



REPUBLIC OF BURUNDI

**Progress Report: The First Two Years
of the PSRP (2007-2008)**

Preliminaries

1. Burundi has completed the outcome assessment of the first two years of its Poverty Reduction Strategy Paper (PRSP) implementation. The PRSF was adopted in 2006 by the government and development partners. It was designed through a participative process with high involvement from the people of Burundi, civil society, government, and all development partners operating in the country. The PRSP framework outlines four strategic areas for economic and social development: consolidating peace and security, economic growth, increasing human capital, and the war on HIV/AIDS.

2. Burundi mobilized national and external resources to implement programs in priority areas (education, healthcare, agriculture, and security). Public spending in these areas has increased steadily, from 6.3% of GDP in 2005 to 9.3% in 2006, 11.2% in 2007, and 12.1% in 2008. The country's security situation calmed after FNL-PALIPEHUTU was recognized as a political party, and the government intends to take advantage of this context to accelerate economic growth by capitalizing on progress achieved during the initial phases of priority program implementation.

3. Firstly, it should be pointed out that progress during the first two years of PRSP implementation was achieved in a context of high poverty. The poverty rate remains at 67%, and this remains a key concern, and the success of growth and poverty reduction programs will require stronger efforts to control population growth. The latest census estimated the annual population growth rate at 2.35%.

Focus 1: Strengthening Good Governance Practices and Security

4. The government fully realizes that security and peace are prerequisites to economic revival and poverty reduction. Accordingly, one of the priorities for 2007 was to put a definitive end to conflict and resume work on the Joint Verification and Monitoring Mechanism (*Mécanisme Conjoint de Vérification et de Surveillance* – MCVS). However, the comprehensive ceasefire agreement signed on September 6, 2007 between FNL-PALIPEHUTU and the government ran into difficulties, with more fighting breaking out in April 2008. The following month, both the government and the rebel group made efforts to resume talks. Thanks to commitments from local leaders and high-ranking officials from neighboring countries, the opposing parties chose dialogue over conflict. Through talks, compromises were made and an accord was signed on December 4, 2008, which paved the way for FNL-PALIPEHUTU to be recognized as a political party.¹

5. In spite of limited results, efforts to demobilize fighters remain a major priority for consolidating security and peace. Including the Burundi Armed Forces (BAF), Armed Political Parties and Movements (APPM), peacekeepers, and armed militants, some 23,023 individuals were demobilized out of a total of 55,000 members of these groups in 2007. However, the results of reintegration and reinsertion programs for demobilized adults and children were lower than expected, with only 9,373 successful cases at the end of 2008.

6. During the first year of PRSP implementation, civilian disarmament operations achieved modest results. The government created the National Commission for Civilian Disarmament and Prevention of Light Weapons Proliferation (CNDPAL) and began carrying

¹ This phase in the legalization process will only be implemented once FNL fighters demobilize, disarm, join the national armed forces, and release political prisoners.

out house-to-house awareness campaigns. A total of 7,299 illegal weapons were seized, or 7.5% of the estimated total number of illegal weapons in circulation. The government renewed its civilian disarmament program for 2008. The CNDPAL was also strengthened.² An ammunition destruction site was designated at Mugubugu, a storehouse to stock weapons for the national police force was built and secured, and several awareness campaigns about the fight against the proliferation of light and small caliber weapons were conducted, aimed at civilians, civil society, top government officials, and the media. Results, however, remain modest, with only 10,026 weapons seized or handed over. Mine clearing efforts produced encouraging results up to 2007 (including educating the population about the risks posed by mines and ways to protect households in conflict-prone areas), but these have since stagnated. Currently, in only three high-risk regions have mines been completely cleared and populations received mine safety training.

7. While some progress has been made in the areas of justice and the rule of law, Burundi's government knows that rebuilding the judicial system is a long-term process that goes well beyond infrastructure reconstruction. Priorities for the coming years include professional training for judges, ensuring the independence of court officials and judges, and providing civilians with access to local courts. These efforts are aimed at restoring the population's confidence in the legal system and ensuring equal access for all. Until now, efforts to establish the rule of law have primarily focused on three areas. Firstly, in 2007, the government began building or rehabilitating nearly 90 *Tribunaux de Résidence* (local courts) throughout the country in order to make the legal system more accessible. Building permits were issued for 33 additional *Tribunaux de Résidence* to be built over the following year to offer better access to courts on the local level. Already in 2008, 750 individuals were able to make their case in court thanks to the legal support structures and channels currently available.

8. Next, efforts to restore the legal system's credibility and capacities included sensitization campaigns on ethics and deontology aimed at judges on the local level as well as perception surveys, including one aiming to find a way of administering justice that would be acceptable to all and another aiming to assess the quality of the local court system. These efforts also included a study of how the *Tribunaux de Résidences* operate. It will also be important to begin designing the next sector-wide policy for the justice system. In 2008, professional capacity building gained momentum thanks to increased support from partners. A total of 167 judges from throughout the country attended a one-day training session on ethics. Training sessions were also held on administrative litigation (Administrative Courts of Bujumbura and Gitega and Appeals Court of Ngozi), court management (12 trainers and 205 staff members from the judicial system), and juvenile law (12 trainers-judges, 17 social workers, and 17 police officers). In order to provide the urgent retraining needed by the legal profession and lay the groundwork for opening a Professional Training Center for Legal Personnel, an assessment was conducted to determine what training judges and other legal personnel need.

