	36.4	23.6	39.8
Drawings a/grants (US\$ millions)	203.9	216.2	162.0	160.1	75.0	62.8	58.2	65.8	76.8
Current grants ^{/2}	140.5	163.5	143.8	136.1	56.2	50.9	49.9	45.6	54.7
Capital grants	63.4	52.7	18.2	24.0	18.8	11.9	8.3	20.2	22.1
Special programs									
DDR									
Elections									
Net flows: [b]-[a]	72.7	31.7	20.3	-10.1	-7.0	-31.0	-18.0	-24.4	-6.6
5. Government finance									
Cur. revenue excl. grants (FBu billions)	38.2	39.8	42.2	44.1	42.5	46.5	68.5	74.0	98.3
In % of GDP	16.9	17.5	18.1	17.6	16.2	13.6	17.1	16.2	19.2
Total exp.&net lending (FBu billions)	64.2	68.9	56.7	64.7	74.8	74.9	94.9	115.4	123.5
In % of GDP	28.5	30.2	24.3	25.9	28.4	21.8	23.7	25.3	24.2
Current expenditure (FBu billions)	33.5	39.1	39.1	45.0	48.0	61.4	68.8	85.7	96.0
In % of GDP	14.8	17.2	16.7	18.0	18.2	17.9	17.2	18.8	18.8
Social expenditure (FBu billions)1/	9.4	12.9	11.3	11.3	12.9	13.3	17.4	18.2	19.0
In % of current expenditure	28.0	33.0	29.0	25.1	26.9	21.7	25.3	21.2	19.8
In % of GDP	4.2	5.7	4.9	4.5	4.9	3.9	4.4	4.0	3.7
Primary balance (FBu billions)	2.1	3.9	6.7	2.2	-5.9	-1.7	3.0	-3.8	11.4
In % of GDP	0.9	1.7	2.9	0.9	-2.2	-0.5	0.7	-0.8	2.2
6. Money and credit									
Money and quasi-money (M2) in FBu billions	34.9	37.2	50.9	49.1	56.5	61.8	63.2	91.8	95.9
Velocity of money (GDP/M2)	6.5	6.1	4.6	5.1	4.7	5.5	6.3	5.0	5.3
Base money in FBu billions	16.8	17.6	22.3	22.1					36.4
Liquidity ratio (M2/GDPm)	15.5	16.3	21.8	19.6	21.5	18.0	15.8	20.2	18.8
Cent bank refinance rate	12.0	9.1	10.0	10.0	10.0	12.0	12.0	12.0	14.0
Lending rate	16.6	16.7	16.3	15.8	15.9	16.0	17.6	17.7	20.4
Borrowing rate	8.4	8.0	8.8	8.4	8.5	8.5	9.1	9.4	11.3
Domestic credit (net) in billions	32.6	33.8	38.4	37.9	50.8	66.3	86.3	117.5	131.8
State	0.4	-2.5	-1.5	5.9	11.7	23.4	29.5	41.9	24.0
Private	32.2	36.3	40.0	32.0	39.2	42.4	56.8	71.2	104.6

