

Burundi: Country Results Profile



Burundi: Accelerated and Shared Growth for Peace Consolidation

Overview

With a history of conflict and widespread poverty, Burundi has been working with the International Development Association (IDA) to rebuild peace and security, modernize public finance, provide basic services, and strengthen the agricultural sector. Since the Arusha Accords in 2000, Burundi has made progress toward political and social stability while also improving the lives of its people. From 2005 to 2009, net primary enrollment increased by 23 percent, under-five mortality decreased from 153.9 per thousand in 2005 to 141.9 per thousand in 2010, and births assisted by skilled personnel doubled.

Challenge

Burundi is a small landlocked country with an economy dominated by subsistence agriculture. Coffee is the main export, accounting for more than 60 percent of export revenues and providing income to some 800,000 households. Thirteen years of ethnically-fueled civil war widened poverty, increased basic social needs, and severely damaged basic economic infrastructure. Since the Arusha Accords in 2000, which led to power-sharing agreements, and elections in 2005 and 2010, Burundi's development program has aimed at consolidating peace and security, revitalizing the economy through agriculture rehabilitation, and improving social service delivery. Burundi faces tremendous challenges in diversifying the economy, reducing the vulnerability of the agricultural sector to shocks, and strengthening good governance and anti-corruption practices within a politicized civil service.

It is unlikely that Burundi will reach the Millennium Development Goals (MDGs) by 2015, despite signs of progress. Life expectancy rose to 50.4 years in 2011 from 43 years in 2000. Vaccination rates have improved. In 2006, the government announced that health services would be free to children under five and pregnant women during delivery. As a result, the proportion of children and pregnant mothers accessing medical services increased from about 28 percent in 2006 to 69 percent in 2009 while under-five mortality declined from 153.9 per thousand in 2005 to 141.9 per thousand in 2010. However, the lack of essential medicine and qualified staff still severely affects service delivery. Limiting the spread of HIV/AIDS continues to be one of the priorities of the government (the prevalence rate in the general population was 2.9 percent in 2007).

More Results



29,527

number of demobilized adult ex-combatants from 2004 to 2010

48,000

permanent jobs created by road maintenance; increasing budget allocations to community infrastructure by 80 percent from 2004 to 2007.

MORE INFORMATION

- » Country Website
- » Country Brief
- » Country Assistance Strategy
- » Data and Statistics
- » Ministry of Finances
- » Ministry of Agriculture and Livestock
- » Ministry of Planning and Reconstruction

Although recent cases of cholera are blamed on the lack of availability of potable water, about 71 percent of the total population benefits from safe water (above Sub-Saharan Africa's average of 58 percent). In education, recent progress has to be consolidated to contribute to future growth. Education at all levels suffers from a lack of qualified teachers, teaching materials, and adequate infrastructure. Disparities in education outcomes among gender and regions are large. Since the "free school" policy was introduced in September 2005, the primary education gross enrollment rate significantly improved from 80 percent in 2003-04 to 134 percent in 2009/10. However, quality is low and the completion rate is only 46 percent. It is unlikely that Burundi will reach the second MDG target (primary completion rate of 100 percent). Enrollments in secondary and tertiary education are much lower.

- » USAID – Regional website
- » DFID
- » Bureau Intégré des Nations Unies au Burundi
- » Observatoire de Lutte contre la Corruption et les Malversations Economiques

Approach

Due to its weak fiscal space and high risk of debt distress, Burundi has benefited since 2000 from IDA grants, which support the development program laid out in the country's first Poverty Reduction Strategy Paper (PRSP). Starting with a series of emergency operations, IDA supported the stabilization of the economy and the launch of the national reform program. IDA has now moved to assisting the country's development program through a series of budget support and investment operations, often leveraging additional funds from other development partners.

In the current Country Assistance Strategy (CAS) FY09-12, IDA's total financial commitment to Burundi was US\$406.8 million, targeting key development issues, namely: (i) post-conflict rehabilitation and reintegration to consolidate peace and security through the Emergency Demobilization and Transitional Reintegration Project; (ii) agriculture rehabilitation and economic diversification through the Agro-Pastoral Productivity and Market Development Project and the Finance and Private Sector Development Project; (iii) education, health, and social policy reforms through three specific projects; (iv) economic management and foundations for good governance and anti-corruption through the Economic Reform Support Grant Project (Development Policy Operation (DPO)); (v) public works (water, sanitation, and flood protection), job creation, urban development, transportation rehabilitation, and energy through the Public Works and Urban Management Project, the Road Sector Development Project, and the Multi-Sectoral Water and Electricity Infrastructure Project; and (vi) regional communications infrastructure. IDA also coordinates international donor activities, while providing macroeconomic and sector analyses to inform the government's policies and programs.