9. Lastly, to restore citizens' confidence in the justice system, the government launched a program to enforce court rulings utilizing on-site interventions. A total of 505 court clerks and judges were trained on techniques for writing judgments, ways of enforcing court decisions and verdicts, civil and penal procedures, filing and archiving, and case management. Some 1,855 cases were tried and 1,945 more were reviewed in 2008. The

² Local branches were also created.

overall figures from the judicial system show that growth in the number of convictions exceeded growth in the number of accused (40% and 8%, respectively), with over 50% of those convicted being assigned to detention centers. However, the country's incarceration capacity remains too low and the prison occupation rate rose from 208% in 2007 to 245% in 2008. In addition, case processing and sentence enforcement remain too lengthy. Both aspects are major obstacles to the urgent need to alleviate prison overcrowding.

10. The promotion and defense of human rights is another priority for improving good governance and security. Some activities carried out in 2007 included organizing information and awareness workshops³ on the fundamental principles of human and child rights. Other workshops were held to inform civilians and local authorities about the mission of the National Independent Human Rights Commission (CNIDH), for which two draft bills have been tabled. The institutional framework for implementing transitional justice has been designed and a tripartite committee charged with coordinating dialogue about transitional justice has been created.⁴ The following year, concrete initiatives on numerous human rights questions were undertaken.

11. The government took measures to tighten discipline among security forces and to ensure greater dialogue with partners and civil society. The new Penal Code has also been finalized and approved. The Code lowers the age of legal majority to 15 years, abolishes the death penalty, and criminalizes torture, genocide, crimes against humanity, and gender-related violence. In addition, the government took a series of measures against sexual violence and the abuse of women and children, offered human rights and peaceful cohabitation training,⁵ and distributed equipment to the National Police Force of Burundi (motorbikes, communications and office equipment, etc.).

12. Another important aspect of establishing sustainable peace and pursuing the country's agricultural development is land management. In recent years, efforts to solve the land management question and minimize the risk of future conflicts have been inadequate. In order to build on experience and lessons drawn from pilot projects conducted with development partners, Burundi will need technical and financial support. The government's numerous efforts show that it is aware of how important this issue is for the country's future. In order to ensure the equitable management of land assets, the government conducted a survey with the support of the National Commission on Land and Other Properties (CNTB),⁶ civil society, and the *Bashingantahe* traditional structure for the administration of justice to assess current land usage (with 16,429 hectares unused, 30,896 hectares illegally owned, and 110,961 hectares in use). Land ownership titles were cross-checked to verify the accuracy of data. A bill on inheritance law, matrimonial regimes, and donations was proposed and an Expanded Inter-ministerial Technical Committee (CITE) was created to oversee efforts to

³ Jointly organized by the government, the United Nations Integrated Office in Burundi (BINUB), local and international NGOs for civilians, and the police force. The Ministry of Defense also held a seminar on human rights and the right of officers to receive compensations.

⁴ Launched on November 2, 2007, this committee includes representatives from the government, the United Nations, and civil society. A framework agreement was also signed between the government and the United Nations for designing transitional justice mechanisms, and a project supporting national dialogue regarding the transitional justice system was approved by the United Nations. The two parties will sign the project document relative to the United Nations Peacebuilding Fund (PBF) in June 2008.

⁵ This training was offered to civilians (in six villages) and to key personnel in relevant government departments.

⁶ The commission was created to handle land disputes on the local level. It currently has branches in every municipality in the country.

write a land policy document and revise the land code, which dates back to 1986.

13. A study was conducted on land management to examine alternative solutions to reintegration issues. In 2008, the search for sustainable land management solutions gained momentum with: (i) the creation of the CTIE in September 2008, (ii) approval of the land policy document, and (iii) the organization of a workshop under the auspices of the President of the Republic on the new land code proposal.⁷ In an attempt to settle the thorny issues of landless people and land shortages, three pilot villages from the regions of Makamba and Rutana were selected as test sites for an integrated rural village strategy aimed at providing land to vulnerable populations, with women as a priority. Thanks to a strengthened CNTB, 10,461 land conflicts were logged, 3,389 were resolved, and 702 more were settled out of court. With the number of members on the Commission set to double in the near future, these results are expected to improve further.

14. A number of decisive operations were carried out to strengthen political governance. Firstly, training sessions were offered to local officials and legislators to strengthen their management capacities. Secondly, a national policy document on decentralization and development was adopted in preparation for the next session of the General Assembly on Decentralization. However, the success of the decentralization policy depends on resource decentralization, which will ensure that local communities have the funds they need. In addition, the government opened a Public Administration Institute (ENA) in 2007 to train public officials, and it will soon create a National Employment and Training Agency. Lastly, civil society organizations reported several cases of corruption. However, greater efforts will be required of the Anti-Corruption Court as it ruled on only 21 cases in 2008 versus 77 in 2007.

Focus 2: Promoting Sustainable and Equitable Economic Growth

15. Food production trends remain highly unstable. Annual production dropped by 2.9% in 2006 and grew by 5% in 2007 and by 2% in 2008. Although current production levels are approaching pre-crisis levels, the country now has 3 million additional inhabitants. Food availability per person is therefore much lower than it was between 1988 and 1993. In recent years, cereal production has stagnated and vegetable and tuber production has dropped off while banana and plantain production has increased slightly. The food situation is still precarious for the majority of the population, with most facing dire shortages. Food production also greatly depends on rainfall and climate patterns. The security conditions required for designing agricultural development programs have only recently been met. This explains why external funding for rural development has lagged. Today, it is vital to design and implement programs for agricultural research, assistance to producers, and seed and fertilizer distribution, all of which depend on support from technical and financial partners.