Annex 2: Selected Major Economic and Financial Indicators (1992-2005) (cont.)					
	2001	2002	2003	2004	2005(p)
1. Economic growth and prices					
Real GDP (annual rate of growth)	2.1	4.5	-1.2	4.8	0.9
Nominal GDP (FBU billions)	550.0	584.6	644.7	731.5	860.8
CPI/Inflation (annual average in %)	9.3	4.5	10.7	8.0	13.4
2. National accounts					
Gross investment ratio (% of GDP)	7.5	8.6	10.4	13.3	10.8
of which: Private investment ratio	1.9	2.8	2.1	3.0	4.2
Gross national savings rate (% of GDP)	0.7	-1.3	5.5	5.2	0.2
of which: private	2.3	-0.2	4.4	8.6	2.4
Consumption rate (in % of GDP)	106.5	108.7	108.9	111.0	123.1
of which: private	89.0	91.7	86.2	84.9	96.6
3. Value added/sector(% of GDP fc)					
Agriculture	39.5	44.1	35.2	48.7	45.2
Industry	19.0	17.5	20.7	14.4	15.4
Services	41.5	38.4	44.1	30.2	32.6
4. External sector					
Exports of goods and services (US\$ millions)	46.1	33.6	37.5	47.9	57.2
Imports of goods and n.f. svcs (US\$ millions)	146.3	-103.9	-125.9	-148.9	-239.0
Terms of trade (deterioration: "-")	-21.0	-0.1	0.4	28.1	11.0
Average annual exchange rate (FBU/US\$)	830.4	930.7	1,083.0	1,110.0	998.0
Real effective exch. rate (deprec. "-")	-4.8	-15.1	-18.6	-2.8	9.2
Net foreign assets (US\$ millions)	16.9	43.2	48.6	34.2	69.8
Net reserves (mnths. imp. g.&n.f.s.)	1.2	3.5	2.7	0.6	1.3
External debt service (US\$ millions) ^[a]	43.7	58.4	50.5	45.9	46.8
Ext. debt serv. ratio (% exp. g&nfs) after HIPC	105.3	157.2	134.8	109.2	27.1
Ext. pbl. debt stock (US\$ million) before HIPC	1 060.3	1,132.5	1,336.4	1,382.3	1,515.7
In % of GDP	160.1	180.3	224.6	208.0	189.3
Stock ext. debt arrears (US\$ millions)	115.7	148.5	184.7	78.6	-
Drawings a/ext. loans.(US\$ millions) ^[b]	15.2	34.6	41.9	42.2	69.3
Drawings a/grants (US\$ millions)	87.5	105.7	55.7	88.4	57.0
Current grants ^{/2}	61.6	79.3	54.9	55.2	36.8
Capital grants	13.6	26.4	0.8	33.2	18.4
Special programs				10.7	33.2
DDR				7.4	8.7
Elections				3.3	24.5
Net flows: [b]-[a]	-28.5	-23.8	-8.6	-3.8	22.5
5. Government finance					
Cur. revenue excl. grants (FBU billions)	110.2	118.4	136.0	146.9	172.1
In % of GDP	20.0	20.3	21.1	20.1	20.0
Total exp.&net lending (FBU billions)	149.8	151.6	224.8	291.2	316.4
In % of GDP	27.2	25.9	34.9	39.8	36.8
Current expenditure (FBU billions)	118.6	119.7	141.8	163.2	200.6
In % of GDP	21.6	20.5	22.0	22.3	23.3
Social expenditure (FBU billions)1/	23.7	26.2	41.9	49.0	55.1
In % of current expenditure	20.0	21.8	29.6	30.1	39.9
In % of GDP	4.3	4.5	6.5	6.7	6.4
Primary balance (FBU billions)	-4.6	12.9	-5.4	-25.4	-14.6
In % of GDP	-0.8	2.2	-0.8	-3.5	-1.7
6. Money and credit					
Money and quasi-money (M2) in FBU billions	110.1	140.4	173.7	202.7	256.4
Velocity of money (GDP/M2)	5.0	4.2	3.7	3.6	3.4
Base money in FBU billions	40.4	49.8	55.2	75.8	100.5
Liquidity ratio (M2/GDPm)	20.0	24.0	26.9	27.6	29.6
Cent bank refinance rate	14.0	15.5	14.5	14.5	14.5
Lending rate	20.9	20.3	21.1	20.8	20.5
Borrowing rate	12.1	13.3	13.7	12.8	9.8
Domestic credit (net) in billions	168.2	193.0	214.1	275.0	276.3
State	46.3	31.8	46.1	106.6	123.0
Private	121.9	161.2	168.9	168.4	153.3

Source: Data gathered and analyzed by the Permanent Secretariat for Monitoring Economic and Social Reforms (SP/REFES).

1/ Expenditure on Health, Education, Reintegration of Disaster Victims, and other social sectors.

2/ Including HIPC.

