1. Country and Sector Background

_Poverty in Burundi._ Burundi was one of the poorest countries in the world even before the severe civil crisis and ethnic conflict in the 1990s that further devastated living conditions, especially in rural areas. Per capita GNP in 2001 was only US$100, the second lowest in the world.\(^1\) Burundi’s 7.4 million people are concentrated in a small geographic area, with a population density of 270 persons per square kilometer, the highest in Africa.\(^2\) Poverty in rural areas, where 91 percent of Burundi’s people live, rose from 35 percent in 1992 to 58 percent in 2002. At the same time, urban poverty (mainly in Bujumbura) doubled from 34 percent to 68 percent (nationally, the percentage of poor people rose from 35 percent in 1992 to 59 percent in 1997 and to more than 60 percent in 2002). Overall, income poverty has been at more than 50 percent of the population over the last six years.

The economic collapse and the discontinuation of many public services in Burundi caused widespread suffering and severely restricted agricultural development by making access to agricultural inputs and markets difficult. Crops and cattle were looted, and market prices and private sector employment fell while inflation rose. Poverty is especially bad among Burundi’s 839,000 refugees and 388,000 internally displaced persons.\(^3\)

_Low agricultural production and productivity._ Burundi has substantial agricultural potential, with adequate rainfall and good soil. About 90 percent of Burundi’s people rely on agriculture for their livelihood, and it accounts for 50 percent of GDP and more than 80 percent of export earnings. Agricultural production is mainly rain-fed and subsistence-oriented crops except for such export-
oriented cash crops as coffee, tea, and cotton. Burundi was self-sufficient in food production until the civil crisis disrupted production and caused it to lag behind population growth. Looting and destruction of goods and livestock deprived farmers of their most important possessions, and distribution and marketing channels for agricultural inputs and products collapsed. Structural weaknesses in Burundi include poor technological development, low fertilizer use, small plots, and little economic diversification.

Land degradation and wetlands of Burundi. By the 1980s the growing population, limited natural resource base, low government investment in the smallholder sector, and an economy limited mainly to employment in the primary sector were already causing land fragmentation, exploitation, and expansion into marginal areas. The lack of research and extension services, and the disruption in the provision of agricultural inputs to the rural sector left agricultural households unable to increase production. The civil war of the 1990s, coupled with food insecurity and increased vulnerability to climatic pressures, exacerbated the country’s problems.

Soil erosion and siltation of the Nile and Congo basin watersheds and Lake Tanganyika have increased due to deforestation and watershed degradation, threatening biodiversity and other ecosystem services. Perverse policy incentives, lack of sound property rights and long-term investment in the land, and weak regulatory and enforcement authority are the main causes of these problems. And resource use planning is hampered by poor monitoring and lack of environmental and natural resource–related data.

The expected return of many internally displaced persons after the civil war and the launch of a Project to increase agricultural production will significantly increase the pressure to develop Burundi’s wetlands. Environmental services could be affected both directly, through drainage and canalization, and indirectly, through increased runoff and sediment from adjacent hillsides.

Low capacity for research and extension services. Overall research capacity is low. Short-term applied research needs to be strengthened. One of the sector’s major constraints is the lack of an efficient extension system that translates research solutions into practical packages for addressing farmers’ priority constraints and providing a smooth supply of agricultural services. Specifically, inadequate input supplies, lack of credit, and ill-organized and weak service delivery are making farmers’ access to inputs almost nonexistent.

The Ministry of Agriculture and Livestock, moreover, has limited capacity to design, implement, and monitor rural development policies and projects. Almost no data is available on the rural sector.

Excessive dependence on coffee, tea, and cotton. The last decade’s low international commodity prices hit export earnings hard. Coffee accounted for 75–80 percent of export receipts in 1999–2002. Between 1990 and 1997 marketed coffee production plummeted 43 percent and cotton production fell by half. A limited domestic market, weak marketing infrastructure, poor human capacity, and complicated licensing requirements further reduced the competitiveness of these sectors. The tea sector is a government monopoly with high potential for privatization and reform, according to a 1992 EU-financed study.

