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GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAM

REQUEST FROM THE GOVERNMENT OF BURUNDI

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ACRONYMS

CAADP	Comprehensive Africa Agriculture Development Programme
COMESA	Common Market for Eastern and Southern Africa
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
IMF	International Monetary Fund
NAIP	National Agricultural Investment Plan
NEPAD	New Partnership for Africa's Development
SFPA	Strategic Framework for Poverty Alleviation
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WFP	World Food Programme

PART I. SUMMARY OF OVERALL AGRICULTURE AND FOOD SECURITY STRATEGY AND ASSOCIATED INVESTMENT PLAN

I. AGRICULTURAL STRATEGY AND INVESTMENT PLAN

1. Burundi is emerging from a long socio-political crisis. Ten years after peace accords were signed, its economic situation is still precarious, with an annual per capita GDP of US\$110 and poverty affecting more than 65 per cent of the population. The food and nutrition situation is particularly disquieting, with an overall cereal-equivalent deficit of close on 470,000 tonnes per year and more than 70 per cent of the population suffering from food insecurity.¹ All the social indicators are at low levels. The most recent analyses show that the Millennium Development Goals set for 2015 will not be achieved and that urgent action is needed in order to increase agricultural production and thus prevent food insecurity from being added to the other sources of social tension.

2. Burundi is the second most densely populated country in Africa (with 8.5 million inhabitants and an annual growth rate of 2.9 per cent) and is one of the five poorest countries in the world. It is classified 166th out of 169 countries in terms of the Human Development Index. Nearly 70 per cent of the population lives below the poverty threshold (with less than a dollar a day per inhabitant). Rural inhabitants are the most severely affected by poverty and food insecurity. In the absence of a census, it is estimated that more than 95 per cent of the population works in the farming sector, for lack of jobs in other sectors of the economy. Most of the poor are small farmers (with less than 0.5 hectares) who depend on food crops, a situation that applies particularly to women farmers who are household heads. Their poverty is largely linked to low agricultural productivity, resulting mainly from the following factors: the small size of farms; demographic pressure; a fall in soil fertility; the absence of equipment and technical and financial capital; an incapacity to obtain inputs (quality seed, fertilizer etc.); and the low level of technical knowledge. Rural poverty has increased greatly as a result of the fall in agricultural production following the crisis, prolonged droughts in recent years and the disorganized state of marketing channels. Climate change has become a constraint to be reckoned with on a regular basis to such an extent that there is now an urgent need for the agricultural policy to include a definite orientation toward the mobilization and sound control of water resources in order to compensate for irregular rainfall. In addition, a decline in farmgate prices estimated at close on 35 per cent has very severely affected small farmers growing cash crops, particularly coffee, tea and palm oil. Repatriation and reintegration also exacerbate the problem of access to land, while the massive arrival of repatriated people has also placed heavy pressure on the absorption capacities of socio-economic infrastructures that were already far from adequate.

3. The gravity of the food situation can be seen from the figures produced by WFP, which indicate that 70 per cent of the population is living in food insecurity,² while

¹ *2010 Harvest evaluation.*

² *Comprehensive food security vulnerability analysis and mapping (2008).*

UNICEF's figures indicate that 35 per cent of children under five are suffering from moderate to severe underweight.³

4. Burundi's agricultural sector policy is laid down in the national agricultural strategy document adopted in 2008, which takes into account and follows the guidelines and priorities of the country's basic strategic documents, particularly *Outlook 2025* and the Strategic Framework for Poverty Alleviation (SFPA). Complementary subsectoral strategy documents have been drawn up over the past two years (for livestock production, marshland development, catchment area protection etc.), together with a National Food Security Programme and a plan of action for the national agricultural strategy. Despite these major efforts and until inception of the Comprehensive Africa Agriculture Development Programme (CAADP), supported by the Common Market for Eastern and Southern Africa (COMESA), the national agricultural strategy was not yet an adequate analytical framework for decision-making regarding investments and did not include an operationalization mechanism that would allow the planning of actions and resources. With the impetus of the CAADP, the Government then set about drawing up a National Agricultural Investment Plan (NAIP), covering the period 2012-2017, parallel and fully integrated with the SFPA 2, with the participation and contribution of all the technical and financial partners. The NAIP was developed, with the support COMESA and technical and financial partners, by a national technical team assisted by a group of international and national consultants and in close consultation with civil society and grassroots community organizations. It was validated in June 2011 during a workshop attended by all the stakeholders in the agricultural and rural world and later approved by the government in July 2011.

5. With a view to implementing the NAIP, the Government plans to mobilize the necessary human, financial and institutional investments. So far as financial investment is concerned, the Government intends mobilizing its own resources, in line with the resolution of the Summit of Heads of State and Government of the African Union (Maputo 2004), and allocating a greater part of its budget to the agricultural sector in order to achieve or exceed the recommended 10 per cent from 2012 onwards. In 2011, the agricultural sector's share in the national budget reached 6.8 per cent. There are also the efforts that have been needed to draw up a high-quality NAIP that is both realistic and feasible and will encourage the raising of external resources (particularly from technical and financial partners). The process of resources mobilisation was successfully launched in march 2012 with the organisation of a Business meeting held in Bujumbura on 14/15 march 2012. So far as institutional and human resources are concerned, the Government has undertaken to mobilize its senior and technical staff within a Ministry of Agriculture and Livestock that has been revamped through a thorough-going reform of its structures so that it can respond better to the demands of its mandate. This reform is intended to act as the basis for Programme 4 of the NAIP.

6. The NAIP lays the stress on i) the increase in crop and livestock production by raising productivity and ensuring optimal management of soil and water resources and ii) the strengthening of human resources capacities of national institutions and farmers organisations in the areas of organization and management with an emphasis on women and the importance of their role in agricultural sector development. It will be coordinated with the other ministries to address such common issues as land tenure and environmental problems, the development of infrastructure and factors linked to marketing and the development of agribusiness.

7. The NAIP is organized into four programmes and 15 sub programmes. The four main programmes are as follows:

³ UNICEF website.