16. Agricultural efforts to boost land productivity have been initiated with the aim of stimulating production growth in 2007 and 2008. First of all, 350 hectares of marshland were converted to farmland and storage facilities were built for local communities. Next, the capacities of leaders and agents of the National Center for Food Technology (CNTA) were

⁷ This proposal clears the way for the decentralization of land management services, recognizes the central role local authorities play in establishing land titles, clarifies the status of farming land, and suggests creating a national land commission. However, the issue of women's access to land is not addressed in the new land code proposal. This issue will be included in the bill proposal on inheritance law, matrimonial regimes, and donations.

strengthened through professional training on how to use software to crosscheck standards and conduct quality control. Also, agricultural regulation has improved with new agricultural consultants being recruited and assigned to each town and census district.

17. An active policy to stimulate and improve agricultural inputs enabled the creation of seed distribution centers in 15 Regional Agriculture and Livestock Offices (DPAE) producing and distributing higher quality seeds,⁸ rapidly increasing and distributing quality cassava production equipment, and ensuring better quality control of seeds in laboratories.⁹ Lastly, 280 pedal pumps were distributed in 2007 and 350 in 2008 for marshland irrigation in the Northern Lakes region. The Murambi canal and the Rugombo irrigation network were rehabilitated, and a new 3-km canal was dug in Kirundo. Support for these activities will continue into 2009, including major efforts to compile fertilizer stocks, rehabilitate irrigation systems in Imbo, purchase equipment for grower associations, manage diseases and pests, diversify and promote new crop varieties, and provide access to small irrigation systems.

18. Regarding traditional agricultural exports, reforms to the coffee industry, although delayed, aim to solve the cyclicity problem and revitalize production. Finding a solution to this problem is urgent because export income is dropping yearly. Total coffee production fell from 29,951 tons in 2006 to 8,089 in 2007 before rebounding to 24,500 tons in 2008. While further efforts are needed, growers were given ongoing technical support often coupled with consultation and practical advice on farm operations. In 2007, the privatization of production tools resumed, with the coffee sector being completely opened to market competition through new sales regulations that accept the principle of competition in coffee sales operations.¹⁰

19. By resuming reforms, the government has chosen to withdraw from coffee production and create a Regulatory Office for the industry. For this strategy to increase coffee production and grower income, it must incorporate solutions to low soil fertility, ineffective maintenance and production operations (size, mulching, transplanting, quality criteria for specialty coffees, stricter phytosanitary measures, and climate trends), the poor condition of most plantations, and environmental damage (pollution from cleaning stations, etc.). Reforms have lagged in the tea industry,¹¹ with progress only occurring in 2007.

20. In this sector, main activities included creating the Committee on Tea Industry Reforms (and approval of its action plan) and conducting studies and writing reports to prepare the industry for privatization.¹² Early reforms came at a time when production was stagnating at around 6,500 tons between 2006 and 2008 and exports had been declining for the past ten years. In the cotton industry, main challenges include speeding up the reform process and increasing production. From 2007 to 2008, production rose to 2,870 tons from

⁸ Particularly mosaic-resistant cassava cuttings but also higher quality rice and sorghum seed. In addition, at-risk households were offered support in growing key crops (80,000 fruit trees, over 14 million sweet potato cuttings, 10 tons of peanut seeds, and the resumption of taro farming).

⁹ Other activities included a survey of pesticide imports, consumption, and sales, providing citrus and mango rootstock, lumber yard maintenance, and stocking biomass.

¹⁰ Coffee grower associations are also subject to this competition and are now playing active roles in defending grower prices.

¹¹ Tea industry reforms are aimed at: (i) improving and freeing up production tools, (ii) privatizing the tea industry and boosting its competitiveness, (iii) building capacity for all industry actors, and (iv) designing a communications campaign.

¹² Study on increasing the industry's competitiveness; diagnostic and prevention studies to assess the risk of conflicts during tea industry reforms in Burundi; other studies (accounts and financial audit reports and accounts adjustment of the Burundi Tea Agency (OTB) for 2005 and 2006, report on assessments of the OTB's internal control system, and technical and financial audit report).

1,750 tons in 2006, with 3,500 tons forecast for 2008. Climate patterns primarily explain these unstable production results. To raise per-hectare yields,¹³ the Cotton Management Company (COGERCO) worked to increase crop areas,¹⁴ raise grower prices from BIF 200 to BIF 230 per kg, provide bonuses to the best growers and consultants, and open credit facilities for the purchase of fertilizers and sheet metal.

21. The livestock development program remains on track, generating satisfying results overall. The livestock repopulation initiative begun a few years ago has intensified with the distribution of better quality breeding stock.¹⁵ In short-cycle livestock farming, the government offered support to some livestock breeders, such as teaching techniques for cross-breeding local livestock with improved species. Moreover, some vulnerable households were given cattle. Other aspects that have contributed to cattle repopulation include semen imports for artificial insemination, new breeding facilities,¹⁶ and the introduction of improved species.

22. Small livestock repopulation (goats and poultry) continued its growth thanks to the distribution of improved species, freely available dewormers and antibiotics, and new infrastructures.¹⁷ Through the animal distribution program, 6,000 vulnerable households were given goats and veterinary aid kits (supplies and materials). Over the last ten years, trends in livestock farming have been positive, with particularly high growth rates in 2007: 10% for cattle, 12% for goats, and 15% for poultry. Excluding poultry, this growth slowed in 2008 due to technical problems, diseases, and an increase in slaughtering. To decrease the risk of epizootics, the veterinary services multiplied awareness campaigns for local officials about epidemiological surveillance and swine flu. A vaccination program was set up for cattle and pork, and a project was initiated to prevent and control bird flu.

23. In terms of legislation, the livestock breeding development policy now includes a draft order and two draft ordinances that outline the legal framework for the veterinary profession, the professional association of veterinarians, and the veterinary pharmaceutical industry.