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4 Rural population density at 689 persons per square kilometer of arable land (World Development Indicators 2003)
5 Farm size in most regions averages at less than half a hectare (IPRSP).
Poor access to rural finance. Lack of access to financing is a major constraint to long-term investment in land and technology. Less than 5 percent of the population has access to credit or other financial services. There are no rural development banks. High risk makes lending unattractive to private commercial banks. Cooperative credit unions exist, but they are unprofitable and cannot efficiently meet the needs of the agricultural financial sector.

2. The Government strategy

The Government of Burundi recognizes the following priorities in agricultural and rural development: (a) raising production and productivity and diversifying sources of income in rural areas; (b) improving the quality of services and their delivery to farmers; (c) improving the institutional framework for better access to markets and appropriate policy planning and implementation; and (d) promoting sustainable land use and improving natural resource management through sustainable farming practices, proactive support for natural resource management, and regulations and incentives addressing environmental externalities. 6

According to the Interim Poverty Reduction Strategy (IPRSP), the Government seeks to address these issues by (a) supporting the reintegration of displaced persons and other victims of conflict into agricultural production; (b) rehabilitating and developing rural and agricultural infrastructure and promoting small, non-farm income-generating activities; (c) improving the quality of service delivery to farmers with better extension services, access to inputs and finance, and technology; (d) supporting high-value export crop production; (e) supporting microwatershed management, sustainable farming approaches, integrated nutrient and pest management, natural resource use planning for protection areas and buffer zones, land titling and long-term leases, and community management; and (f) stimulating rural employment through public works programs.

The Government is already working on some macroeconomic reforms: (a) implementing a comprehensive strategy for private sector development of coffee, cotton, and horticulture with STABEX funds from the European Union; (b) liberalizing producer pricing and marketing arrangements; (c) enacting a land law; (d) updating national policy and programs for managing natural resources and the environment and enlisting communities to help restore and protect vulnerable ecosystems; and (e) introducing legal and regulatory instruments to improve agricultural planning and management. The Government has also created a program, called the Agricultural Rehabilitation Program for War-Distressed Persons, to resettle refugees and internally displaced persons into their normal life and occupations before the civil war.

As a part of Burundi’s participation in the United Nations Convention to Combat Desertification (UNCCD), a National Action Program for the Battle against Land Degradation was drafted in 2001, reviewed for validation in September 2003, and is expected to be released shortly. It lists seven objectives covered by nine Project fiches and will cost an estimated US$10.3 million. There have been some positive developments from a pilot program by the Food and Agriculture Organization (FAO): more sustainable farming practices adopted on steep slopes in some areas, a new consensus on the urgency of soil fertility problems and the need for integrated sustainable land management solutions, and efforts to evaluate the impact of land degradation on agro-based production and livelihoods.

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6 Environmental impacts and outcomes, both positive and negative, as a result of Project interventions and existing land use that are not assessed/included in economic analyses and in sectoral planning of the above mentioned activities.
3. Rationale for IDA and GEF involvement

Given the prevalence of poverty and history of serious internal conflict in Burundi, there is no other feasible development alternative to reducing poverty than agricultural and rural development. Jumpstarting productive activities in the rural sector and promoting competitive, supportive service delivery (through the private sector when possible) are critical. While the private sector is acquiring the necessary capacity with support from the proposed Project, quality public sector service delivery will remain important.

Several development partners—including the International Fund for Agricultural Development (IFAD), the United Nations Development Program, the FAO, the European Union, the African Development Bank (ADB), and the French and Belgian development cooperation agencies—support rural sector activities in Burundi, but their outreach remains geographically and technically limited, with large parts of the country receiving little support (see annex 2). The World Bank’s support will strengthen Government partnerships with other donors, coordinate activities, mobilize more donor financing (including incremental grants), and encourage greater discipline and accountability in Project implementation.