- Sustainable growth in production and food security;
- Professional training of farmers and promotion of innovation;
- Development of value chains and agribusiness;
- Institution-building for public bodies.

8. The main objective of the first three programmes is to bring about an increase in production and a reduction in poverty and food insecurity.

II. OBJECTIVES AND INDICATORS

9. The objectives of the NAIP are as follows:

- i) To ensure food security for all;
- ii) To increase household incomes;
- iii) To obtain hard currency;
- iv) To provide raw material for the industrial sector and create jobs in the agricultural processing and service sector.

10. The main indicators that will allow monitoring of the NAIP are as follows:

1. In terms of impact:

- Growth rate of the agricultural sector;
- The food security index, especially the prevalence rate of malnutrition among children of under five;
- Growth rate of incomes;
- Rate of improvement in the balance of trade;
- Growth rate of the agribusiness sector;
- Rate of accumulation of assets by vulnerable groups.

2. In terms of specific objective 1: sustainable growth in productive capital and production:

- Growth rate of crop and livestock production;
- Growth rate of household incomes;
- Level of nutritional cover.

3. In terms of specific objective 2: professional training of farmers and promotion of innovation:

- Growth rate of numbers of trained agricultural professionals in the sector;
- Innovative technologies introduced each year.

4. In terms of specific objective 3: development of value chains and agribusiness:

- Number of value chains up and running;
- Growth rate of income from livestock and crop value chains and from agribusiness;
- Number of jobs created in the agribusiness sector;
- Growth rate of hard currency and/or hard currency savings.

5. **In terms of specific objective 4:** improvement in the institutional framework:
- Number of reforms undertaken in the agricultural sector;
 - Number of governance and supervisory structures up and running;
 - Level of effectiveness and efficiency of the Ministry of Agriculture and Livestock;
 - Operational level of dialogue and consultation frameworks.

III. KEY ELEMENTS OF THE POLICY ENVIRONMENT

11. Burundi's economy is based essentially on subsistence farming, with a preponderantly agricultural population (more than 95 per cent of the total population), a fragmentation of farms (with an average size of less than 0.5 hectares) and very low productivity. Over the past ten years, the growth rate of agricultural production (2 per cent) has been less than the growth rate of the population, which is between 2.6 and 3 per cent.⁴ *Outlook 2025* considers that the agricultural sector should become the main engine of growth. The SFPA 2 therefore lays particular stress on this sector and on measures and reforms to be implemented with a view to creating a favourable climate for its development.

12. The Government of Burundi has undertaken reforms to improve the economic situation. Measures adopted with IMF support have led to an improvement in fiscal performance (increased revenue and controlled expenditure). Application of VAT has simplified the taxation system. The monetary policy adopted by the Government has led to a certain stabilization of prices, while also protecting the economic recovery from outside shocks. The public market code has been revised to facilitate public market procurement and bring procedures into line with those of the various technical and financial partners. The privatization programme is barely moving forward, although the Government is persisting with it.

13. **In terms of financial framework.** With the support of the World Bank, and following the various missions, the Government has undertaken the establishment of a results-based strategic planning system. The system encompasses the SFPA as strategic framework, the Priority Action Programme as three-year planning framework for the ministries' activities, and the Medium-Term Expenditure Framework as budget framework instrument regarding the needs of the Priority Action Programme. It also encompasses a system to monitor the execution, result and impact of actions. Activities to implement the Medium-Term Expenditure Framework will thus go hand-in-hand with those to boost sectoral strategies and priority action programmes, and establishment of the performance monitoring system.

14. **In terms of institutions.** The Government has undertaken a wide-ranging programme of institutional reform. With regard to the agricultural sector, the Ministry of Agriculture and Livestock is not currently in a position to supervise and support development of the sector. The inappropriate nature of its organization and style of operating prevent it from carrying out the new tasks it is responsible for under the poverty alleviation strategy and the agricultural sectoral strategy as effectively as would be wished. Considering the many challenges facing Burundi, particularly as regards food security, a revision of the ministry's organization and

⁴ According to different sources, with the variation explained by the absence of reliable statistics.

style of operating is vital if its performance and effectiveness are to be improved. The Government has sought to revise the ministry's organizational chart to adapt it to the new orientations of reducing poverty and food insecurity. Action to reorganize the ministry was launched in February 2009, leading to a new organizational chart that should allow re-evaluation of its planning, monitoring and evaluation functions, better coordination of its central and decentralized services, better human resource management and a broad capacity-building programme for field staff and services. In general terms, however, the interventions do not address the critical points of the make-up of the ministry (staff), its modes of intervention (consultation, devolution, support for decentralization etc.) or an improvement in its field staff's working conditions.

15. Lastly, the increase in the resources allocated to the agricultural sector in coming years and the development of the NAIP have led the Government to undertake a reflection in order to define a new institutional vision of the Ministry of Agriculture and Livestock, which would be consistent with the vision of development of the sector agreed with private stakeholders and shared by technical and financial partners. This new vision will provide guidelines for all the anticipated reforms of the ministry. While awaiting implementation of the recommendations of the NAIP, the ministry has already started this restructuring by appointing a permanent secretary (*secrétaire permanent*) in place of a chief of staff (*chef de cabinet*).

IV. PLAN COMPONENTS TO ACHIEVE THE OBJECTIVES

A. Key issues in agriculture and rural development

16. The various problems facing Burundi's agricultural sector are both structural and linked to current circumstances. They can be summarized under five headings: (i) agricultural problems, (ii) climate-related problems, (iii) technological problems, (iv) socio-economic problems and (v) institutional problems.

17. **The main agricultural constraints** are: (a) low soil fertility and the degradation of natural ecosystems; (b) insufficient quantities and use of quality inputs (selected seed and seedlings, improved livestock breeds, fertilizer, pesticides, mechanization etc.); and (c) the upsurge in diseases and pests that wreak havoc among crops (cassava mosaic disease, fusarium or bacterial banana wilt etc.) and livestock (tick-borne diseases in cattle, cross-border viral infections such as foot-and-mouth disease, nodular dermatophilosis, swine fever and Newcastle disease, verminosis etc.).