24. Environmental protection is a key component of sustainable growth. The new environmental code, although not yet signed into law, provides a legislative framework for Burundi's environmental protection policy. With support from the World Environment Fund, the government carried out studies on social and environmental impacts and environmental protection and conservation and also compiled specific greenhouse gas inventories.¹⁸ A benchmark study on water quality control in Burundi was carried out through the Nile Basin Initiative. Secondly, forestry regulations were updated to incorporate input from the population. These regulations discourage premature cutting, improve forest maintenance, and expand forested areas.

25. Efforts to prevent and combat wildfires have produced limited results. A total of 662 hectares of woodland were destroyed by fires and only 137.5 km of new firebreaks were

¹³ In 2008, yields went from 1 ton per hectare to 642 kg per hectare.

¹⁴ This increased from 3,905 hectare in 2007 to 4,500 in 2008.

¹⁵ Best-known among these are Sahiwal, East Friesian, Brown Swiss, Montbéliarde, Ayrshire, and Ankole.

¹⁶ Facilities managed by groups trained by veterinarians.

¹⁷ Building norm-compliant shelters is required to receive livestock. In 2008, roughly 10,676 stables, 21,806 goat sheds, 797 sheep pens, 509 hog houses, and 15,841 chicken coops were built and/or renovated.

¹⁸ This includes waste, land use and occupancy, forestry, industrial procedures, agriculture, and energy. Work revolved around designing tools and procedure manuals for completing greenhouse gas inventories.

built. In 2008, maintenance was performed on 307 km of firebreaks, and 15,557 hectares of forest was destroyed. In addition, reforestation and forest inventories did not reach national policy objectives.¹⁹ In order to better protect natural forests, parks, and reforestation areas, an environmental protection police force²⁰ and local monitoring committees were created. As regards marshland conversion, results did not reach expected levels, though progress has been made. More than 9,700 hectares of catchment areas and 1,998 hectares of marshland were converted in 2007, with an additional 2,888 hectares undergoing conversion in 2008. Lastly, activities promoting alternative energy sources have been on the rise, such as the production and distribution of 4,450 more efficient cooking installations, the creation of new biofuel projects, and the renovation of the National Institute for the Environment and Nature Conservation (INECN) laboratory, which published four scientific reports on protected areas in 2008.

26. The government continued efforts to increase the economic weight of industry, trade, and handicrafts. Regarding the legislative and institutional framework, studies were conducted in 2008, which resulted in updating and modernizing commercial codes. The government also modernized the Burundi Normalization and Quality Control Office (BBN), providing it with offices and a metrology and chemistry lab to improve industrial and commercial quality control.

27. The Integrated Framework for the Promotion of Trade and Industry (*Cadre Intégré de Promotion du Commerce et de l'Industrie*) helped draw funding to key sectors such as the oil industry (a distiller was purchased for the RUGOFARM company) and the dried fruit and vegetables industries (new equipment was purchased for the DIMAC company). Private capital was invested in local construction equipment. The capital was invested in a cement factory in Cibitoke and also enabled the SUSUMO company to update outdated machinery and equipment. These investments indicate a level of confidence in the country's economy, which is making a gradual comeback thanks to initiatives such as the regional political risk insurance project. To sustain this confidence, it will be critical to align the new investment code with the tax code as soon as possible.

28. Regarding micro and small rural businesses, the "Building Small and Micro Businesses for Peace" project funded exhibitions and trade fairs in 2008 for micro rural companies. Handiwork and mining activities experienced moderate growth. These efforts are enhancing a move to bolster micro businesses that has been underway since 2006 (mining, agricultural and leather products processing, dressmaking, woodwork). Progress has also been made thanks to improved micro-finance tools, the utilization of high-intensity labor techniques, and Women's Development Center (CDF) initiatives to support women.

29. Progress has been made in production-related infrastructure, but this area will require more support in the future. Regarding transportation, urban roadway and highway renovation and upgrading initiated ten years ago are still underway. Major paving operations were carried out in Gitega-Karuzi-Muyinga (104 km), Kirundo-Gasenyi, and the Kirundo bypass. HIPC funding made it possible to work on 49.86 km of the RP104 highway (Muzinda-Rugazi-Muyebe section) and the RC 177 highway (RN 3 stretch, Mugere Dam). Other roadwork included manual maintenance work on paved roads (roughly 1,040 km), repairing

¹⁹ 4,000 hectare of trees were forecast to be planted, but only 3,423 hectare were planted in 2007. Forest inventory is progressing slowly despite the fact that the inventory only covers 262 hectare (forests in Gakara and Buhayira).

²⁰ A total of 11 environmental police officers were trained out of a total staff of 456.

slips, culverts, and potholes as well as mechanized maintenance on dirt roads. Roadwork is now more effective and has been expanded through the government's National Highway Fund, whose budget rose from BIF 1.3 to 8.1 billion between 2003 and 2009. During this same period, the number of kilometers of maintained highways rose from 102 to 1,523. However, these efforts still fall short, with some 5,000 km of the country's road and highways requiring ongoing maintenance. Support from partners is needed to ensure roadwork can continue as the quality of roads and highways has definite impacts on the flow of agricultural production and the incomes of rural populations.

30. To improve travel and communications in the short- and mid-terms, feasibility studies were conducted on projects to build a bus station in Bujumbura, link Burundi to the Tanzanian railroad network, and modernize transport across Lake Tanganyika. Main telecommunications developments included opening a digital center in Gitega, digitizing the studios of RTNB (Burundi's radio and television network), providing training for journalists, and expanding the country's Internet coverage and network. Other accomplishments include the arrival of mobile phone carriers with international capabilities and the plan to connect Burundi to the East African Community (EAC) fiber optic network. In the field of energy, joint efforts by the government and donors have not yet enabled the country to meet its urban and rural energy needs.

