

UNCLASSIFIED

# Annual Budget Submission

## FY 1984

# BURUNDI

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Agency for International Development  
Washington, D.C. 20523

ANNUAL BUDGET SUBMISSION

BURUNDI

FY 1984

Agency for International Development

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May 1982

THE FY 84 BURUNDI ABS PRESENTATION

THE AMBASSADOR'S STATEMENT

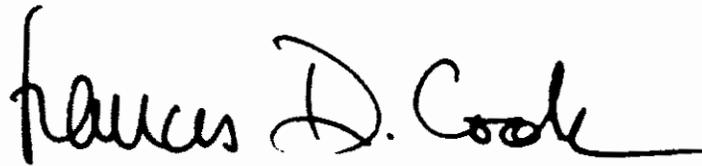
The AID program as described in this document has the full support of the Country Team and myself.

I feel that the project program with its sharp strategy focus on sectors of priority interest to the United States and the Government of Burundi is modest, well managed, and very effective in its collaborative relationships with the host government. I am satisfied, in addition, that the PL 480 program, both in its management and its program priorities, complements and supports U.S. objectives.

The project proposals for FY 83 represent a logical building process on present activities and emphases. The FY 84 program of focussing on mortgage reduction and project implementation makes good sense given the constraints of AID staffing.

I endorse in principle the requests for additional PSC and DH supporting staff, particularly in the areas proposed of health, management, and training assistance. MODE clearance must be requested separately.

In summary, U.S. policy objectives are well served and supported by the AID program and strategy in Burundi. The levels and activities proposed in this submission are recommended for approval.

A handwritten signature in black ink that reads "Frances D. Cook". The signature is written in a cursive, flowing style with a long horizontal line extending from the end of the name.

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Frances D. Cook  
Ambassador

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## BURUNDI CDSS UPDATE

### I. ANALYSIS

Although Burundi is one of the poorest countries in Africa, it has done better economically than many other African countries in recent years thank to good weather, good luck and hard work. However, Burundi still faces formidable problems:

- The second highest population density in sub-Saharan Africa (about 420 people per square mile), squeezed into a mountainous area the size of Maryland;
- 95 percent of the population lives in rural areas on dispersed homesteads;
- Predominance of subsistence agriculture (more than 50 percent of GDP) with a modernized sector that employs only about 100,000 people;
- One of the lowest rates of secondary and university level enrollment in Africa, despite major education development programs;
- A frightening reliance on a single volatile commodity, coffee, for both foreign exchange and Government revenue; and
- Difficult transport links to the outside world, made far more costly by the oil price increases.

#### A. GROWTH RATES

In practice, Burundi's economy is a fairly open one, although the scale of the modern sector remains very small. Burundi has a relatively liberal exchange and trade system, which has not provided much protection from the swings of the world economy. In his speech to senior civil servants, the President stressed "excluding the possibility of continuing Government subsidies" for state owned enterprises and pushed for allowing market forces to work more efficiently on the foreign and exchange side. Since the Burundi franc is tied to the U.S. dollar, it has appreciated vis-à-vis European currencies, which has caused some difficulties and distortions.

Burundi's real GDP at factor cost grew by 36.6 percent from 1976 through 1981. During that time, population increased by approximately 14 percent. Both 1979 and 1980 had low growth rates (3 and 2 percent, respectively). The causes were the drop in coffee prices and production (1980), low agricultural production (poor weather) and transport disruptions. The cost of POL imports

quadrupled and freight costs shot up. In 1981, by contrast, real GDP at factor cost rose nearly ten percent due to excellent weather, a record breaking coffee crop, and the recovery of the construction and light industries. The service sector has grown relatively slowly in recent years.