18. **Climate-related problems.** Climate change has disrupted and disorganized agricultural activities, most of which are rain-fed. Small farmers have lost their bearings, a situation compounded by their lack of the technical know-how or appropriate plant material to counteract the effects of such change.

19. **Technological constraints** are linked to the inadequacy of technical innovations and appropriate production systems and the lack of information resulting from the disorganization of research and extension services. The main factors here are: (a) the lack of knowledge of conservative farming techniques; (b) the lack of knowledge and the inadequacy of water resource management techniques for crop irrigation; (c) the inadequacy of processing and

conservation technologies for agricultural, forestry and livestock products; (d) the scant promotion of alternative and renewable energy sources; (e) the scant integration of agriculture and livestock rearing with a view to the sustainable protection of soil, rangelands and natural ecosystems; and (f) the limited capacities of laboratories and human resources to monitor the quality of inputs, foodstuffs and export products.

20. **The main socio-economic constraints** standing in the way of Burundi's agriculture are: (a) land tenure problems, demographic pressure on land and protected natural ecosystems, and the insufficient number of income-generating off-farm activities; (b) illiteracy; (c) the low purchasing power and lack of training of rural families, preventing their access to agricultural credit and good quality inputs; (d) the absence of mechanisms for the sustainable financing of rural development; (e) the narrowness of output markets for crop and livestock products; (f) the landlocked situation of the country and the inaccessibility of many rural production zones, resulting in a steep rise in production costs and the sale of produce at a loss; (g) the existence of a large number of people suffering the effects of war and climatic vagaries; and (h) the inadequacy of political and macro-economic measures favourable to domestic or foreign private investors in the agricultural sector.

21. **The main institutional constraints** are linked particularly to: (a) the difficulty of carrying out the structural reforms and other changes required by the new vision of development of the sector; (b) the poor quality and low numbers of human resources; (c) the lack of motivation of field staff because of their low pay and the inappropriate nature of their working context and conditions; (d) the disorganized nature and lack of professional training of private stakeholders; and (e) the scant involvement of the private sector in financing the agricultural and livestock sector.

B. Measures to address the issues

22. The NAIP will place major stress on addressing these issues. With regard to technical factors, the plan will seek to achieve as broad a dissemination as possible of new techniques linked to (i) irrigation and the rational use of water resources, (ii) conservative agricultural practices, (iii) intensive rice-growing systems and (iv) rational livestock production methods, especially dairy farming using closed cowsheds. All these techniques have now been mastered. Their popularization will be supported by programmes to produce improved seed and distribute fertilizer. All such efforts will be based on a new approach, encompassing extension and the building of technical skills among farmers through the establishment of farmer field schools and local service centres.

23. **Development of public-private partnerships.** The NAIP is based on a joint effort of the public and private sectors. In particular, financing must be shared between the State and private operators, producers and investors. While it is up to the State to create an environment favourable to development of the sector, private stakeholders must be responsible for investment linked to productive, industrial and marketing activities. However, all the indications are that the private sector and the Ministry of Agriculture and Livestock's services have not really grasped this new sharing of responsibilities and that nothing has yet been done to establish sustainable public-private partnerships, particularly not in value chains.

24. **Gender issues** and the role of women in development will be systematically considered in all development activities in conformity with the National Gender Policy and the PRSP-2.

25. **Other measures.** The NAIP takes other cross- and inter-sectoral measures into account, particularly: (i) the establishment of appropriate safety nets to avoid the marginalization of certain social categories – the landless poor, children who are household heads, widows, the families of HIV/AIDS sufferers and those with very small plots of land (less than 0.25 hectares); and (ii) environmental issues, inasmuch as Burundi's environment is very fragile and it is vital that any development action or investment be subject to an environmental impact analysis and assessment before receiving the approval of the authorities in question.

C. Institutional framework for implementation

26. With regard to institutional issues, the NAIP will include a specific programme to resolve institutional constraints. This programme (number 4) has the aim of improving the capacity and performance of the Ministry of Agriculture and Livestock by (i) reforming its organization and style of operating, and building the capacity of its field staff, (ii) improving the working context and conditions of field staff and (iii) supporting implementation of the NAIP in the form of a programme approach. Implementation of the plan and the allocation of major additional resources to the agricultural sector represent not only a challenge, considering its low budgetary absorption capacities, but also an opportunity to overhaul its organization and style of operating so that it can effectively serve development strategies for the sector. The ministry will revamp its organization and style of operating so as to take into account the new tasks under its responsibility in virtue of the sectoral development strategies, particularly the territorial decentralization policy and the increasing involvement of the private sector in carrying out development. It is also important to remobilize the ministry's field staff through a substantial improvement in their working conditions. Lastly, the ministry must receive major support to enable it to implement the NAIP effectively, adopting a programme approach that is completely new to it.

V. PLANNED COMPOSITION AND LEVEL OF SPENDING

27. The total financial resources needed for implementation of the NAIP are 1,452,300,718,000 Burundi francs or approximately US\$1,180 million. This sum covers all the requirements for the two three-year periods, 2012-2014 and 2015-2017.

VI. FINANCING SOURCES AND GAPS

28. The main financing sources for the agricultural sector are the national budget, external aid and the private sector.

29. **The State.** Although agriculture's contribution to GDP is between 20 and 50 per cent, it has not been receiving a proportionate budget allocation from the State. Over the past decades and until 2008, the resources available for the sector were less than 2 per cent of budgetary resources. It was only in 2008 that the Government decided to increase the sector's

share to 4.2 per cent, which was then reduced to 3.6 per cent in 2009 and 2 per cent in 2010. However, in 2011 the Government made an effort and approved an allocation for the sector of 6.8 per cent of the national budget, although this is still below the 10 per cent recommended at the Maputo summit. Until 2006, almost 50 per cent of the total sectoral budget was allocated for salaries and operating costs. Starting in 2008, the trend was then reversed, and the proportion of the budget allocated for investment has become greater – five times greater – than that allocated for operating costs.