Unsustainable agricultural practices and deforestation of transboundary resources are global environmental concerns. (For other pressures on natural resources in Burundi, see annexes 1 and 12.) The Global Environmental Facility (GEF) will support investment and capacity building to stabilize soil loss, reduce sediment accumulation, and provide incremental resources for sustainable land management and improvements in land cover. The extra effort required to encourage and support sustainable land management should bring long-term benefits for sustainable agriculture and other global benefits, including maintenance and prevention of natural habitat loss. This will contribute to conservation of on-farm and wetland biodiversity, maintenance of the environment services provided by the wetlands, and storage of carbon in forest and wetland sinks. GEF support will help ensure that, alongside the increased agricultural production supported by the International Development Association (IDA), steps will be taken to avoid increased land degradation on the hillsides and direct and indirect detrimental impacts on wetlands, generating such offsite benefits as helping to maintain hydrological cycles that affect international water resource. The global significance of the natural resources as well as the Government’s lack of sufficient resources to combat these threats presents a strong case for GEF involvement, which will also help Burundi in its global obligations toward the various environmental conventions.

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8 The Bank operation is expected to scale up activities, piloted by a FAO Project, in nine provinces exclusively (Kirundo, Ngozi, Muyinga, Cankuzo, Makamba, Rutana, Bubanza, Muramvya and Mwaro) and in one province (Bururi) shared with IFAD, which operates (Cibitoke, Kayanza, Gitega, and Karuzi) or will operate (Ruyigi and Bujumbura Rural) in the remaining six provinces. GEF supported SLM activities will operate on priority areas identified in preparation.

9 In 2004, FAO plans to provide hoes, seeds, and a small quantity of fertilizers to nearly all provinces as emergency assistance.

10 EU support is being coordinated closely with PRASAB and will focus on heavy investments in the cash crops sector.

11 Marshlands and peat lands represent the largest component of the terrestrial biological carbon pool.

12 See annex 11
4. Objectives

The Burundi Agricultural Rehabilitation and Support Project (PRASAB) will support the Government’s strategic goal of improving the livelihoods of rural people through economically and ecologically sustainable investments. PRASAB’s development objective is to restore the productive capacity of rural areas through investments in production and sustainable land management and through capacity building for producer organizations and local communities. Beneficiaries would also include war-distressed returnees and internally displaced persons.

The proposed Project would support these objectives by financing activities to increase the productivity of male and female farmers and farmer groups and by improving the institutional and technical capacities of producer organizations, local communities, and government institutions to revive the rural sector and enhance management of endangered lands.

The activities of the Project would complement those financed by other donors and the Government and support existing strategies to revive the rural sector. Also, the approach—including investments by producer organizations and communities, supported by local implementing agencies—has been tested and used by IFAD, the FAO, and the French development cooperation agency.

The proposed Project (PRASAB) would directly improve food security by revitalizing and diversifying agricultural production and establishing sustainable land management. The Project is fully consistent with the strategies and activities of the Government’s IPRSP, the Agricultural Rehabilitation Program for War-Distressed Persons, and the World Bank’s Transitional Support Strategy. The Project is also consistent with the priorities and initiatives of the New Partnership for Africa’s Development (NEPAD), particularly the agricultural, market access, and environmental initiatives.

It would specifically address the following issues:

(a) Poor agricultural production and productivity.
(b) Reintegration of war-stricken distressed population into agriculture.
(c) Excessive dependence on a few crops and the need to diversify income sources in rural areas.
(d) Introduction of sustainable land management.
(e) Inadequate agricultural services.
(f) Institutional strengthening, especially for subproject planning and policy formulation.

The Project would establish explicit links with IDA’s second social action Project, BURSAP II, now under implementation. In particular, it would link with the building of such new agricultural infrastructure as markets, slaughterhouses, small irrigation canals, and seeds for vegetable gardens in select areas. The Project would also establish links with the Burundi Road Sector Development Project, whose rural roads component covers feeder roads in the northern, western, and southern parts of the country and whose feeder roads are chosen by socioeconomic criteria. And the Project would link with the agricultural and environmental activities of the Emergency Rehabilitation Credit (ERC I), especially for facilitating proper implementation and accelerating disbursement of non committed funds (US$5.5 million). PRASAB would organize annual meetings with all Project authorities to ensure that its priorities are taken into account in their annual work plans.
The World Bank will work with other donor agencies to focus on activities and areas not covered by their support in order to revive and strengthen rural productive capacity and to improve land and natural resources management. (For further information, see annexes 1 and 2.)

5. Description

1. Project components:

The Project has three main components:

2. Support for capacity building and institutional strengthening.
3. Support for Project coordination and management.

Component 1. Support for production and sustainable land management investments

This component would finance demand-driven subprojects and their effective planning and implementation by producer organizations and local communities.