Inflation rates have evolved as follows:

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Bujumbura Cost of Living	23.4	25.5	14.0	7.6
Imported Goods Price Index	21.1	33.5	23.2	3.0

Most financing of Burundi's capital investment is financed by assistance donors. While internal savings remain quite low (about five percent) gross fixed capital formation levels are quite high, at 14.4 percent of GDP at market prices in 1980. Investment was estimated at more than 18 percent of GDP in 1981, despite a substantial shortfall in meeting Government fixed investment objectives.

Predictions for 1982 and 1983 are less optimistic, with relatively little real growth anticipated because of the cyclical nature of coffee production plus low world coffee prices as well as continued transportation difficulties.

#### B. THE SECTORS

Over 90 percent of Burundi's labor force works in agriculture, fisheries and forestry, and accounts for 62.5 percent of GDP at factor costs. Subsistence agriculture has barely kept up with population growth in recent years. Increases in food production have resulted from increased planting rather than the technological shift necessary for increased yield per hectare and Burundi is running out of arable land. In order to increase rural income, the GRB must provide more effective support to development programs in rural areas, including dissemination of relevant research results by the extension service and the improvement of the rural road network. Improved management techniques should result in substantial increases in food crop production. Since less than ten percent of food crops are consumed off-farm, action is needed to strengthen marketing, storage and distribution systems.

The rural fuel problem is just as acute. Burundi relies almost entirely on firewood for fuel. Almost all POL products are used for transport. Forests cover only three percent of Burundi and tree cover will be reduced to less than 40 percent of current availabilities within five years if current trends continue. The remaining woodlands would be inadequate to regulate water flow and reduce erosion. The GRB has undertaken a substantial reforestation program, but it will take several years before any impact can be expected. Even then there is doubt that adequate forest management will effectively husband the new resources. The GRB thus gives a very high priority to development of alternative energy sources such as peat, and where population agglomeration warrants it, small hydroelectric development to supplement existing forestry resources.

Health problems causing a serious drain on human productivity include communicable diseases, nutritional deficiencies, poor environmental sanitation and lack of access to clean water. The primary causes of death are infectious and parasitic diseases, made more serious by malnutrition. While the health service provides predominately curative care, the GRB has begun stressing preventive medicine and plans to reorganize its structures to deliver more social and preventive medicine services.

Burundi's population increases at rates estimated at 2.0 and 2.7 percent. The Government's population policy has shifted rapidly from "spaced births" to plans for delivering family planning services along with other health services. In his discussion of cooperatives and villagization, the President in a recent policy speech hoped that the (resettlement) option, accompanied by "an appropriate demographic policy, would provide positive results which are urgently needed".

### C. CENTRAL GOVERNMENT BUDGET AND PLANNING

Burundi has a five year rolling development plan that is updated each year. It emphasizes agricultural production (especially to meet food requirements) increasing economic growth to provide employment, import substitutions and export diversification, and arresting deforestation.

The GRB has mobilized its own resources for development. In 1975, the country collected 9.0 percent of GDP as government revenues, by 1980 they reached 14.0 percent. The figure dropped in 1981 with reduced earnings from coffee. The GRB tried to compensate by raising direct and indirect taxes, including a 40 percent increase of the beer tax. The drop in receipts from coffee had a more severe impact on the ordinary budget than capital expenditures.

The rate of increase of Government expenditures declined from 22 percent (1979) to 13 percent (1980) and 6.3 percent (1981), although total expenditures have remained a relatively constant percentage of GDP. In 1981, current expenditure increased only about six percent for wages, goods and services, while the increase rate for subsidies/transfer payments slowed from 22 percent in 1979 to eight percent in 1981. Capital expenditures rose only 11 percent in 1980, after rapid growth in previous years, and stagnated in 1981.

Burundi's monetary supply is largely dependent on coffee production and price as well as public sector operations. Each coffee crop necessitates a major credit financing operation to pay the grower. The bulge gradually vanishes as export payments are received. For a few years, Burundi's monetary supply was remarkably stable. With a poor coffee crop in 1980, credit to the economy rose by 9.4 percent, while in 1981, the record crop contributed to a rise of 53.4 percent. In 1982, unexported coffee will still require financing, and substantial inflow of foreign assets will contribute to money supply increases. To date, the GRB monetary policies have been sober and conservative, but the authorities will have to pay close attention to a situation which they can only partially control.