30. **External aid.** Burundi receives large-scale support from a number of technical and financial partners – international and regional organizations, finance institutions, bilateral aid agencies, NGOs etc. Such interventions support the country in its rehabilitation, construction and economic recovery efforts. The aid is thus multiform – budgetary, debt reduction, humanitarian, investment and institution-building. The total amount of external aid committed to the agricultural sector is 395 billion Burundi francs for the period 2012-2017.

31. **The private sector.** National private investment has only recently started up again, but is still low, accounting for an average of approximately 8 per cent of GDP between 2005 and 2008. Foreign direct investment represents less than 1 per cent of GDP.⁵

Financing of the NAIP: available resources and financing shortfall

32. The resources available for the period 2012-2017 are estimated at 577 billion Burundi francs, while additional financing needs are estimated at 875 billion Burundi francs, or 60 per cent of total needs, 49 billion Burundi francs of which are expected from the private sector.

33. The financing plan for the NAIP shows government participation of approximately 90 billion Burundi francs (approximately US\$73 million) for the period 2012-2014, or an average of 30 billion Burundi francs (or US\$24.4 million) per year. This represents a doubling of the current amount of the budget executed by the Ministry of Agriculture in 2010 and corresponds to about 6 per cent of the national budget. Starting in 2015, this contribution will grow, reaching 92 billion Burundi francs in the three-year period 2015-2017. It should be noted that the 2011 budget devotes more than 43 billion Burundi francs (or US\$35 million) to the agricultural sector and that the financing plan for the NAIP was drawn up on the basis of the level of budgetary execution.

34. The global financing gap for the period of the NAIP, 2012-2017, is 875 billion Burundi francs (or US\$703 million), or 60 per cent of total financing needs, which are estimated at 1,452 billion Burundi francs (or US\$1,180 million). It should be stressed that the large size of this shortfall is a result of the length of the planning period proposed (six years) and that most of the commitments and resources available are better known for the first three years. Thus, if the shortfall is analysed for a period of only three years (2012-2014), it will be seen that its size compared with the available financing is reduced to 461 billion (or US\$366 million), representing 54.2 per cent of total needs, which are 851 billion Burundi francs (or US\$703 million). Examination of the shortfall for the second three-year period shows that its relative value increases to 69 per cent of total needs.

⁵ World Bank (2011), *Republic of Burundi – Country Economic Memorandum: the challenge of achieving stable and shared growth*.

VII. THE PLANNING PROCESS

35. Like other member countries of the New Partnership for Africa's Development (NEPAD), Burundi has undertaken to: (i) create a favourable environment for improving the competitiveness of the agricultural and rural sector; (ii) achieve the objective of a 6 per cent growth in the agricultural sector and mobilize the resources needed to carry out the corresponding investments; (iii) allocate 10 per cent of resources in the national budget to the agricultural sector, in line with commitments made in the Maputu Declaration; and (iv) create a coordinated frame of reference for bilateral and multilateral financing of the sector.

36. The process of drawing up the NAIP was intended to be as inclusive as possible, involving all the stakeholders. It was entrusted to a national technical team encompassing government and civil society. The plan was drawn up with support from technical and financial partners and COMESA, and with the collaboration of representatives of civil society, farmers' organizations and the private sector. Various national workshops and provincial consultations were held on the subject, attended by all sections of civil society and the rural world (private sector and community and farmers' associations and organizations), together with representatives of vulnerable groups. Consultations with farmers were organized and held by civil society and umbrella organizations operating in the agricultural sector with the methodological support of the national technical team. The launching of the NAIP was the outcome of a broad consultation, and many information meetings were held before its adoption during the validation workshop of 24 June 2011.

37. Formulation of the NAIP started with the preparation of a road map with the support of FAO and mobilization of the resources needed for the work by the following technical and financial partners: European Union, Belgium, World Bank, FAO, WFP, USAID and IFAD. A national technical team was set up, with the task of carrying out all the work with the assistance of three international consultants and two national consultants. A start-up workshop was organized on 6-7 April 2011 with the support of COMESA. The formulation process was as follows:

- Review of the national agricultural and subsectoral strategy, and definition of priority investment actions in the spheres of agricultural growth and food security;
- Definition of priority actions and the resources needed for these;
- Establishment of a database on investment and technical assistance projects in the sector;
- Institutional analysis;
- Provincial consultations with the stakeholders in civil society and farmers' organizations;
- NAIP validation workshop in June 2011.

38. The document produced was reviewed in August 2011 by an external technical review team under the auspices of NEPAD. Its recommendations were taken into account by the government in the latest version discussed at the business meeting organized in Bujumbura (14/15 March 2012) with the participation of all the stakeholders in the NEPAD process. All participating partners have expressed full support to the NAIP and announcement of contributions were made.

VIII. CONCLUSIONS AND RECOMMENDATIONS

39. After a long period of political crisis and social unrest, and many reconstruction efforts, the Government of Burundi has succeeded in setting the country on the road to development and committed itself firmly to the process of reducing poverty and eliminating the food insecurity that affects more than 70 per cent of the population. The efforts it has managed to make involve particularly the mobilization of its own financial resources with a very large increase in the budget allocated to crop and livestock production and the undertaking of thorough-going reforms to put the institutions responsible for the agricultural sector in a position to implement the NAIP and achieve the objectives set for it in the framework of the CAADP.

40. The proposed investment plan is undeniably ambitious and the risks identified are very real, especially with regard to implementation capacities and the capacity to absorb such a large financial volume. However, this risk should be set against that of an alternative that would implement a less aggressive approach and could lead only to an increase in poverty and food insecurity, which would in turn lead to a faster environmental deterioration and a decline in the economy. The NAIP has anticipated a whole series of safety and risk-reduction measures, which should allow the agricultural population and its organizations, together with central and decentralized institutions, to meet the challenges and allow Burundi to become once again a country where food security is assured for all its inhabitants.