Subcomponent 1a. Production and sustainable land management investments

The subprojects, to be selected on a demand-driven basis using participative approaches, include infrastructure investments and related extension activities initiated by producer organizations and local communities, and other extension activities that are not directly related to these investments but are well targeted and contribute to the Project’s objectives. Selection criteria, a list of non-eligible investments, and the conditions and mechanisms for subproject preparation, submission, appraisal, and implementation are detailed in the Project Implementation Manual. Examples of typical subprojects are in annex 4. Financing would be through grants, with an upfront beneficiary contribution (cash or in kind) of at least 5 percent of the subproject cost. This component would finance civil works, equipment and materials, training, and technical assistance for subproject preparation and implementation.

This subcomponent would also support the technical assistance required for preparation and implementation of subprojects that increase the productivity of existing farming systems, improve the quality of service delivery (including input supply and training services), and expand farmers’ access to high quality seeds and planting material. The National Project Coordination and Management Unit (NPCMU) will contract out these services on a competitive basis to local implementing agencies—competent international and local nongovernmental organizations (NGOs), community groups, cooperatives, and producer organizations. If no local implementing agencies are available, the NPCMU will contract to the Provincial Agricultural and Livestock Departments of the Ministry of Agriculture and Livestock.

Local implementing agencies would provide information on Project activities and processes (obtaining funds, reporting) to the groups. Service providers would help producer organizations and local communities that have limited capacity to implement subprojects, if necessary (the subprojects would budget up to 10 percent of Project costs for implementation). Particular attention would be paid to subprojects that help the population’s most vulnerable segments. Support would also be given to producer organizations that have mechanisms for women to retain their earnings and actively
participate in subproject decision-making. The Project would ensure that committees at different levels are strengthened and maintain the necessary independence and autonomy in their operations.

Activities to be supported include scaling up the successes of the FAO-supported program that piloted an integrated approach to agricultural productivity enhancement and sustainable land management. The ‘Chaine de Solidarite’ tested community monitoring of land management activities that were promoted with such incentives as provision of livestock. But as a pilot program, it was limited in scope. Replication of the successes would be done gradually, based on available capacity, social stability, and drive (see annex 4), and would expand to include swamp and hillside management in an integrated microwatershed approach.

The delivery of extension should ensure that the provided technologies are locally applicable and customized for rehabilitating degraded lands, conserving biodiversity, and improving the sustainability of land use in wetlands currently under production. The Project would also build awareness of other sustainable land management subprojects and strengthen the capacities of local communities to manage natural resources.

GEF resources would support the incremental sustainable land management components of subproject proposals that are clearly defined and comply with GEF selection criteria (see annex 4). Sustainable land management activities would address the key land degradation concerns in Burundi’s five agro-ecological zones.

Subcomponent 1b. Emergency support for returnees and internally displaced persons

PRASAB would contribute to the Government’s emergency program by supporting returnees and internally displaced persons in select Project areas by helping include them in local producer organizations, where possible, and by financing agricultural startup kits with seeds, planting materials, and inputs and implements for farming and cattle rearing. This subcomponent would join with the National Commission for the War Distressed Persons (NCWDP), and its provincial and commune-level organizations. The Project would also seek the guidance of the technical committee’s subcommittee for returnees and displaced people (see section C.2).

Component 2. Support for capacity building and institutional strengthening

Subcomponent 2a. Enhancing the capacity of local communities, producer organizations, and local implementing agencies

The Project would enhance the access to information and capacity of producer organizations and local communities. Demand-driven support would be provided for strengthening their participation by renewing local networks and cooperative relationships frayed during the conflict. Other activities include (i) strengthening the organizational, technical, and management capacities of local communities and producer organizations and (ii) promoting an understanding in producer organizations and local communities of the broader environmental management issues related to land degradation and swamp land utilization and benefits.