31. Electricity production has followed mid-term trends, increasing by 26% in 2007 but falling by 5% in 2008. National production capacities have reached their limits, with current consumption twice as high as production. Since 2006, ongoing yet underfunded efforts have been made to renovate hydroelectric plants and extend the electricity network to peri-urban and rural areas (especially marketplaces, healthcare centers, and community secondary schools). A total of 236 new rural households were connected to the electric grid, with the total number of beneficiaries of 3,174. In addition, additional rural healthcare centers (Ruyaga, Mutumba, Gitaba, Buhinda, Maramvya, Muriza, Businde, Nyange) now receive photovoltaic electricity. Another high potential energy source is peat, although annual production objectives are not being met. However, modern carbonization techniques could increase production. Regarding fuels, the government adopted a new national price fixing mechanism linked to world market prices after reviewing findings from a diagnostic study funded by donors.

32. Joining the EAC marked a turning point in the history of Burundi's economic development. Burundi officially joined the EAC in July 2007 and formally joined the EAC Customs Union in July 2009. However, membership came with a cost: entering the customs union caused a 1.7% drop in tax revenue and a 5.2% increase in the primary deficit. However, long-term benefits, especially for consumers, should outweigh short-term adjustment costs. Burundi has much to gain from this membership so long as the right measures are taken to adapt to falling prices of consumer products, exposure to an expanded labor market, the possibility of capital investment, the exchange of ideas, economic and social experiences and approaches, more institutional and academic cooperation, stricter anti-fraud and anti-corruption regulations, and the possibility of capitalizing on the privileged location of a francophone country on the doorstep of the Democratic Republic of the Congo's (DRC).

Focal point 3: Promotion of Human Capital

33. While the question of teachers and equipment remains and quality must still be

improved, free education measures have produced highly positive benefits for admission flows into educational institutions. First, primary school enrollment increased from 1.2 to 1.7 million students between 2005 and 2008, with an additional 8% enrolled for the 2008 school year alone. With the increasing enrollment of girls, the parity index also improved from 93 to 95% between 2007 and 2008. The influx of students into primary schools raises the problem of overall quality of the education provided, to which the government has responded by increasing capacity, hiring new teachers, and making new teaching materials available.

34. Since 2007, more than 1,890 classrooms have been built and 2,780 teachers hired. Meanwhile, the student/teacher ratio ranges between 33 and 76 across provinces, having initially increased from 49.5 to 55.5 between 2005 and 2006 but dropped to 54.4 in 2007 and 53 in 2008. The most significant improvements were made in Bujumbura Mairie, Bujumbura Rural, Gitega, Karusi, Ngozi, and Ruyigi. Similarly, the student/classroom ratio was 84 in 2008, down from close to 85 in 2007 and thus showing slight improvement. Yet double sessions remain a current practice and the standard of 50 students/class has not yet been met. Thus the improvement in capacity, yield, and quality of teaching remains one of the major challenges to the successful economic integration of young people and to guaranteeing them an education that is competitive within the integrated East African Community (EAC) market.

35. To sustain quality primary education, the government distributed teaching materials to students and to teachers and organized continuing education sessions for 746 uncertified teachers and 2,104 school principals and municipal inspectors. Thanks to these efforts, the majority of the teachers working in public primary education now have the required degrees, and this proportion is on the rise, from 88.7% in 2007 to 92.2% in 2008. Improving capacity and quality in primary education has relied on significant community participation, as the government hoped, and on an effective partnership framework facilitated by (i) the preparation of a sector-based education and training plan and a corresponding action plan, (ii) the development of a medium-term spending framework, and (iii) the creation of a common education fund. As yet, growth in primary school attendance has only extended very marginally to secondary education, where the attendance rate increased from 8.5% in 2005 to 9% in 2007, or 7.7% for girls and 10.2% for boys. The same trend can be seen for adult literacy, which increased from 42.2 to 44.7%, or 34.9% for women and 57.2% for men. However, current school attendance rates show that a sharp increase in all of these rates can be expected over a ten-year horizon.

36. As regards higher education, the key remaining question relates to the significant increase in student numbers in the face of a concomitant decrease in numbers of teachers at the University of Burundi as well as the quality of teaching in private universities. During 2008, the Government continued to implement a program to build and equip lecture amphitheatres, renovate classrooms, and provide books, laboratory, and teaching materials as well as computer hardware to allow the use of ICT. At the same time, studies have been carried out especially on restructuring higher education through the introduction of the LMD (*Licence, Maîtrise, Doctorat* - Bachelor, Master, Doctorate) system. In the short term, there are plans to improve higher education effectiveness by restructuring advanced studies. These plans are part of a new law being drafted to encourage research through the creation of the National Commission for Science, Technology, and Research and through better management of private higher education.

37. Since 2006, remarkable progress has been made in the health sector, though many

issues remain. According to the 2007 National Healthcare Report, direct payments to households for healthcare rose to 5.2% of GDP while total healthcare expenditure per person was only BIF 18,848, or half of the amount recommended by the WHO. More specifically, four major areas of intervention have shown encouraging results. First, a reduction in maternal and infant mortality rates²¹ was recorded thanks to an increase in assisted births (56.3% in 2008 versus 41% in 2007 and only 13% in 2005), hospital visits for children under five (two annual visits per child in 2008 versus one in 2007), and extension of the system of emergency obstetric checks and counter-checks.²² Also, the reduction in infant and child mortality has continued thanks especially to the Expanded Vaccination Program (EVP), which conducted two major week-long campaigns on mother and child healthcare, as well as to remedial campaigns aiming to bring vaccination centers closer to the population. Vaccination coverage reached 92% in 2008 but provisional data from the 2008 census show that the rate should reach 100%.