#### D. BALANCE OF PAYMENTS

Although Burundi's export sector accounts for five percent of GDP at factor cost, it has a disproportionate impact on foreign exchange.

In the middle 1970's, Burundi had large surpluses in the balance of payments, but this vanished as world coffee prices declined and the Third Development Plan increased imports. In 1979 the balance of payments was in rough equilibrium and in 1980 import growth decreased, coffee earnings dropped sharply in 1980. Transport bottlenecks decreased foreign exchange receipts in 1981. The balance of payments deterioration is due primarily to factors outside Burundi's control, and is reflected in the decrease of official reserves from seven months of imports in December 1979 to about four months requirements in October 1981. The balance of payments should improve in 1982, partially due to carry over of 1981 coffee crop exports and increased disbursements for capital assistance projects.

Most of Burundi's recently contracted external debt has been on highly concessional terms (estimated grant element 70 percent) and the debt servicing ratio remains relatively low (average three percent of exports in 1977-1979; slightly more than seven percent in 1980-1981\*). It should remain relatively unchanged for the next couple of years.

## II. STRATEGY

The U.S. Government's interests remain essentially developmental and humanitarian. The basic objective of AID's strategy is to help solve the land/food/population dilemma faced by the rural poor who possess small resource base. AID's strategy objectives and projects are designed to contribute to averting human and ecological disaster in the medium to long term.

The primary beneficiaries of AID assistance will be the rural poor along the Zaïre/Nile divide and in the Central Plateau regions. By 1988, when the planned agricultural production programs are under way and research results are being disseminated to farmers approximately 500,000 people will benefit quite directly from one or more AID financed projects. In addition, about 60 percent of Bujumbura's population (or roughly 125,000 people) will be using peat as an alternative fuel to wood or charcoal.

### A. AAO/BURUNDI STRATEGY OBJECTIVES

AAO/Burundi has three main interlocking and interdependent strategy objectives in food, fuel and family health.

#### 1. Increasing Food Availability to the Rural Poor Particularly in Densely Populated Areas

Before food crop programs can be implemented successfully, key components and services must be made available. Included in these are relevant

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\* N.B. Export fluctuations (i.e. coffee earnings) will cause distortions in these figures.

results from applied agricultural research, reliable supplies of seeds and other agricultural inputs, trained extension staff, farm to market roads and improved food storage and marketing capabilities.

-- Basic Food Crops (1980). Seed multiplication component of a European Development Fund financed high altitude food production program.

-- Small Farming Systems Research, (1983). Applied agricultural research on both agronomic and socio-economic aspects conducted on the research station and on farmers' fields.

-- Rural Road (R.P. 84), (1980). Rehabilitation of a 61 kms long provincial road using labor intensive methods and institutionalizing procedures used into Public Works Ministry and private sector.

-- Rural Road II (1983). Rehabilitation of a 29 kms long road using labor intensive methods and further development of institutions to carry out such programs.

-- Future Agricultural Extension and Food Production Programs (FY 1985 and later)

-- PL 480 Title II. About 80,000 people a year receive food under Maternal/Child Health, Other Child Feeding, Food for Work and Welfare Program.

## 2. Reducing the Rate of Loss of Arable Land to Soil Erosion and Increasing the Availability of Alternative Energy Sources to the Rural and Urban Poor

Soil conservation, afforestation and energy use are the other interlocking fields crossing agriculture and energy sector lines. As described in Section I, Burundi's steep slopes and dense population have exacerbated erosion problems and deforestation has accelerated the process.