Capacity building of producer organizations and local communities would be based on training needs and resulting training plans, linked to the productive and sustainable land management subprojects, and offered by contracted local implementing agencies. This subcomponent would support the preparation and implementation of training plans, workshops, and study tours for managers and
committee members of producer organizations and local communities. This subcomponent would also strengthen, when necessary, local implementing agencies’ capacity to provide services to producer organizations and local communities. The NPCMU has conducted a capacity assessment of local implementing agencies before negotiation and will develop a training plan to address gaps in organizational, technical, and business skills with training, workshops, and study tours.

GEF resources would be made available to strengthen information management by local implementing agencies at the commune level in order to support decision making on sustainable land management and dissemination of good management practices, technologies, and lessons consistent with GEF Operational Policy No. 15. Activities would include:

- Developing training manuals and field guides in local languages on sustainable land management methods in watershed management, wetland management, agro-forestry, soil stabilization, and improved water management.
- Disseminating methods and building awareness of the sustainable land management program of PRASAB.
- Creating demonstration plots and exchanging information at the local and regional levels, including site visits, and farmer-to-farmer exchanges and visits.
- Providing local implementing agencies with training, equipment, and supplies on modern land management methods.

Subcomponent 2b. Support for institutional strengthening of key public services

While the broad support needed for institutional development of the Ministry of Agriculture and Livestock and the Ministry of Land Management, Tourism and Environment is beyond the scope of this subcomponent, assistance would be provided for selected activities directly tied to the achievement of expected sector operation results. IDA support would be provided to the Ministry of Agriculture and Livestock and the Ministry of Land Management, Tourism, and Environment to strengthen their capacities for program planning and to develop effective management systems for monitoring agricultural investments. The Project would finance the purchase of vehicles, office equipment, consultants, services, training, workshops, and study tours.

This subcomponent would finance the rehabilitation of a limited number of research stations, small equipment, vehicles, and agricultural inputs as well as training, workshops, and operating costs associated with research.

GEF resources would help the Ministry of Land Management, Tourism, and Environment and the Ministry of Agriculture and Livestock identify acceptable and functional priorities of sustainable land management and develop integrated approaches adapted to each region’s agro-ecological zones. The GEF would also support analysis and advisory activities to design a modern, national institutional framework for land management and to strengthen national planning for land resources, including a national land management plan. This would involve close coordination among the ministries and their agencies and would include improvements in monitoring and coordination of the use of natural resources, and planning and resource allocation.

Activities to be financed include:

- Developing a national framework for sustainable land use planning through studies, workshops, and consultations.
• Strengthening participatory institutional and legal mechanisms to ensure close collaboration and information exchange on sustainable land management by agencies under the Ministry of Agriculture and Livestock, notably Burundian Institute for Agricultural Science (ISABU), Institute for Agronomic and Zootechnical Research (IRAZ), Provincial Agricultural and Livestock Departments (DPAE), Geographical Institute of Burundi (IGEBU), National Institute for Environment and the Conservation of Nature (INECN), and Department of Rural Infrastructure, Planning and Land Management (DGRPPF) through regular workshops.

• Implementing the recommendations of the special report\textsuperscript{13} on the program for evaluating land degradation and sustainable land management in the areas covered by PRASAB.

• Publishing an annual State of the Environment report by the Center for Environmental Information.

• Supporting an environmental monitoring framework by conducting periodic evaluations of land degradation in PRASAB sites, strengthening laboratory facilities of the INECN for soil and water analysis and ISABU for field mapping, and providing technical support to PRASAB.

• Training staff in wetlands and sustainable land management, with site visits, among other tools.

• Setting regional priorities for land conservation in dry land areas with the National Program for Erosion Control.

This subcomponent would also finance improvements in agricultural research. Given the limited research capacity in the country and the specific needs of producer organizations and local communities, the Project would support focused, short-term (two to three years) applied research aimed at solving productivity constraints in agriculture. The Project interventions would complement assistance from the Belgian Technical Cooperation (BTC), which has already helped rehabilitate research infrastructure and equipment (ISABU), to support continuing education, training, study tours, and workshops for researchers. Once rehabilitated, the institutes would focus on the local application and development of lessons and research carried out elsewhere rather than duplicating fundamental research.

GEF resources would support research targeted at sustainable land management with an emphasis on field testing and package distribution including:

• Agricultural practices that improve the fertility and physical and chemical conditions of soil and systems that intensify fodder production to counter overgrazing.