38. As regards contagious diseases and malnutrition, ongoing government efforts have been focused on prevention of and care for malaria, HIV/AIDS, and tuberculosis. To this end, together with the fight against malaria, three important results have capped these efforts: (i) the signature of a 5-year finance agreement for US \$33 million made available by the IMF in 2008; (ii) the distribution of anti-malarial drugs at subsidized prices in all healthcare institutions; and (iii) the targeted distribution of insecticide-coated bed nets in all public healthcare centers.²³ The proportion of pregnant women and children under age five sleeping under a treated bed net was estimated in 2007 at 29.6% and 32%, respectively, versus 7.1% and 6.5% two years earlier. The government set an objective for its fight against tuberculosis of achieving a screening rate of 50% and a cure rate of 85% by the end of 2008. Actual results were 44% for screening and 86% for cure, respectively.

39. Improving access to services and quality of care is largely related to infrastructure capacity, the performance of human resources, and the reliable supply of drugs. In terms of infrastructure, efforts have mostly been related to biomedical equipment (ten healthcare centers and 23 hospitals), connections to the electrical grid (eight healthcare centers, with 18 others in the process of being connected), maintenance on eight generators in the *Bureaux Provinciaux de Santé* – BPS (Provincial Health Services), the installation of two generators in the Ministry of Public Health, and the supply of water to three healthcare centers.²⁴ From a human resources perspective, there is a severe lack of doctors (201 doctors, 87 of whom work in the public service and 114 work privately or for NGOs), of medical staff and paramedics, and of medical technicians.²⁵ To gradually resolve these deficiencies, since 2008, the Government and its partners have: (i) launched a process to develop a policy and programs for human resources development; (ii) launched educational reforms in paramedical schools; (iii) provided support for training doctors in emergency obstetric surgery; (iv) implemented

²¹ We should also note that 50% of the hospitals in the country now have the capacity and skills required to effectively respond to obstetric emergencies (e.g., caesarians, etc.). This has significantly reduced mortality and disabilities.

²² This system has now also been proposed for the provinces of Kirundo, Muramvya, Mwaro, Kayanza, Bururi, and Gitega.

²³ Treated bed nets were given to every child vaccinated against measles and/or every woman who made a prenatal visit to a healthcare institution.

²⁴ Additionally, it is important to mention the completion of studies for the construction of two hospitals and nine healthcare and rehabilitation centers. The health authorities collected data on the status of healthcare infrastructures in the country's 17 healthcare provinces as the basis for their upcoming renovation.

²⁵ Of the 87 doctors in the public service, 46 (52%) are in administrative posts in Bujumbura and in the provincial capitals. Similarly, 27% of paramedics are located in the capital. Lastly, about 43% of medical technicians work for 90% of the population.

motivation and stabilization mechanisms for medical staff; and (v) started a contractual approach in several pilot provinces.

40. Supply systems have been improved through a policy using integrated logistics for the progressive transfer of supply missions to the *Centrale d'Achat de Médicaments Essentiels du Burundi* - CAMEBU (Central Essential Medication Purchasing Agency of Burundi). The quality and regularity of transportation has been improved with the purchase of a second refrigerated truck, the application of a new code for public contracts, and the targeting of 20 essential drugs to be regularly supplied. To achieve better quality healthcare services, four significant reforms are being implemented. These are: (i) the implementation of health districts covering 150,000 persons and including one major district hospital (35 districts implemented in 2008); (ii) the reform of the *Système d'Information Sanitaire* - SIS (Healthcare Information System), whose improvement has been hampered by the vertical structure of the healthcare system; (iii) the financing of free healthcare for children under age five and for births; (iv) the introduction of performance-based financing, with the government objective of harmonizing this process and financing free public services.

41. Expanded and better coordinated management remains necessary to guaranteeing the successful integration and reinsertion of vulnerable persons. In addition, the implementation of all programs requires additional resources from the government and its partners. Current resources have helped integrate and reinsert some of those displaced by war and better manage flows of refugees coming from host countries. Regularly privileged activities fall under the framework of support and reconstruction programs (e.g., construction of houses, distribution of sheet metal, etc.) and of the physical rehabilitation program for handicapped people (e.g., prostheses, orthoses, wheelchairs, and crutches). Additionally, periodic and systematic monitoring of the health status of the destitute guarantees that they too have regular access to adequate care.

42. However, these actions have as yet only reached a limited number of those requesting them.²⁶ In this light, the deinstitutionalization of street children is one of the activities in support of vulnerable populations that continues to show very few satisfactory results. By the end of 2008, only 100 young people had been taken off the street and 70 taken into care under the framework of the *Centre d'Encadrement et de Réinsertion des Enfants Soleil* (Soleil Childcare and Reinsertion Center) and the *Projet Enfants Soleil* (Soleil Children's Project). Additionally, the provision of food for those displaced by war and repatriated has remained a central concern and has been carried out by making available large quantities of beans, corn, rice, salt, and palm oil. To facilitate the repatriation of the 95,997 refugees expected in 2008, periodic visits to the Rwandan (Kigeme) and Tanzanian (Lukole, Nduta, and Mtabira) refugee camps have been necessary to properly organize their accommodation in Burundi.

43. It is important to note other activities including the payment of school fees on behalf of students, a guarantee of five lunches per week to victims of war and those repatriated, the medical and physical rehabilitation of handicapped people, the construction of two housing and physical therapy centers, subsidies to 30 (of 50) youth centers and orphanages, and the distribution of humanitarian aid to residential secondary schools.