Bilateral programs include:

-- Alternative Energy: Peat II (1980): Second phase of a long-term program to increase Burundi's use of peat as a fuel and thus reduce strain on the dwindling forest resources and permit implementation of afforestation programs to meet rural fuel needs.

-- Bururi Forest (1982) combines preserving a high altitude natural forest with construction and firewood production.

-- Proposed small FY 1985 activity for peat marketing strengthening private sector participation.

Regional Supporting Activities (ongoing and proposed) include:

-- Improved Rural Technology (Solar Food Crops Dryers);

-- Conventional Energy Training;

-- Micro-hydro development and institutionalization (using various regional and central funding sources); and

-- Energy Initiatives for Africa.

3. Improving the Delivery of Health and Family Planning Services

Rural Health and Family Planning are closely tied together, given the sociological importance of the family and the consequences on high infant mortality rates. A contract advisor is finishing his work in Burundi in planning programs in this sector. Bilateral and regionally financed activities include:

-- Expanded Program of Immunization (Regional 1981) - contributes to UNICEF/WHO program of immunization against childhood diseases;

-- Safe Water Supply Project (small FY 1982 bilateral shelf project) contributing to UNICEF spring capping and health/sanitation education programs;

-- Operational research for family health/family planning (regional FY 1982 or 1983) with U.S. University; and

-- A sub-project under the proposed regional family health project in maternal/child health that is a pilot program which combines components of immunization, safe water, and family health education programs with some family planning activities.

B. Other Key Sectors of Assistance

1. Human Resources: Since the availability of a sufficiently large pool of trained personnel is the single greatest limiting factor in implementing development projects in Burundi, we have put considerable emphasis on training personnel both within bilateral development programs and more general training under regionally funded projects such as AMDP.

2. Private Sector Initiatives: Several of AAO/Burundi's current or planned projects have components which strengthen the non-governmental sector. See Section III on new emphasis.

C. Validity of Sector Objectives

In reviewing the CDSS, we have found that the validity of the sector objectives has, if anything, strengthened over time. The thrust of GRB development policy remains emphatically that of developing "the rural sector, cornerstone of Burundi's economy".

It should be noted, however, that the sixteen months since the CDSS have witnessed a substantial shift in GRB thinking regarding population policy. The attitudinal change discussed above will permit more rapid development of family health and family planning programs.

Throughout the speech to the civil service the President referred to the need to take serious actions to strengthen trade and industry, particularly in the private sector. Given current attitudes, the AID program in Burundi is undertaking actions, in ongoing and proposed projects, to strengthen private and profit-making enterprises.

### III. NEW EMPHASES

The primary impact of the new emphases on the sharply focussed AID program in Burundi is as a reinforcement to our present strategy objectives and goals.

In terms of private sector development, it should be noted that Burundi has only recently (over the past five to seven years) begun to emerge from post-colonial situation of virtual complete dominance of the small private enterprises by expatriates. There is a growing recognition, in recent presidential and other governmental statements, of the need to encourage Burundi small business as well as a growing dissatisfaction with parastatal operations in most areas. There are, however, a number of devices, including loan funds, that are theoretically available to encourage private business. The AAO plans, through the use of Project Development and Support (or other regional) funds in early FY 1983, to attempt to define the existing support and constraints to private sector development in Burundi and to define the possible AID role in this area.

In its impact on ongoing projects, the new emphases have accelerated the requirement for a formal agreement by the end of the year with the host government on timing and modalities of shifting of ONATOUR, the peat production and marketing enterprise, to the private sector.

In terms of strategy for FY 1983-1984, we have, as described in an attachment to Table IV, proposed a Rural Road II project for FY 1983 building upon the excellent evaluation of the present rural road project. The object of the new project is to accelerate institutionalization of the labor intensive methodology within the government structure. The Rural Road (R.P. 84) project is already having a substantial impact on training skilled workers (such as masons) and small contractors who will have a substantial impact on rural private enterprise.