PART II. SPECIFIC FUNDING PROPOSAL

I. OBJECTIVES AND RESULTS

41. The Government of Burundi is asking for financial support from GAFSP in order to complete the financing of its National Agricultural Investment Plan (NAIP), which was developed during the first half of 2011 and validated by the national stakeholders in development and by the country's technical and financial partners on 24 June 2011. The NAIP has been submitted to COMESA for an external technical review.

42. The proposed funding is intended to fill out the resources available from a group of donors for implementation of a certain number of priority actions that were identified during formulation of the NAIP. It will complement actions launched by these partners to reduce the poverty of the rural poor and combat the food insecurity and malnutrition of vulnerable people that are rife in the Imbo and Mosso regions. These two areas have major potential in terms of soil and water resources, which would allow a substantial increase in agricultural production thanks to irrigation.

43. The specific objectives of the proposal agree with those of Programmes 1, 2 and 3 of the NAIP, and the anticipated results are as follows:

- (i) An increase in the availability and quality of food thanks to an intensification and diversification of production and an increase in agricultural productivity in the Imbo and Mosso regions by improving access to inputs (seed and fertilizer) and technical know-how;
- (ii) An improvement in food security and a reduction in malnutrition among the most vulnerable groups;
- (iii) Effective organization of producers and their integration into a value chain process, enabling them to ensure the production, processing, storage, market access, enhancement and marketing of their produce.

The expected results are detailed in the results framework attached to this request as an annex. The monitoring and evaluation framework is presented in item 2.7 below.

In conformity with NAIP's guiding principles, interests and needs of women and other vulnerable groups will be taken into account in development actions in close coordination with ministries in charge of gender issues, health and education.

II. PROJECT DESCRIPTION

44. The areas of intervention for which funding is required are as follows:

Component 1. Development of productive capital

45. This area is related to activities aiming at fighting erosion and land degradation as well as surface water mobilization and irrigation development. It is related to NAIP's Sub Programmes 1 « Protection of the productive capital » and 2 « Development and rehabilitation of irrigation schemes» as well as CAADP' Pillar 1 « Sustainable land and water management »

46. This component involves actions to counter erosion and soil degradation, and also the harnessing of surface water and the development of irrigation. The objective is the protection of infrastructures (hydro-agricultural schemes, the airport and town of Bujumbura), soil and water conservation, and the increased use of irrigation to intensify rice, maize and groundnut production and develop dry-season market-garden crops⁶ and fruit growing in the Muzazi and Ntakangwa catchment areas. These activities will complement those of projects financed by IFAD (the Agricultural Intensification and Value-enhancing Project [PAIVA-B] and the Value Chain Development Programme [PRODEFI]), the European Union (the PPCDR and Food Facility projects such as the rehabilitation of hydro-agricultural works in Imbo) and the World Bank (the Agro-Pastoral Productivity and Markets Development Project [PRODEMA]), as well as other projects financed by the Belgium Cooperation (APV, PADAP) and the Dutch Cooperation; all of which cover the provinces in the Imbo and Mosso regions.

47. The proposed activities are as follows:

- Study on Water resources available to agricultural sector,⁷
- Construction of two diversion dams in Mosso at a cost of US\$10 million.
- Development of 8,000 hectares of irrigation schemes at an estimated cost of US\$28 million: 4,000 hectares in Mosso (at a unit cost of US\$4,000) for rice and groundnut development and 4,000 hectares in northern Imbo (at a unit cost of US\$3,000), especially the Mbanza-Miduha regions for rice and maize development. The unit costs include the costs of technical and environmental studies. This subcomponent will affect 16,000 households, allowing 0.5 hectares per household.
- Development of 100,000 hectares of the Muzazi and Ntakangwa catchment areas. The catchment basin approach has become the rule for all rural development projects in Burundi. It is based on the establishment of simple plant-covered erosion-control structures that retain water and reduce the effects of erosion, and on the installation of live hedges around crop plots. The main species planted on the erosion-control structures and in the live hedges will be fodder species (fodder trees and binding grasses), which will become a major source of fodder. The participatory methods underlying this approach have proven their effectiveness in a large number of communes. These works are a replication of those undertaken by the PAIVA-B project, particularly with WFP support. The estimated cost of the installations is US\$15 million. Similar to other ongoing projects, a contribution from WFP will be

⁶ Dry season: June to August-September.

⁷ Study recommended by the independent Technical review of the PNIA.

requested to finance the erosion-control work. This subcomponent will affect about 200,000 households, allowing 0.5 ha per household.

48. The total cost of this component is US\$53 million.

Component 2. Intensification and diversification of crop and livestock production

49. This area is related to activities aiming at increasing production and productivity in agriculture sector. It is related to NAIP's Sub Programmes : 3 « Agricultural production intensification » and 7 « Development of proximity services and innovation » as well as CAADP' Pillar 1 « Sustainable land and water management » and 4 "Research and technology development and dissemination"

50. The objective of this component is to help farmers to increase their crop and livestock production and boost their incomes by prioritizing certain profitable crops that have a significant potential for productivity gains on their very small farms. Increases in productivity are an essential factor in growth. Food crop yields in Burundi are very low in comparison with those in other African countries. The experience of ongoing projects has shown that with good technical staffing and a minimum integration of agriculture and livestock rearing it is possible to double or even treble yields of certain staple crops. Special focus will be laid on the production of quality commercial seeds and the supply of fertilizer in coordination with similar activities under the Seeds project funded by Belgium, the EU Regional project (COMRAP), PAIVA-B and PRODEFI and other projects.