Results

Since the first year of implementation of the PRSP 1 in 2007, Burundi has seen macroeconomic stabilization, improvement in budget discipline and efficacy, and both the rehabilitation and creation of economic infrastructure. Despite the severity of recent international crises (for example, food, fuel, and debt) and occasional budget deficit slippages, the government has kept the pace of economic reforms (for example, fiscal, budgetary, and monetary) to maintain macroeconomic stability outcomes, with the support of strong international aid assistance. These efforts have contributed to the outputs of IDA-supported programs and the following results:

- Sixty one percent of beneficiaries (ex-combatants) report being in a similar economic situation to that of their peers in the community; ; contribution to peace and security by demobilizing 29,527 adult ex-combatants from 2004 to 2010 and 6,886 ex-combatants, including 380 minors, in 2009.
- Supporting economic reforms from 2004 to 2011, including the privatization of coffee washing stations; the adoption and implementation of a modern budget framework law (*Loi organique des finances publiques*); a revised procurement code, investment code,

commercial code, and competition law; at least 70 percent of government arrears to the private sector have been cleared by 2012; and a draft annual budget prepared on the basis of the new budget law and presented to the National Assembly before the beginning of the fiscal year from 2009 onwards. Moreover, the voted/approved budgets by the Parliament as well as executed budgets, including their quarterly execution reports, are available on a government website.

- Commercial court cases where the delays in rendering judgment are over 60 days were reduced from 40 percent in 2008 to below 25 percent since July 2009.
- Rehabilitating agriculture from 2008 to 2012: As of 2010, yields improved as follows: irrigated rice: from 4.0 tons/ha (2008) to > 5.0 tons/ha in by 2011; cassava: from 10 tons/ha (2008) to 12 tons/ha in 2011; and milk: from 5l/cow/day (2008) to 7l/cow/day in 2011. About 40,000 households benefitted (35 percent headed by women) and another 240,000 people benefitted indirectly (45 percent were households headed by women).
- Increase in the primary completion rate from 38 percent in 2005/06 to 44 percent in 2007/08, and 47.7 percent in 2009/10; increase in primary gross enrollment rate (GER) from 80 percent in 2005/06 to 134 percent in 2011; modest improvement in student-teacher ratio from 57:1 (2006/07) to 56:1 in 2010 (students from overcrowded schools in the catchment areas need to be redistributed to occupy the newly constructed classrooms); and reached near parity in ratio of girls to boys in primary (percent) in 2010.
- Filling the gaps in primary education infrastructure and materials by constructing and equipping 39 new schools and continuing the distribution of tens of thousands of textbooks to school children.
- Percent of children covered by DPT3/pentavalent 3 vaccine before age one increased from 63 percent in 2005 to 87 percent in 2009; percent of assisted births increased from 37 percent in 2006 to 60 percent in 2010; percent of pregnant women with at least three ante-natal care visits increased from 20 percent to 59 percent in 2009; and 11 percent of HIV-infected pregnant women receive complete preventing mother to child transmission (PMTCT) services in 2009 (6 percent in 2008).
- Strengthening local development since 2007: training of about 2,000 local staff in project management techniques and 368 micro-projects agreements in addition to 182 in favor of vulnerable groups.
- Accelerating job creation from 2004 to 2009 (6,082,722 person-days, 17 percent women); 2,009,575 short term jobs were created in 2011 (above CAS target); but 48,000 permanent jobs created by road maintenance; increasing budget allocations to community infrastructure by 80 percent from 2004 to 2007 and creating 3,614 maintenance teams for local community infrastructure.
- Investing in roads from 2003 to 2010: rehabilitation of more than 176.2 km of roads and maintenance of over 885 km of roads, generating over 12,000 jobs; and developing road maintenance schemes by strengthening the financial capacity of the Road Fund.
- Forty-nine percent of the paved road network is in good and fair condition in 2010 (from 21 percent in 2008); 234,884 people provided with access to improved water in Bujumbura (including surroundings) in 2011, compared to 185,000 in 2008; and unplanned power interruptions reduced from 3,100 minutes of unplanned interruptions/quarter in 2007 to 1,500 in 2011.
- Building national capacities in procurement and re-structuring the national power company's balance sheet to remove unsustainable debt.

Bank Contributions

As of January 2012, Burundi's IDA portfolio amounts to about US\$408.6 million in grants. About 9 percent of this financial support has been provided through budget support operations

linked to economic governance reforms. IDA has mobilized an additional total of US\$26.97 million from other development partners in the form of trust funds to support Burundi's development program.

As of March 2012, the distribution of various projects in the active portfolio is as follows: Agriculture/Rural Development US\$43 million; Infrastructure (energy, roads, urban, and water) US\$182.62 million; Social Development US\$50 million; Human Development US\$45 million; Finance and Private Sector Development US\$27 million; and Economic Management and Public Sector US\$61 million.