• Economically valuable wood species that cause less soil degradation than agricultural crops (trees for fodder, fuel wood, construction timber, fruit, medicinal plants, and the like).

• Assessment of the economic impact of land degradation in the agro-ecological zones of PRASAB and the benefits of early intervention to prevent or control degradation.

\textsuperscript{13} Under preparation by Buursink, Bikwemu, and Habonimana.
Component 3. Support for Project coordination and management

This component would finance Project management and monitoring and evaluation. The main costs relate to establishing and supporting the NPCMU and three decentralized Inter-provincial Project Coordination and Management Units (IPCMUs) responsible for coordination and continuous monitoring, audits and periodic evaluation studies, and reporting. The Project would support the salaries of a small team of experienced technical specialists, as well as office rehabilitation, vehicles, consultant services, and training, workshops, and study tours for NPCMU and IPCMU staff. The operating costs of these units and the preparation and implementation of a Project completion report would also be covered.

The Project would also support administration and tracking of sustainable land management activities and monitoring of the Project’s environmental indicators. Additional resources would be provided for training, workshops, and study tours for NPCMU staff to establish the participatory processes for community-level implementation.

6. Financing

<table>
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<th>Local</th>
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<th>Total</th>
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<td>BENEFICIARIES</td>
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<td>GEF (planned)</td>
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<td><strong>1.70</strong></td>
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7. Implementation

a. Partnership arrangements

The Project would be financed by IDA, GEF grant, the Government of Burundi, and beneficiaries. Despite the Project’s self-standing nature, it would be linked closely with the development efforts of the international agencies already active in the rural sector in Burundi. The main sources of support are IFAD, the European Union, the ADB, and the French and Belgian cooperation agencies, many of which are involved in specific activities that would benefit from the Project’s complementary financing to producer organizations or local implementing agencies and service providers (see annex 2 and the Comprehensive Development Framework in the Project Files). For instance, in 2004 FAO plans to provide hoes, seeds, and a small quantity of fertilizer to nearly every province as emergency assistance. The Project would expand some of the activities started by international agencies into larger areas. The Project’s environmental activities would be closely coordinated with other implementing and executing agencies through the GEF’s mechanisms and through close coordination among donors of activities on the ground at the country and river-basin level. The coordination and partnership arrangements with donors would include participation in the Project’s Steering Committee, common supervision missions, common biannual reviews, and broad distribution of reports.
b. Institutional and implementation arrangements

Implementation agencies. The Ministry of Agriculture and Livestock would have overall responsibility for Project oversight in close coordination with the Ministry of Land Management, Environment, and Tourism (for implementation of the GEF-supported sustainable land management activities) and the Ministry of Reinstallation of Returnees and Displaced Persons (for assistance to people displaced by the civil war).\(^{14}\)

At the national level a steering committee, chaired by the Ministry of Agriculture and Livestock and composed of ministers of other key ministries, would define agricultural policy and strategies for its execution. A technical committee, composed of high-level officials of these key ministries, agencies, and institutions (ISABU, IRAZ, INECN, the University of Burundi, and NGOs) would monitor and guide Project operations, and review and approve annual work plans and budgets to be submitted to the National Steering Committee. A technical subcommittee, chaired by the Ministry of Environment, would focus on implementing and monitoring sustainable land management activities. Another subcommittee, chaired by the Ministry of Reinstallation of Returnees and Displaced Persons, would provide guidance in implementing emergency support for returnees and internally displaced persons (subcomponent 1a). Participation of other ministries and departments that can provide support to the Project, and the composition and tasks of the Project-related committees, are described in annex 6 and the Project Implementation Manual.

Project coordination and management. The NPCMU, under the Ministry of Agriculture and Livestock, would be responsible for the coordination and operational and financial implementation of the Project. The NPCMU would consist of a Project coordinator, an institutions and community development specialist, a rural development specialist, a sustainable land management specialist, a monitoring and evaluation specialist, a financial specialist, a procurement specialist, an accountant, and support staff, including an information technician. The Project would have three IPCMUs—in Makamba, Muyinga, and Muramvya. Each unit would cover three to four neighboring provinces.

Implementation of subcomponents. The implementation arrangements for each subcomponent, including eligibility criteria and non-eligible activities, are detailed in annex 6 and the Project Implementation Manual.