51. Activities will focus on:

- The introduction of 9,000 cross-breed cows (with 75 per cent foreign blood), which will be distributed to households in line with the "targeting guide" established by the Livestock Sector Rehabilitation Support Project (PARSE). This action is dependent on: (i) establishment of a bovine solidarity chain; (ii) implementation of a training programme for beneficiaries (90 to 120 days' training on fodder production and livestock feed and health, supported by the existing network of veterinary staff and communal livestock health assistants (ACSA); (iii) installation of fodder crop fields (a minimum of 2,000 square metres of legumes and fodder grasses); (iv) construction of a cowshed and cement floor and (v) manure management. The overall cost of this activity is estimated at US\$1,100 per cow, which includes the cost of the various types of support mentioned, making a total of about US\$10 million. The importance should be noted of integrating this cow into the Burundi farmer's production system as part of the process of restoring soil fertility, increasing incomes and improving nutrition thanks to dairy production. Implementation of this subcomponent will be entrusted to the PARSE project as has been done for the IFAD-financed PAIVA-B and PRODEFI and in close cooperation with other partners' financed projects and in particular the PPCDR in the Mosso area. The subcomponent would target some 30,000 households, thanks to the passing on of female calves in the bovine solidarity chain.
- Development of fruit orchards on 20,000 hectares in the catchment areas developed under component 1. The programme will focus on citrus fruit, banana, avocado, passion fruit and macadamia nut (from an altitude of 1,300 metres). It will entail organizing seedling production in nurseries and distribution of 20 seedlings to each household. Given an average area of 0.5 hectares per farm, 40,000 households will be

targeted. The cost is estimated at approximately US\$4.5 million, which includes support to nursery associations (training) and the establishment of fruit tree nurseries.

- Development of palm oil production. This activity will consist of rehabilitating 2,000 hectares of the old Rumonge plantation in southern Imbo and establishing new small-farmer plantations on 2,500 hectares in the Mosso plain in close collaboration with the PPCDR (EU) and the Stabex activities. It is anticipated that a total of 9,000 oil palm planters will be supported, with 0.5 hectares for each. When the NAIP was being costed, the cost of this operation was estimated at US\$15 million.
- Establishment of farmer field schools for those benefiting from the above activities. These schools serve as a means of sharing knowledge among farmers and research and extension agents. The average cost of a farmer field school is US\$1,000 and the proposal is to organize 300 each year, thus enabling 6,000 male and female farmers to be reached directly each year, or a total of 36,000 over the project period. The project will strive to ensure that 50 per cent of the beneficiaries are women, which will be all the easier inasmuch as most farmers are in fact women. Given the snowball effect of the schools, it is estimated that each farmer should be able to train three others in turn, so that the goal is to reach 100,000 farmers through the schools' training activities. The cost is estimated at US\$4.5 million, which includes provision for a technical assistance contract for the staffing of the schools, intensification and diversification activities and support for production of the seed required by the project's activities.

52. The total cost of this component is US\$35 million.

Component 3. Improvement in nutrition and vulnerability management

53. This area is related to activities aiming at ensuring food security and improving nutrition. It is related to NAIP's Sub Programme 5 « Food security nutrition and vulnerability management» as well as CAADP' Pillar 3 « Food and nutrition security of vulnerable groups ».

54. The objectives of this component are to provide specific support to vulnerable groups in the regions in question and to contribute to the pillar programme of food security through efficient use of foodstuffs. Activities will focus on:

- Support to health centres in the form of equipment for the detection of malnutrition;
- Support for implementation of the Burundi protocol regarding nutrition;
- Capacity-building for health staff and community health workers for nutritional education and monitoring of the nutritional status of mothers and children of under five;
- Multisectoral training in nutrition, nutritional education, family planning and food hygiene;
- Cookery demonstrations in intervention zones;⁸
- Introduction of market gardening, fruit growing and such nutritional high-value crops as soya;
- Support for the professional training of vulnerable people: various topics linked to small-scale agricultural processing or off-farm sectors will be addressed, allowing landless beneficiaries to obtain paying jobs.

⁸ Using the Belgian Fund for Food Security model through the Transitional Programme of Post-conflict Reconstruction.

55. The cost of this component is estimated at US\$4 million.

Component 4. Strengthening of 3 value chains: rice, milk and palm oil

56. This area is related to the objective of strengthening existing value chains and development of new ones in order to increase the value added of the agricultural production in an organised manner, with the involvement of all actors at up and downstream levels. It is related to the 6 Sub Programmes of Programmes 2 and 3 of the NAIP and to Pillar 2 of CAADP « Markets and marketing capacities development”.

57. The objective of this component is to reinforce actions carried out by other projects in terms of developing value chains, the focus of Programme 3 of the NAIP. The proposed project will focus particularly on rice, milk and palm oil, and will entail enhancing production and developing a network of small- and medium-scale enterprises for the processing and marketing of rice, milk products and palm oil.

58. *With regard to milk*, the project will finance the establishment of milk collection centres in the distribution zones of dairy cattle and will encourage the development of small cheese- and yoghurt-making units. Sixty collection centres will be set up during the six-year period at a total cost of US\$3 million. These activities will be coordinated with the USAID-financed Agribusiness and Rural Enterprise Promotion Program (PAIR) in collaboration with the IFAD-financed PAIVA-B, PARSE and PRODEFI projects, which have similar activities in other provinces in the country.

59. *With regard to rice*, the project will finance drying floors, hulling machines and storage facilities complementary to activities under the PAIVA-B, PRODEFI, PRODEMA and PPCDR in the Mosso and the Food Facility (EU/FAO) in the Imbo. The estimated cost is US\$2 million.

60. *With regard to palm oil*, with a view to enabling the country to achieve self-sufficiency in oils, and indeed become an exporter of palm oil to other countries in the subregion, the project will finance the modernization of traditional grinding units and their replacement by non-polluting semi-industrial units. This activity will be coordinated with European Union-financed actions. The estimated cost is US\$8 million.

61. Technical support for the building up of value chains will be provided by the IFAD-financed PRODEFI project, which will in the meantime have carried out the necessary baseline studies and set up platforms of stakeholders in the value chains.

62. The total cost of the component is US\$13 million.

Component 5. Project management and coordination

63. The project management and coordination unit will be in charge of managing and coordinating project activities, together with all actions to support the structuring of farmers' organizations. It will be based on (i) existing provincial branches of IFAD-financed projects, boosting these if need be, and (ii) new branches to be set up in other provinces.

64. In the current situation and while awaiting effective implementation of the institutional reforms anticipated in the NAIP, a project of this scope requires the establishment of a management unit with branches in the provinces involved. It is estimated that the cost of this unit should not exceed 10 per cent of the total cost of the project.