Partners

In Burundi, the government and development partners are taking steps to improve donor harmonization. The World Bank and the African Development Bank carried out joint stakeholder consultations in Burundi to prepare their respective current country strategies. The Bank, the International Fund for Agricultural Development, the Food and Agriculture Organization, Belgian Technical Cooperation, and the U.S. Agency for International Development collaborate to ensure full complementarities of respective work programs in agriculture. Under the Country Assistance Strategy, the Bank seeks to improve aid effectiveness and coordination by building the capacity of Burundi's aid coordination unit. In addition, the Bank and UK's Department for International Development are helping the government use, when feasible, sector-wide approaches and monitor progress toward the partnership commitments of the Paris Declaration. The Bank works closely with the African Development Bank, the International Monetary Fund, and the European Commission to improve public finance management.

In partnership with the Dutch and Norwegian governments, the Bank provided direct support to the budget in recent years. IDA also collaborates closely with the United Nations agencies such as United Nations Children's Fund, United Nations High Commissioner for Refugees, United Nations Development Programme (UNDP), and the World Health Organization to improve the provision of water, sanitation, health, and education to the poor.

In partnership with UNDP, the African Capacity Building Foundation (ACBF), and other development partners, IDA has contributed to the human development capacity of Burundians for planning development programs, monitoring progress, and evaluating results. In recent years, IDA forged partnerships with civil society groups through the "*Conseil National de Lutte contre le Sida*" to support the fight against HIV/AIDS. Wide consultations are also undertaken regularly in order to improve the quality of policymaking, strengthen national ownership of key reforms, and promote accountability.

On the regional integration side, the World Bank collaborates with the African Development Bank and the TradeMark East Africa in providing knowledge and building institutional capacities as well as in public works design and financing.

Toward the Future

Burundi's remarkable efforts in moving the country towards macro-economic stabilization and a growing economy can be seen throughout the country. The Bank's strategic directions in supporting the country to shape its economy will continue by selectively assisting the government to implement its new innovative and transformative Poverty Reduction Strategy. This strategy will help the country: (i) promote sustainable and broad-based economic growth through increased productivity of food crops, a larger exports base, an improved business environment, and improved infrastructure services, thanks to regional integration; (ii) improve access to social services to consolidate social stability through more efficient and transparent public financial management and improved access to quality basic services through innovative tools such as the use of information and communications technology (ICT); (iii) diffuse good governance and anti-corruption practices by strengthening Burundi's recently adopted governance strategy and institutions to improve public financial management accountability.

The future development program of Burundi will help improve the country's business environment with increased stability as a way to foster economic growth and promote regional integration into the East African Community. Even as peace and security are preserved for foreign direct investment to flow in, issues remain to be addressed including: demographic and gender issues, increase in external financial support, strengthening of national capacities to monitor and manage development programs and public resources for more accountability and

transparency, as well as secured electricity production. Relying on its close partnership with Burundi and recent efforts to develop planning tools such as the Medium-Term Expenditure Framework, IDA will continue to assist the Government of Burundi in addressing the development challenges it faces.

Beneficiaries

The Agriculture and Livestock Modernization Project (PRODEMA) under implementation is drawing from the momentum of its predecessor agriculture project, the Agricultural Rehabilitation and Sustainable Land Management Project (PRASAB), which has benefited many households. Below is a selection of comments from people involved in the project explaining how this effort has changed their lives and that of their families.

“Before, I had to ask for help from my family who lives in Bujumbura (the capital) to send my children to school. Currently, I finance my own school fees by using the income from the sub-project financed with the support of PRASAB.”

“When I had money problems, I used to ask for a loan from the teacher of primary school on the hill. With the sale of milk (produced by the cow acquired with funds from PRASAB) to the Congregation of the Sisters of Rubanga High School (Matana-Bururi), I earn more money than the teacher a month and can lend him now when he needs it.”

“Look at my children, they seem to be malnourished? The cow I gained through PRASAB produces an average of 8 liters of milk per day. Half of this production is sold and the other is used at home.”

“Before the development of this marsh Rugwe (Rutana province), we produced only once a year. Since it is arranged, after rice, we grow vegetables or peanuts. Now traders from Makamba province, including those of Gitega, come up to supply for commercial crops here, including tomatoes.”

“To finance the rice crop season, we had to resort to loans from traders (money lenders) at high rates while selling at a lower price than the market. Since we obtained financing from the PRASAB, we are self-financing ourselves and built a warehouse with the proceeds from our business to sell when prices are high. We also intend to buy a husking machine to sell husked rice that has more value added while husking rice from our neighbors to earn more money.”

“Cassava cultivation was disappearing in the region following the mosaic disease. With the support of PRASAB, we are now able to multiply cuttings (seeds) tolerant to this disease. This has enabled us to contribute to the rehabilitation of this culture and earn money by selling cuttings and tubers. We have also improved the nutrition of our households by consuming a portion of the production.”

The crops produced through the sub-project funded by PRASAB have permitted us to improve qualitatively and quantitatively our diet. We produce more, which allows us to consume a greater portion of the production and purchase food that we do not produce thanks to the proceeds of our sales.”

“Since we have been supported by PRASAB, we are a lot more considered as part of the community. Our common fund allows us to give microcredit to members of our association who have problems / difficulties to care about quickly. And the neighbors come and ask advice to benefit from the same funding.”