Flow of funds and accountabilities. During the initial stages of the Project, the IDA disbursements would be based on standard procedures and on the use of Special Accounts and Statements of Expenditures. The Project would be eligible for IDA’s more advanced disbursement procedures after providing satisfactory Project management reports to IDA for two consecutive quarters. Annex 7 details the financial management and disbursement arrangements. The GEF grant would be disbursed through a designated GEF Special Account for clearly identified incremental sustainable land management interventions.

The following Bank accounts are currently maintained for Project preparation funds:

- Special Account A (denominated in U.S. dollars). This account serves as the main Project account for Project implementation funds from IDA.
- Special Account B (denominated in U.S. dollars). This account receives GEF funds.

\(^{14}\) Le Ministère à la Réinsertion et à la Réinstallation des Déplacés et des Rapatriés (MRRDR).
• Project Account (denominated in local currency). This account receives counterpart funds from the Government of Burundi.

The Project would retain the current banking arrangements. The chart in annex 7 illustrates the proposed banking and funds flow arrangements. (For further information, see also annexes 6 and 8.)

c. Monitoring and evaluation of outcomes and results

Monitoring and evaluation would be an important function of the NPCMU. A comprehensive baseline study was prepared to gather data on the startup situation, establish appropriate targets, and allow key indicators to be compared at regular intervals. Annex 3 lists the main expected outcomes, results, and indicators for measuring the Project performance. It also contains a more comprehensive list of indicators in a log frame for Project management. These indicators, and their intermediate and final targets, would be consolidated in a Monitoring and Evaluation Manual to be adopted by the Government.

Annex 12 provides a framework for assessing land degradation that directly supports the vision and objectives of OP15 - SLM. It comprises two parallel assessment approaches, one at the national level and one at the local level (commune or watershed level). Each assessment approach involves:

• Assessing baseline conditions of land degradation.

• Identifying optimum solutions to combat land degradation and evaluating the impacts of PRASAB and GEF interventions on land degradation.

To measure achievement of development objectives, the Bank, with the help of competent outside agencies, will evaluate the Project at its midterm and at the end of the Project period. (For further information on monitoring and evaluation see annex 3.)

8. Sustainability

Despite being of an emergency character, the Project’s main purpose is to provide a framework for sustainable agriculture. Its extensive coverage and blended nature makes it the first Project of its kind in Burundi. It is in line with Burundi’s rural and agricultural development policy and its Interim Poverty Reduction Strategy and operations would likely continue after the Project is completed. Moreover, the Project is within a larger framework of which complementary activities are endorsed and financed by other development agencies, which could continue even if a follow-on Project is not financed by the World Bank Group. Appendix 1 of Annex 2 provides the framework of donor involvement in rural development and their investments in the areas of institutional support and capacity building, livelihood generation, and environmental sustainability.

Sustainability of the productive investments and capacity building financed by the Project would be enhanced by empowering producer organizations and civil society organizations and increasing their management responsibilities in agricultural support services. An important part of each subproject design would be a maintenance plan that collects funds from the beneficiaries of subproject facilities.
GEF-supported actions would lay the foundation for a long-term sustainable land management framework to carry on the resource management techniques to the next phases of rural development. Experiences and practices from successful sustainable land management, particularly in erosion control, soil fertility and watershed management, and sustainable use of wetlands and conservation will feed into the national land management strategy and would provide the basis for replication through future sub-projects and other donors’ assistance programs as they move from emergency relief operations to long-term development interventions, including agricultural development and natural resources management programs. Project lessons would be shared with other countries in the region and links developed with regional and other research and institutional strengthening initiatives.

Negotiations with rebels for a ceasefire are expected to allow Project activities to be implemented across the entire country. But the Project is designed to reach up to 10 provinces (Kirundo, Ngozi, Muyinga, Cankuzo, Makamba, Rutana, Bubanza, Muramvya, Mwaro and Bururi). The Project’s geographical selection criteria are detailed in the Project Implementation Manual.

9. Lessons Learned from Past Operations in the Country/Sector

Several Bank-financed projects in Burundi offer valuable lessons for the design of this Project:

• Project design should be kept simple and tailored to the borrower's capacity to absorb and implement the Project.