44. Promoting gender balance in the economic and social life of the country has seen

²⁶ For 2008, these programs covered only 1,265 examinations of upper and lower limbs as well as 1,212 and 122 lung and colon examinations, respectively, with 2,780 cases receiving medication, 1,081 cases being hospitalized, and 861 receiving outpatient care.

positive changes over recent years. First, the National Gender Policy confirmed the central role of women in the peace process and the diffusion of good governance. AS regards women's political participation, parity efforts have already shown highly encouraging results in 2007.²⁷ However, UN Security Council Resolution 1325 on Women, Peace, and Security needed to be evaluated in order to see how to maintain this positive trend in future years. Therefore, awareness and training sessions have taken place, including: (i) community and sector-wide consultations on the national strategy on gender based violence and the peace consolidation program; (ii) training on conflict prevention and management, negotiation methods and women's leadership; and (iii) organization of information and awareness sessions on integrated care for victims of sexual abuse. The gender dimension was also acknowledged in the reinsertion and deinstitutionalization of victims of war and other vulnerable groups.²⁸

45. Secondly, the effective involvement of women in the economic sphere was reinforced by regular monitoring of the financial status of the revenue-generating activities undertaken by women's associations. Initially trained by these associations, women organized visits in the municipalities of Bujumbura to assist other women's associations benefiting from microcredit. Exchanges of experiences among 24 microcredit associations helped strengthen the foundation for a women's microcredit network, while women's access to production factors and to resource management led to a day of reflection on the cultural barriers to the emancipation of girls in Burundi. Women's access to new information technologies has also been expanded thanks to the creation of a cyber-café offering free multimedia and training services.

46. Third, education and awareness of schooling have remained privileged channels for the government's gender promotion policy. For this purpose, authorities developed and implemented school regulations favorable to the reintegration of mothers as students. To eliminate gender stereotypes, the program designers received training on techniques for emphasizing gender in primary school teaching materials. To support these initiatives, the "Girls' Education Policy in Burundi" project was reviewed and implemented, and the pilot project on "Combating Sexual Exploitation and other Abuses" in the educational arena was implemented in Bubanza province.

47. Lastly, the legal and regulatory framework is continually being strengthened with the passage of a law severely punishing sexual assault and the implementation of a structure within the police force specializing in caring for victims of gender-based violence. The government also multiplied activities to disseminate information on protecting women's rights by translating, simplifying, and distributing the texts of existing laws and codes.

48. As regards the supply of drinking water, 79.7% of urban residents and 64.3% of those in rural zones have access to a drinking water service, according to the MICS 2005 survey. During the year under review, the well and water collection system improvement program was continued and will progress more quickly in the coming years, specifically through the rationalized management of water resources, the extension of the distribution network, and the strengthening of community water management. For this purpose, the new water

²⁷ Women occupied about 35% of ministerial posts in 2007, and the number of women holding political or economic decision-making positions rose from 11.2% in 2003 to more than 20% in 2007. In the institutions noted above, women never exceeded 20% during the transition period.

²⁸ More than 250 vulnerable women have been identified and will receive 250 kits. A total of 120 women's associations have been assisted through 120 micro-projects that received financing. The structuring of 40 new associations and the creation of two new networks of associations have also been facilitated.

management policy aims to encourage successful community initiatives such as "water kiosks," whose participatory implementation relies primarily on the positive orientation of the local residents. Other initiatives will also be planned, including one that will lead to the creation of a Water Regulation Authority or Committee in Burundi.

49. As regards urbanization and housing, Burundi remains highly rural. But with the restart of economic activities and the shortage of agricultural land, it is likely that urban centers and in particular the capital city will be subject to significant housing pressure. Such a change will certainly exacerbate the current situation, which has seen a severe lack of housing, the immediate impact of which can be seen in continual increases in rents. This lack of housing has led the government to pursue and strengthen measures to increase the supply of plots both in Bujumbura and in the interior of the country. However, because of very high construction costs and the inadequacy of housing finance mechanisms, a clear housing promotion policy must still be developed. In particular, the directions outlined in this regard aim to encourage private savings, mobilizing long-term resources, and improving new plots adapted to various income categories.

50. Concerning social benefits, those citizens benefiting from social services provided respectively by the *Institut National de la Sécurité Sociale* – INSS (National Social Security Agency) and the *Mutuelle de la Fonction Publique* - MFP (Civil Service Mutual Insurance Provider) are estimated at only 10%. Parallel to the implementation of a national structure to coordinate and monitor the provision of social services, the government has started to implement an *Office Nationale des Pensions et Risques Professionnels* – ONPR (National Pension and Workplace Insurance Service), a maternity illness insurance body for the informal sector (INAMA), and a *Fonds National de Solidarité* (National Solidarity Fund). The government has also been developing a national social security policy. There are also plans to implement the Social Security Code in the coming years.

Focal point 4: The fight against HIV/AIDS

51. According to the 2007 seroprevalence survey, the seroprevalence rate is 2.82% in rural areas, 4.41% in semi-urban areas, and 4.59% in urban areas. To counter the advance of HIV/AIDS, significant resources have been allocated to prevention, and the reduction of transmission through sexual contact has continued to give good results. Consequently, the government has maintained four series of preventive actions adopted in its earlier interventions. First, 17 sub-projects in favor of at-risk groups (young people, women with multiple partners, widows, etc.) have been launched along with the initiation and strengthening of condom distribution campaigns. Next, equipping 256 screening centers has been an ongoing preventive activity, and the number of screenings and voluntary screening centers has grown continuously since 2006.