We have also proposed for FY 1983 a Small Farming Systems Research Project which is described in the FY 1983 Congressional Presentation. The SFSR project is to institutionalize the link between research and the small farmer, with primary emphasis on food crop production increases.

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office BURUNDI

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD		
				1985	1986	1987
<u>Agriculture, Rural Development and Nutrition</u>						
Grants	2,564	4,400	4,306	3,900	5,800	6,700
Loans	-	-	-	-	-	-
<u>Population Planning</u>						
Grants	-	-	-	1,000	-	2,000
Loans	-	-	-	-	-	-
<u>Health</u>						
Grants	-	-	-	1,000	-	2,000
Loans	-	-	-	-	-	-
<u>Education</u>						
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
<u>Selected Development Activities</u>						
Grants	1,106	1,200	1,694	1,000	2,000	-
Loans	-	-	-	-	-	-
<u>Other DA Accounts</u>						
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
<u>Total DA Accounts</u>						
Grants	3,670	5,600	6,000	6,900	7,800	8,700
Loans	-	-	-	-	-	-
<u>Economic Support Fund</u>						
Grants	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total DA and ESF	3,670	5,600	6,000	6,900	7,800	8,700
PL 480 (non-add) Title I	-	-	-	-	-	-
(of which Title II)	-	-	-	-	-	-
Title II	(1,820)	(1,565)	(1,683)	(1,780)	(1,875)	(1,970)
Housing Guarantees (non-add)	-	-	-	-	-	-
<u>Total Personnel</u>						
USDH	5.7	7.3	6.8	7.0	8.0	8.0
FNDH	5.7	5.4	5.7	6.7	7.7	7.7

TABLE ONE NARRATIVE

The AID program to Burundi which signed its first bilateral project in 1980, is a relative "youngster" in comparison to many long established AID programs in Africa. Our strategy (set forth in Section II of the CDSS update) has brought about sharply focussed project and PL 480 Title II programs in three general sectors. The AID collaborative team approach with the GRB in design implementation and evaluation of our activities has required considerable effort from a painfully thin AAO staff. However, the positive response of the GRB, in spite of virtually no previous experience in this type of working relationship, has been gratifying and rewarding to U.S. interests.

A. Pipeline and Mortgage

The theme of AAO/Burundi's program in FY 1983 and FY 1984 will be in consolidation, implementation, reduction of mortgage, and beginning some second generation projects in the agriculture sector. Small pilot health and rural family health/family planning activities will also begin (which we hope will be financed by regional and/or central funds). The only mortgage left if FY 1984 APPL request is granted, is slightly more than \$1.8 million, which will remain unfinanced in the Small Farming Systems Research project (less than 25 percent of life of project requirements). All other projects will be funded to completion.

A number of new projects are under consideration for 1985. These include: agriculture production/extension; a small Peat Marketing Management project (to benefit the private sector) and a bilateral rural health project.

In order to make the best use of personnel and follow sound management practices, it will be necessary to authorize the Rural Road II project in FY 1983 to avoid break in continuity, complete studies in timely fashion, and begin consolidation of the institutionalization process. We had thought of beginning this project in FY 1984, but the mid-term evaluation of Rural Road (R.P. 84), now nearing completion, clearly demonstrates the effect and appropriateness of the labor intensive technology, the system of organization and degree of community support for this integrated Development Assistance/PL 480 Title II project. It is clear, even at this point less than 18 months after work started on R.P. 84, that the project has a very substantial economic and social payoff. The new project (description attached to Table IV) includes reconstruction of an adjoining road of 29 kilometers, studies (in cooperation with other donors) for further labor intensive roads, and institutionalization of the labor intensive road process into Public Works Ministry in such a way as to strengthen small scale entrepreneurs. It should be noted that because of other donor support, the U.S. Government does not have to provide full time technicians or project staff.