ANNEX 3

Selected Major Social Indicators

	1 990	1 991	1 992	1 993	1 994	1 995	1 996	1 997	1 998	1 999	2 000	2 001	2 002	2003	2004
I. Poverty indicators (monetary)															
. Poverty profile 1/															
. Countrywide	34.9	33.8	33.5	35.3	47.8	52.2	60.7	63.5	65.6	67.7	67.4	68.0	68.0		
. Urban	32.4	32.0	32.9	40.9	47.2	51.2	64.0	66.0	66.5	66.6	66.0	66.0	66.0	65.8	65.7
. Rural	35.1	35.5	34.8	39.6	48.5	53.3	57.5	61.0	64.6	68.8	68.7	68.7	68.7	70.4	70.5
. Per capita GDP (current US\$)	214.4	203.8	179.6	149.3	170.8	182.1	131.8	146.3	129.3	124.5	119.1	110.0	110.0		
II. Health and related services															
. Life expect. at birth (years)	51.3	51.7	51.8	51.1	50.6	49.8	49.2	48.8	48.5	48.2	48.0	47.8	47.6	46.3	46.1
. Child mortality rate (per mil) ¹	118.2	115.8	113.5	111.2	115.2	114.9	126.6	127.1	123.9	116.0	116.0	126.3	127.1	114.0	114.0
. Vaccination cov. (% children <1yr)	85.0	82.0	80.0	63.0	48.0	62.5	55.0	55.3	47.9	47.2	61.0	72.0	91.0	83.9	78.6
. Malaria cases (per 100,000 inhab.)	10,135	10,069	15,114	14,726	14,474	17,899	16,402	24,471	29,194	30,232	49,103	49,155	37,686	31,272	23,999
. Pop. per physician (thousands)	25.1	24.2	23.4	22.0	20.5	19.8	19.1	18.3	18.0	17.8	17.3	17.1	16.9	16.4	16.9
. Pop. per nurse (thousands)	4.5	4.1	3.8	3.2	2.8	2.6	2.4	2.2	2.1	1.9	1.8	1.7	1.6	1.3	1.3
. Access to potable water (in %)															
. Urban pop.	95.0	96.0	97.0	92.0	89.0	70.0	94.0	94.0	95.0	95.0	95.0	96.3	96.3	95.0	95.0
. Rural pop.	49.0	52.0	55.0	51.0	53.0	54.0	52.0	49.0	47.0	43.0	43.0	43.0	43.0	49.0	49.0
. National average	51.9	54.9	57.8	53.9	55.6	55.2	55.1	52.4	56.3	47.2	47.3	47.4	60.3		
III. Education and related services															
. Gross enrollment ratio, primary	68.5	70.6	67.8	67.8	44.7	53.1	42.0	43.8	52.7	62.5	65.0	66.7	71.1	75.5	79.6
. Gross enrollment ratio, secondary	5.1	5.6	6.3	6.6	6.0	6.3	7.3	7.4	8.6	9.0	9.5	10.0	10.3	9.8	11.1
. Gross enrollment ratio, higher	0.9	1.0	1.0	1.1	1.0	1.1	1.1	1.0	1.0	1.3	1.5	1.2	1.2	1.5	1.7
. Adult literacy rate (age 15 and +)															
Men	47.8	48.6	49.5	49.7	50.4	51.1	51.8	52.4	53.0	52.7	52.7	52.3	54.02	54.07	54.02
Women	27.4	28.1	28.8	29.2	29.8	30.5	31.0	31.6	32.1	32.3	32.2	32.4	32.5	32.7	32.7
. No. students in tech. education (% of students in general ed.)															
. Student/teacher ratio															
. Ratio in primary school	65.1	67.0	65.2	62.0	45.1	53.1	46.1	45.1	47.9	55.2	55.7	50.0	50.0	51.0	51.2
. Ratio in secondary school	24.0	25.2	30.0	28.6	24.9	23.7	24.0	21.6	25.6	39.7	45.2	19.4	25.1	25.6	26.0
. Capacity of UB lecture halls	3 120	3 120	3 120	3 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4 120	4,120	4,120
IV. Population, natural resources, and employment indicators															
Total pop. (thousands of inhabitants)	5 292.8	5,444.6	5,598.5	5 769.1	5 875.4	5 981.7	6 088.0	6 194.2	6 300.5	6 482.7	6 664.8	6 847.0	7,029.2	7,211.4	7,457.0
Urban in %	6.3	6.5	6.8	7.0	7.2	7.3	7.5	7.6	7.8	8.0	8.2	8.0	9.0	9.2	9.5
Rural in %	93.7	93.5	93.2	93.0	92.8	92.7	92.5	92.4	92.2	92.0	91.8	92.0	91.0	90.8	90.5
. Pop. density (inhab/km ²)	211.4	217.7	224.1	230.4	234.6	238.9	243.1	247.4	251.6	258.9	266.2	273.4	280.8	288.0	297.8
. Natural rate of growth (%)	2.9	2.9	3.0	3.0	2.9	2.8	2.8	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0
. Fertility rate (no. children/woman)	6.7	6.7	6.7	6.7	6.7	6.7	6.6	6.6	6.7	6.3	6.3	6.8	6.5	6.3	6.3
Natural resources															
. Total area in km ²	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27 834	27,834	27,834
. Land area (LA) in km ²	25 040	25 039	25 040	25 040	25 040	25 040	25 040	25 040	25 040	25 040	25 040	25 040	25 040	25,040	25,040
. Arable land (in % of LA)	58.9	57.8	56.7	56.3	60	60	60	59.4	54.5	54.8	55	55	55	55	55
Employment															
. Labor force by sector of activity															
Total structured sector (TS)	78,381	79,912	81,533	83,252	85,055	86,876	88,996	91,367	94,000	95,840	97,287	99,028	101,450	103,367	106,800
of which: public sector	28 769	29 392	29 997	30 589	31 158	31 716	32 260	33 348	34 868	35 060	35 904	36,300	37,210	38,500	39,800
of which: pub. sector (% of TS)	36.7	36.8	36.8	36.7	36.6	36.5	36.2	36.5	37.1	36.6	36.9	36.7	36.7	37.2	37.3
Parapublic sector	22 052	22 455	22 907	23 408	23 953	24 562	25 218	25 788	26 300	27 403	27 405	28 033	28 667	28,667	29,600
Parapub. sect. in % of TS	28.1	28.1	28.1	28.1	28.2	28.3	28.3	28.2	28.0	28.6	28.2	28.3	28.3	27.7	27.7
Private sector	27 560	28 065	28 629	29 255	29 944	30 598	31 518	32 231	32 832	33 377	33 978	34 695	35 573	36,200	37,400
Priv. sect. in % of TS	35.2	35.1	35.1	35.1	35.2	35.2	35.4	35.3	34.9	34.8	34.9	35.0	35.1	35.0	35.0
. LF in % of total population	45.0	44.7	44.4	44.0	44.1	44.1	44.2	44.2	44.4	44.4	44.6	50.0	44.1	44.4	44.7
. Agriculture in % of LF	93.6	93.7	93.4	93.6	93.6	93.6	93.6	93.6	93.6	93.6	93.6	94.0	95.0	95.0	95.0
. Industry in % of LF	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
. Services in % of LF	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.1	4.4	4.5	4.5	4.5