52. Additionally, 14,343 people have benefited from antiretroviral (ARV) treatment as of the end of 2008. Continued financial efforts have helped expand the network of voluntary screening centers to all provinces. Today, they number 266, including 75 in urban areas and 191 in rural areas. Additionally, the reduction of blood-borne transmission shows promising trends with the completion of work on the *Centre National de Transfusion Sanguine* - CNTS (National Blood Transfusion Center), which once it has received new equipment, will be able to accelerate its activities. Meanwhile, a campaign has already started to test 236,988 people in 2008, of whom 9,824 tested seropositive (4.15%). Lastly, preventing transmission of the virus from mother to child has also seen progress. To date, 260 health officials have received training on prevention of this form of transmission, 252 sites for the prevention of mother-to-

child transmission are operational, and 1,488 new seropositive pregnant women and 1,299 newborns received ARV prophylaxis in 2008.

53. With targeted and effective programs, improving living conditions for persons with HIV/AIDS has become a reality and the quality of care for persons infected with HIV has greatly improved thanks to many training programs for doctors and medical staff in providing care and psychosocial treatment. Consequently, access to antiretrovirals has increased. In addition, the provision of prophylaxis and diagnostics and the treatment of opportunistic infections (OI) have reached greater numbers of sufferers thanks to programs offering training for 264 healthcare providers, home care for more than 43,099 persons living with HIV, and the treatment of 38,935 cases of OIs. In addition, psychological and nutritional care for persons living with HIV/AIDS have become part of hygiene practices thanks to ongoing training and awareness programs.²⁹

54. In addition, poverty reduction among persons affected by HIV/AIDS is being pursued through the financing of revenue-generating activities and the economic reinsertion of persons living with HIV. Within this framework, care for children made orphans or vulnerable by the virus, which represents a primary success for 2008, was initiated with the implementation of about 75 projects for persons living with HIV, including support with educational materials for orphans and vulnerable children and the distribution of agricultural inputs for host families. Lastly, at the legal and regulatory level, strengthening overall care for persons affected by HIV/AIDS was implemented through the adoption of an international solidarity tax on airline tickets and a draft application text (still being finalized) promoting the rights of persons living with HIV/AIDS. Legal assistance for persons living with HIV and for orphans and vulnerable children has also been initiated with the creation of a body specializing in this area within the Ministry of Justice.

55. The gradual strengthening of the institutional framework now helps better coordinate actions to combat HIV/AIDS. From this perspective, the actions carried out concern the creating a detailed map of the various caregivers, the launch of a new 2007-2011 national action plan for orphans and vulnerable children, the development of databases from eight monitoring sites, support for the implementation of 17 provincial action plans, and the reinforcement of resource mobilization mechanisms. Thus, the coordination framework has been able to mobilize 61% of the resources necessary for its multi-sector programs, obtain a finance agreement for the MAP II program, and develop and submit a financing proposal for the Global Fund to Fight AIDS, Tuberculosis, and Malaria (GFATM).

Macroeconomic performance

56. GDP growth has strengthened despite the international crisis, achieving 4.5% in 2008 versus 3.6% in 2007. This slight improvement is essentially due to growth in the primary and tertiary sectors and continues to reflect the predominance of the agricultural sector. As regards inflation, 2008 was marked by a general increase in prices. Food products, household items, and medical services made the greatest contribution to cost of living increases. However, on an annualized basis, the inflation rate increased from 15% to 28.6% between January and June and showing a downward trend that brought it down to 25.7% in December

²⁹ Compliance by those under treatment with the care regime is improving thanks to the training of many service providers, the provision of psychosocial care for 72,780 individuals living with HIV, and nutritional support for 13,932 persons living with HIV.

2008, a trend that seems to have been confirmed in 2009 with the return to a single-digit inflation rate.

57. The foreign sector has been marked by deficits that continue to grow from one year to the next. This situation translates into a growing need for foreign support to make up the current deficit. Such a process is generally handled through budget aid and program donations, the deficit after official transfers being financed by commercial loans and by drawing down foreign loans.

58. The primary monetary aggregates increased between 2007 and 2008. The money supply increased by 34.29%, net foreign assets by 66.3%, and net liquidity credits by 19.8% over the period under review. This general increase is a consequence of sharp price increases and delays in disbursing foreign aid. However, the Central Bank has pursued the implementation of reforms by applying indirect monetary management instruments such as: (i) liquidity tender invitations, (ii) recourse to minimum reserves, and (iii) official lending rates. The management of the exchange rate and the foreign exchange auction market has also helped stabilize the currency. The Central Bank has also strengthened governance by consolidating risk assessment mechanisms, adopting new laws ensuring its independence, executing internal and external audits, applying financial safeguards, and improving banking oversight mechanisms.

59. As regards public finances, income and expenditure continued to grow though at different rates and with much more rapid growth in spending. Nonetheless, the observed increases must be interpreted in light of the high inflation rates that marked 2007 and 2008. That is to say, in real terms, the consequences for poverty reduction programs are more moderate. The BIF 6.1 billion increase in revenue in 2008, which was largely attributed to non-tax revenue, would undoubtedly have been higher if the performance from the customs and duty services had not been below anticipated fiscal objectives. As regards spending, a deficit of BIF 50 billion was recorded, largely due to payroll growth and to significant disbursements under the Demobilization and Reintegration (DDR) program. The implementation of the 2008 budget was balanced by financing needs of BIF 366.8 billion instead of the BIF 325.7 billion initially allocated. This was financed through BIF 258.9 billion in support from development partners and to a lesser degree from receipts from the privatization program, with additional recourse to advances from the BRB (Bank of the Republic of Burundi) and bank financing.

60. From one year to the next, priority sectors such as healthcare, education, and agriculture have received increasing funding despite the fact that their share of the budget remained relatively stagnant from 2006 to 2008. Resources from the Heavily Indebted Poor Countries (HIPC) initiative were directed as a priority to social sectors such as education, healthcare, the fight against HIV/AIDS, and national solidarity.