AAO/Burundi has a small Community Water and Sanitation project PID ready for submission in June. This project is built into the UNICEF spring capping program that was evaluated by WASH in July 1981. It is small (about \$500,000) and combines spring capping with basic health/sanitation education. The project has a high degree of community involvement, meets the criteria for water projects set forth in recent policy paper, and will not require long term resident U.S. contract technicians. We have listed the project as a FY 1982 "shelf item" and given it a bilateral project number, although we hope that regional/central funds can be found to finance it. (See attachment to Table IV for more information).

AAO/Burundi's private enterprise and energy activities will be carried out within the framework of existing projects and as activities under regional projects/subprojects.

## B. Staffing

All of the AID projects in Burundi concentrate on meeting development needs in the three strategy objectives. In order to meet successfully those requirements, there must be sufficient language capable staff assigned with a technical and administrative expertise capable of obtaining, in collaboration with the GRB, agreed upon goals and objectives. Such a staff is vital to successful planning and implementation of our projects. In Burundi a higher ratio than normal of USDH staff per million dollars of assistance is necessary for successful project implementation, because of the absolute shortage of trained Burundi and the newness of the AID program with its demanding procedures to the GRB.

### 1. Health/Family Planning

The proposed program in Family Health emphasizes this need because of the requirement for a particular expertise which is not available among existing DH staff. While the ideal solution to the problem of providing the required expertise would be the addition of one USDH position, the hiring limitation imposes use of a personal services contract to provide the needed expertise in this specialized field. The required funding is so indicated in Table VIII.

If funds are not provided for the PSC health advisor, it will seriously adversely affect the possibility for the AAO to implement the regionally funded health activities (Community Water, FP, Rural Health and Family Planning Operational Research).

### 2. Program

Another area that will require PSC funded personnel is Programming. As previously mentioned, the present DH staff is stretched thin but nowhere is the pain felt more than in the Program Office. Due to the limited DH staff available to administer the AAO projects once they reach implementation, the single U.S. direct hire in the Program Office must be heavily involved in the project implementation team. This is in addition to normal responsibilities for

the project design and negotiation for the Small Farming Systems Research project and Health/Population sector activities mentioned above as well as normal evaluation, budget, economic analysis and participant training workload. No matter how capable the individual, it is unrealistic to expect the incumbent to cope with the additional heavy workload of these programs without assistance. In addition, the Program Office will have to carry the major workload on developing activities involving the private and profitmaking sectors of the economy. It is therefore proposed that an additional person be engaged through a PSC to provide required secretarial and administrative support to the office. If permission is granted, the local direct hire secretary/administrative assistant position in the Program Office would be transformed into a bilingual Training Assistant/Program Assistant (Operations) position that would include some translation work. Necessary funding for these positions is also reflected in Table VIII.

If these PSC individuals are not funded, AAO will be required to reduce drastically acceptance of responsibility for regionally funded activities or private enterprise promotion programs.

### 3. Management

The AAO has been fortunate to have a DH non-FTEPP U.S. part time spouse as Management Officer for over two years. He has been essential in carrying out management functions not covered or only partially covered under the FAAS - viz - AAO local and third country personnel, motor pool, leasing of contract housing, OE budget preparation and supervision, OE (and assistance in project) procurement FAS and other Embassy administrative and security relationships, etc.

Given this employee's departure in late CY 82 the AAO requires a continuing full time Management Officer to ensure a continuity of these services essential to efficiency and staff support. Due to the possible sensitivity of this position under recent PSC guidelines, the AAO is requesting the establishment of a DH position. Only if a DH position is out of the question will we seek a PSC.

### C. Other Operating Expenses

It is estimated an annual rate of inflation on imported goods will be about 15 percent on top of steep rises in previous years (almost all manufactured goods available in country are imports). This rate will undoubtedly affect local purchasing, rents, and utilities while local labor has just had a massive increase in minimum wage that will have an impact on all categories. We expect that because of contract and DH staff expansion, we will need at least two additional leases for housing as well as additional office equipment such as desks, chairs, filing cabinets, typewriters and calculators. Two new sets of household furniture as well as replacement appliances (refrigerators, freezers, stoves, washer/dryers and air conditioners) will be required and are indicated in the requested budget. A replacement vehicle for administrative use will also be needed. It is intended to take full advantage of the several regional training workshops that are offered several times a year and increased funding for this is also indicated in the budget request.