• Sustainability in rural development programs ensures the full involvement of the most affected people. This Project would work with local producer organizations and would expand stakeholder contacts to include a broad cross-section of local communities.

• Efforts to increase agricultural production are likely to fail without concrete steps to minimize soil degradation. The Project’s GEF contribution follows the UNCCD’s recommendation of maintaining soil fertility and quality and minimizing environmental impacts.

• An in-depth institutional analysis of the participating institutions is essential, and the Project implementation schedule should be established on the basis of this assessment.

• GEF-supported activities should follow a two-pronged strategy: specific investments should intensively focus on select areas but use integrated solutions, and advisory activities should address policy gaps to mainstream sustainable land management objectives.

• A sound integrated monitoring framework—with technical financial and accounting, and information on methods and indicators for monitoring—should be prepared and included in the Monitoring and Evaluation Manual.

• The risk that new entities would become overly bureaucratic can be avoided through competitive selection of local implementing agencies.

Rural development projects in other countries also provide valuable lessons. For instance, the Agricultural and Livestock Services Project in Chad and the Food Security Project in Benin showed that using NGOs and bilateral agencies as local implementing agencies for certain components can
provide relatively fast and impressive results. But the administrative and operations costs absorbed by such agencies can be high and should be controlled. The FAO pilot program in Burundi and the Critical Ecosystems Project in Rwanda provided useful information on practical sustainable land and natural resources management.

The first GEF Project in Lake Tanganyika addressed land degradation and pollution, but efforts to launch a significant program in Burundi were hampered by the civil unrest. A second Project is now under preparation. The FAO experience in constructing small irrigation works, terraces, and other basin management works has been fairly positive. But some works carried out during Project cycles are not maintained after the Project ends, and others have been destroyed. The reluctance to “waste” valuable land on runoff prevention and dykes has to be addressed, and sustainability has to be achieved. The Project would address these risks by supporting close coordination among the beneficiaries and strengthening the capacity of water user associations on sustainability and maintenance issues (for further information, see annex 2).

10. Safeguard Policies (including public consultation)

6.1 Safeguard policies triggered by the Project.

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Environmental Assessment (OP/BP/GP 4.01)</td>
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<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
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<td>Pest Management (OP 4.09)</td>
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<tr>
<td>Cultural Property (OPN 11.03, being revised as OP 4.11)</td>
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<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
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<tr>
<td>Indigenous Peoples (OD 4.20, being revised as OP 4.10)</td>
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<tr>
<td>Forests (OP/BP 4.36)</td>
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<tr>
<td>Safety of Dams (OP/BP 4.37)</td>
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<tr>
<td>Projects in Disputed Areas (OP/BP/GP 7.60)</td>
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<td>[x]</td>
</tr>
<tr>
<td>Projects on International Waterways (OP/BP/GP 7.50)</td>
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<td></td>
</tr>
</tbody>
</table>

6.2 Safeguards screening category.

B - Partial Assessment.

6.3 Safeguard and environmental screening categories

B - Partial Assessment. The proposed Project has been categorized as a “B/S2” on the basis of the financing of smallholder productive infrastructures and agro-processing facilities.

11. List of Factual Technical Documents

- Review of opportunities for Horticultural Subsector Development
- Review of Food crops Subsector
- Financial Audit of Burundi’s parastatal Coffee subsector

15 By supporting the proposed Project, the Bank does not intend to prejudice the final determination of the parties’ claims on the disputed areas.
- Review of Cotton Subsector
- Priority Rehabilitation Program for Coffee Subsector
- Priority Rehabilitation Program for Cotton Subsector
- National Environment Strategy
- Environment Action Plan
- Sustainable use of wetlands (summary)
- Bank and others donors supported Projects in Burundi

12. Contact point

Task Manager
   Ousmane Seck
   The World Bank
   1818 H Street, NW
   Washington D.C. 20433
   Telephone:
   Fax: 202 473 8229

13. For more information contact:

   The InfoShop
   The World Bank
   1818 H Street, NW
   Washington, D.C. 20433
   Telephone: (202) 458-5454
   Fax: (202) 522-1500
   Web: http://www.worldbank.org/infoshop