Source: Data gathered and analyzed by the SP/REFES + DHD database.

1/ Population living below the poverty line

prov. = provisional

LF: Labor force

ANNEX 3 (concl.)

Progress toward achieving the Millennium Development Goals (MDGs)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
I. Economic well-being															
. Poverty profile 1/	34.9	33.8	33.5	35.3	47.8	52.2	60.7	63.5	65.6	67.7	68.7	68	68		
. Per capita GDP (current US\$)	214.4	203.8	179.6	149.3	170.8	182.1	131.8	146.3	129.3	124.5	119.1	110	110		
II. Social development and gender															
II.1. Health and related services															
. Child mortality rate (per mil)	118.2	115.8	113.5	111.2	114.9	123.9	126.3	127.1	127.4	125.3	128.4	128.7	128.7	114	114
. Vaccination cov. (% children <1yr)	89.5	80.4	88.3	70.6	55.3	68	60	58.1	55.2	60.7	68.2	62.6	85.4	83.9	78.6
. Malaria cases (per 100,000 inhab. in exposed areas)	10.1	10.1	15.1	14.7	14.5	17.9	16.4	24.5	29.2	30.2	49.1	49.2	37.7	31.3	24.0
. Maternal mortality rate (per 1,000 live births)	8	7.8	7.9	7.9	8	8	8	8	8	8	8	8	8	8	8
. Rate of contraceptive usage (%)	1.9	2.4	3.4	4	1.7	2.9	3	3.5	3.3	2.9	2.7	4	4	2.6	2.4
II.2. Education and related services															
. Gross enrollment ratio, primary (boys and girls)	68.5	70.6	67.8	67.8	44.7	53.1	42	43.8	52.7	62.5	65	66.7	71.1	75.5	79.6
Girls	60.8	63.4	60.5	60.8	43.3	46.9	38.1	40.1	47.1	55.1	57.4	59	62	67	71.7
Boys	76.1	76.8	75.2	75.2	46.1	59.5	45.8	48	58.5	70.2	72.6	74.7	80.3	84.3	87.5
. Adult literacy rate (age 15 and +)															
Men	47.8	48.7	49.6	49.7	50.4	51.1	51.7	52.4	53	52.7	52.7	52.3	54	54.1	54
Women	27.4	28.1	28.9	29.2	30	30.5	31	31.6	32.1	32.3	32.2	32.4	32.5	32.7	32.7
III. Natural resources and sustainable environment															
. Access to potable water (in %)	51.9	54.9	57.8	53.9	55.6	55.2	55.1	52.4	56.3	47.2	47.3	47.4	60.3		
. Renewable domestic water resources (in thousands of m3/yr/inhabitant)	1.5	1.5	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2		
. Land area of parks and nature reserves (in % of total land area)	49	49	49	49	47	47	47	47	47	47	47	47	47		

Source: Data gathered and analyzed by the SP/REFES + DHD database.

1/ Population living below the poverty line.

prov. = provisional