It should be noted that, while operating expenses are not normally used for program funded contract personnel, there are certain "spillover" costs which benefit these personnel, are not covered by FAAS and which are funded out of, and reflected in, the budget request. Examples include customs clearance assistance, advice and counselling and obtaining visas, identity cards and drivers licenses.

Except for those items listed above, no substantial increase in operating expenses requests is anticipated.

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1982 to FY 1984  
 (\$ thousands)

Country/Office BURUNDI

<u>APPROPRIATION ACCOUNT</u>	<u>FY 1982</u>	<u>FY 1983</u>	<u>FISCAL YEAR 1984</u>
<u>Agriculture, Rural Development, Nutrition</u>			
695-0101 Basic Food Crops	1,420	1,338	534
695-0106 Small Farming Systems Research	-	2,280	3,372
695-0112 Rural Road II	-	769	-
695-0105 Bururi Forest	1,144	-	-
<u>Special Development Activities</u>			
695-0103 Alternative Energy Peat II	1,106	1,200	1,694
<b>Total Functional Accounts</b>	<b>3,670</b>	<b>5,600</b>	<b>6,000</b>
<b>Total DA and ESF</b>	<b>3,670</b>	<b>5,600</b>	<b>6,000</b>
<u>Health (Shelf Item)</u>			
695-0109 Community Water and Health	500	-	-

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TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	O/L	OBLIGATION DATE		LIFE OF PROJECT COST AUTH PLAN	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS		ITEM #			
			INITIAL	FINAL			OBL	EXP	OBL	EXP	1984	1985		1986	1987	FUTURE YEAR
			ESTIMATED U.S. DOLLAR COST (\$000)				FUNDED TO MO/YR	1984 AAPL	1985	1986	1987	1988				
695-0101	Basic Food Crops	G	1980	1984	5.5	2,453	1,420	2,140	1,338	1,554	534	9/85	-	-	-	8186
695-0105	Bururi Forest PC 2/	G	1982	1982	1.1	-	1,144	142	-	286	-	9/86	-	-	-	8171
695-0106	Small Farming Systems Research	G	1983	1985	-	-	-	-	2,280	1,442	3,772	10/86	1,872	-	-	8172
695-0108	Rural Road (R.P. 84) 3/	G	1980	1981	0.1	769	-	277	-	250	-	7/84	-	-	-	8173
695-0112	Rural Road II 3/	G	1983	1983	-	-	-	-	782	120	-	12/85	2,028	5,800	6,700	-
	New ARDN Projects												3,900	5,800	6,700	-
	Sub Total ARDN					3,222	2,564	2,559	4,400	3,652	4,306		1,000	-	2,000	-
	Health (new projects)	G											1,000	-	2,000	-
	Population planning (new projects)	G											1,000	-	2,000	-
	Special Development Activities															
695-0103	Alternative Energy: Peat II 1/ 3/	G	1980	1984	8.0	3,719	1,106	1,188	1,200	1,638	1,694	9/85	-	-	-	8168
	New Energy Projects	G	-	-	-	-	-	-	-	-	-	-	1,000	2,000	-	-
	Sub Total SDA					3,719	1,106	1,188	1,200	1,638	1,694		1,000	2,000	0	-
	SUB TOTAL D.A. FUNDING						3,670	3,747	5,600	5,290	6,000		6,900	7,800	8,700	-
	Shelf Item FY 1982 Health Community Water and Health	G	1982	1982	-	-	500	100	-	250	-	9/84	-	-	-	-
	PL 480 Title II Non-Add						(1,820)		(1,565)		(1,683)		(1,780)	(1,875)	(1,970)	

Notes:  
 1/ Energy Project  
 2/ Energy and environment project  
 3/ Project with private/profit-making sector involvement

Country/Office BURUNDI

RURAL ROAD II (695-0112)

1. Purpose

A. To provide all weather access to markets for agricultural products in the Burambi area, including a connection to markets on Lake Tanganyika and in Bujumbura.