65. It is thus proposed that US\$10 million be allocated for this component.

Project zone and target groups

66. The project will cover the provinces of the Imbo and Mosso regions. These two plains have great potential in terms of fertile land suitable for irrigation and thus capable of responding to intensification action in terms of productivity increases. The provinces in question are Cibitoke, Bubanza, rural Bujumbura, Ruyigi, Bururi, Rutana, Cankuzo and Makamba. The regions involved in the intervention (Imbo and Mosso) have major water deficits (up to six or seven months of drought), leading to a chronic food deficit⁹ and making recourse to irrigation essential. These zones are thus the most subject to situations of food insecurity.

67. The project beneficiaries are:

- Farmers in these two regions, who will benefit from the development of marshland and catchment areas, quality seed, access to inputs, storage infrastructures and technical training; these improvements will result in an increase in farm production and income;
- Farmers organized into groups and associations playing a role in the value chains supported by the intervention, including people in the first category of beneficiaries; they will basically benefit from regular outward disposal of their produce on markets and from higher prices;
- Small-scale palm nut processors, whose yields will increase and whose contribution to the pollution of Lake Tanganyika waters will decrease;
- Vulnerable groups (small farmers with limited access to land, the landless, displaced persons, disaster-afflicted groups, HIV/AIDS affected families, repatriated people and malnourished women and children), who will benefit from specific nutritional support and from professional training either for agricultural processing or for various off-farm activities.

III. AMOUNT OF FINANCING REQUESTED

68. The total amount required for this intervention is US\$115 million. It should be noted that the proposal takes into account the fact that IFAD and WFP are ready to contribute to this project: US\$45 million in the case of IFAD and US\$10 million in the case of WFP¹⁰ in the form of support to food security and nutrition actions. Moreover, the contributions of the Government of Burundi and beneficiaries are estimated at US\$10 million.

69. The amount of financing requested from GAFSP is therefore US\$50 million.

⁹ According to IPC analyses.

¹⁰ WFP will seek to mobilize this contribution depending on the response of donors to whom it will appeal when the time comes.

IV. PREFERRED SUPERVISING ENTITY

70. The Government of Burundi has selected IFAD as supervising entity. The exchange of letters between the Government and IFAD is attached in an annex to this document. It is agreed that the entity may call on FAO for implementation of technical assistance activities and on WFP in the latter's spheres of competence.

71. These activities will complement those of projects financed by IFAD (the Agricultural Intensification and Value-enhancing Project [PAIVA-B] and the Value Chain Development Programme [PRODEFI]), the European Union (the PPCDR and Food Facility projects such as the rehabilitation of hydro-agricultural works in Imbo) and the World Bank (the Agro-Pastoral Productivity and Markets Development Project [PRODEMA]), as well as other projects financed by the Belgium Cooperation (APV, PADAP) and the Dutch Cooperation; all of which cover the provinces in the Imbo and Mosso regions.

V. TIME FRAME FOR SUPPORT

72. The length proposed for this project is six years, to coincide with the period covered by the NAIP (2012-2017) and enable certain investments – such as oil palm plantations – to produce their first results. Another example is the structuring of farmers' organizations, which require at least five years being fully functional and autonomous.

VI. RISKS AND RISK MANAGEMENT

73. The risks that were identified during formulation of the NAIP and could affect this project are of four types: (i) political, (ii) institutional, (iii) climate-related, (iv) related to land tenure and (v) environmental. They are summarized in the table below.

Risk	Degree	Possible consequences	Reduction measures
Political context: resurgence of the crisis	Moderate	Withdrawal of donors Major reduction in revenue	Good governance Monitoring by the international community
Limited capacities of government institutions at all levels	High	Low execution of the NAIP Failure to achieve objectives	Capacity-building for those involved in execution of the NAIP
Incapacity of the Government to implement its fiscal policy fully and increase its revenue	High	Lack of interest of the private sector in investing in the agricultural sector	Good governance and mobilization of external funds Support from IMF and World Bank

Risk	Degree	Possible consequences	Reduction measures
Insufficient political commitment to carrying out the reform of public institutions in the agricultural sector required for consistency with the SFPA and the national agricultural strategy	High	Blocking of the privatization process (coffee, tea, cotton) Maintenance of an economy that acts as a brake on the private sector	Support of technical and financial partners for carrying out reforms and the adoption of support measures
Climate change	High	Fall in production and increase in food insecurity	Rational management of water and other natural resources
Mobilization of resources in other sectors on which the agricultural sector depends: road infrastructure, energy etc.	Moderate	Slow-down in growth of the agricultural sector	Good government coordination Support of the international community
Failure to harness water	High	No increase in productivity	Water code Technical training and staffing Mobilization of investments
Land tenure problems	High	Insecurity of tenure Low level of private investment	Adoption of the land tenure code
Obstacles to marketing	Moderate	Malfunctioning of the market, low export revenue	Respect for regional commitments Development of infrastructure and communication networks

VII. IMPLEMENTATION AND M&E FRAMEWORK

74. The project will be placed under the Ministry of Agriculture and Livestock and will be implemented by an autonomous management and coordination unit, which will work under the supervision of the Permanent Secretary of the ministry and the technical committee common to IFAD-financed projects.

75. Project activities will be implemented by the concerned communities through their constituents and farmers organisations with participation of the private sector in production activities and value chains development.

76. For component 3, implementation of nutrition and vulnerability management activities will be carried out under the responsibility of the Ministry of health.

77. The project monitoring and evaluation system will be based on the results and impact management system (RIMS) and its three levels of indicators, which will be complemented by other specific indicators. This system is in line with the system to be put in place for the NAIP. It will take into account the data from baseline studies to be carried out in close coordination with the work of the Directorate of Agricultural Statistics to establish a common, uniform database. The data gathered will expand the SFPA database.

78. The project will be subject to joint annual supervision missions by the Government and the donors concerned. Farmers' organizations and the private sector will be represented on the project technical committee and will be invited to take part in these missions. The project will receive a mid-term review. Topic-specific and impact studies will be carried out at regular intervals and will help in thematic or overall evaluations.

VIII. CONSULTATIONS WITH STAKEHOLDERS AND DEVELOPMENT PARTNERS

79. In the area of agriculture/rural development/food security, a system has been established to coordinate the various interventions and is currently being consolidated. A National Aid Coordination Committee set up by the Government in December 2005 is operational. Within this framework, sectoral groups have been created with the primary task of addressing all the technical aspects linked to the formulation and monitoring of sectoral strategies. An Agriculture and Rural Development Sectoral Group was formed at the end of 2008, composed of representatives of the main ministries, civil society, farmers' organizations and technical and financial partners. It is co-chaired by the Minister of Agriculture and Livestock and the World Bank representative. This group acts as a framework for discussion and the steering of technical support to the sectors concerned, and must ensure that its activities further the effective implementation of the priority actions of the country's agricultural policy. It is very active in the process of formulating the NAIP in terms both of the financing of activities and also of content.

IX. PROJECT COST BY COMPONENT

COMPONENT	Total cost (US\$000)	Detailed cost (US\$000)	%	GAFFSP
Component 1. Development of productive capital	53 000		46.1	25 000
Study on Water resources		200		
Construction of 2 diversion dams		10 000		
Development of 8,000 ha of irrigation schemes		28 000		
Development of 100,000 ha of catchment areas		14 800		
Component 2. Intensification and diversification of crop and livestock production	35 000		30.4	15 000
Introduction of 9,000 cross-breed cows		11 000		
Fruit growing on 20,000 ha		4 500		
Oil palm plantations		15 000		
Farmer field schools		4 500		
Component 3. Improvement in nutrition and vulnerability management	4 000	4 000	3.4	
Component 4. Strengthening of 3 value chains – rice, milk and palm oil	13 000	13 000	11.3	5 000
Milk		3 000		
Rice		2 000		
Palm oil		8 000		
Component 5. Project management and coordination	10 000	10 000	8.8	5 000
TOTAL	115 000	115 000	100	50 000

ANNEX: RESULTS FRAMEWORK - Agriculture development in the Mosso and Imbo regions (ADMIR)

Goal : Reduce rural poverty in Burundi

Development Objective: Ensure food security for all, increase revenues, and create jobs in Burundi' rural sector

SPECIFIC OBJECTIVES	RESULTS	INDICATORS	BASELINE 2011	TARGET VALUES						DATA COLLECTION AND REPORTING
				2012	2013	2014	2015	2016	2017	
Specific Objective 1: Achieve sustainable increase in agricultural productivity and production in the Mosso and Imbo areas	Food production and productivity increased in intervention areas	10% increase in annual crop and livestock production levels	TBD (during design stage)	TBD	TBD	TBD	TBD	TBD	TBD	Agriculture Surveys Project' Progress Reports Supervision missions reports Thematic and impact studies
	Soil fertility restored in intervention areas	annual 10% increase in fertilizers' use								idem
	Farmers' technical knowledge improved	100 000 farmers are trained during the project time life								idem
	Adoption of conservation agriculture techniques by farmers	20% annual increase of the number of beneficiaries' adopting soil and water protective measures								idem

SPECIFIC OBJECTIVES	RESULTS	INDICATORS	BASELINE 2011	TARGET VALUES						DATA COLLECTION AND REPORTING
				2012	2013	2014	2015	2016	2017	
	Biodiversity preserved in protected areas.	5% of watershed areas are reforested								idem
	Land degradation stopped in intervention areas	100 000 ha of watershed are protected and soil improved.								idem
	Modern Irrigation expanded	8 000 ha of irrigated land developed								idem
	Irrigation infrastructure developed	2 dams are constructed								idem
	Rice production is doubled in irrigated areas	20% increase in annual rice production in irrigated areas								idem
	Functional and efficient WUA	All irrigated areas are organized and managed by WUAs								idem
	Use of agricultural inputs increased	10% annual increase of fertilizers consumption								idem
	Yield of major crops are increased	10% annual increase of major crops' yield								idem
	Best agricultural practices scaled up	20% annual increment of farmers using improved inputs and practices								idem

SPECIFIC OBJECTIVES	RESULTS	INDICATORS	BASELINE 2011	TARGET VALUES						DATA COLLECTION AND REPORTING
				2012	2013	2014	2015	2016	2017	
	Dairy Livestock population increased	9 000 bred cows introduced growing at annual rate of 30%								idem
	Milk production meets the local demand	28% annual increment of milk production in intervention areas 30 000 HH benefit from dairy cows								idem
	Production of fruits increased	20 000 ha of fruit crops are developed								idem
	Oil Palm tree plantations are developed and production of oil meets the local demand	4 500 ha of oil palm trees are developed								idem
Specific Objective 2: Achieve food security and protect vulnerable groups	Number of chronically food insecure HHs reduced	% of HH experiencing food gaps of 3 months and more								UNICEF surveys
	Food aid reduced	% decline in food aid imports % increase of food reserve stocks								Government statistics
	CDS equipped	Number of equipment distributed								Minisanté reports

SPECIFIC OBJECTIVES	RESULTS	INDICATORS	BASELINE 2011	TARGET VALUES						DATA COLLECTION AND REPORTING
				2012	2013	2014	2015	2016	2017	
	CDS' staff trained	Number of staff trained								Minisanté reports
	Mothers and children's health and nutrition status are monitored	Number of children under 5 having a normal weight								Reports and surveys
Specific Objective 3: Increase farmers' participation in Farmers' Organizations and promote agribusiness	Rice, Milk and Oil palm commodity chains are organized in intervention areas	20% annual increase of value addition for rice, oil palm and milk								Surveys Progress reports
	Farmers income increased and diversified	10 % annual increase in HHs income								HHs surveys Impact studies
	Rice imports reduced	20% annual decrease in rice imports								Government statistics
	Oil palm exports earnings increased	20% annual increase in exports earnings.								
	FOs organized in agribusiness clusters	Number of clusters and farmers								Progress reports