B. To (further) refine and institutionalize within the GRB Public Works Department, a system for planning and managing the implementation of labor intensive road construction projects.

2. Progress to Date/Background

PID will be submitted to AID/W in October 1982. PP team will be formed on approval of PID.

This road (R.P. 82) goes 29 kilometers from Rumonge, a major marketing center on Lake Tanganyika to Muyama, the regional administrative center of Burambi commune, a distance of 29 kilometers. Rumonge is 79 kilometers south of Bujumbura on R.N. 3 and 17 kilometers south of the entrance to R.P. 84, while Muyama is at kilometer 50 on R.P. 84, a rural road presently being constructed as a prototype labor intensive all-weather gravel road under Project 695-0108.

Crops produced in the Central Plateau ecological region covering much of the project area include: bananas, beans, maize, sweet potatoes, cassava and coffee. Rice and oil palms grow below 1,300 meters altitude near Rumonge along with a similar range of food crops although banana, bean and cassava production is lower than in the Central Plateau area. Fish from Lake Tanganyika is a product of the Rumonge area which is highly sought after in the markets of the interior as is palm oil, while both coastal Lake and Bujumbura markets exhibit a high demand for bananas, beans and cassava products. As a result, the road provides a connection between regions with complementary production systems.

The road will provide access to an agricultural belt of some five kilometers to the south and some five to ten kilometers to the north where it eventually merges with the zone of influence of R.P. 84. The road runs along the crest of the hills in a direct line to Rumonge without crossing a river. It will give market access at an economical construction cost and will also facilitate access to social, health and educational facilities between Rumonge and Muyama and points east of Muyama along R.P. 84. Ecological and environmental disturbance will be minimal. The method of labor intensive road construction will be similar to that used on Project 695-0108 with GRB, AID grant funds and IBRD funded technicians and PL 480 Food for Work inputs.

The project will provide a means to fully institutionalize within the GRB's Public Works Department the system for planning and managing labor intensive road construction projects developed on the R.P. 84 project. The management techniques will be further demonstrated and taught to Burundi Government personnel on the job by IBRD technicians through the construction activities; planning techniques will be communicated through involvement of Government personnel on the design team for the R.P. 82 project and on the preparation of technical and socio-economic analysis of four additional road projects. Thus, by EOP, the GRB will have a completed road, and the ground-work laid for additional projects which may be funded from a variety of donor or GRB sources.

### 3. Beneficiaries

Major beneficiaries will be the farmers of the region through the provision of all weather access to markets resulting in increased farm gate prices and production of some or all agricultural products. Secondary beneficiaries will be the total population which will have ready access to markets, schools, and health facilities. The road's zone of influence has an estimated population of about 45,000. Road workers and their families will also benefit from increased incomes and food through the life of road construction.

### 4. Relevance to Recent Policy Change

In addition to providing a marked increase in small farmer market access, the R.P. 84 project already shows a substantial benefit in training of all levels of workers from the GRB management team to drivers, work team leaders, pipe layers, and masons. An apprentice system is in place including one trainee per skilled worker. This benefit will be continued on the R.P. 82 project with the added advantage that a number of the R.P. 84 personnel are expected to work on the R.P. 82 project and will have an opportunity to further develop their skills. In addition, people will be trained who will work on other road projects.

The R.P. 84 project also has developed a system of sub-contracting to small private contractors of specific construction tasks, and in particular pipe laying and culvert construction. The contractors are, in essence, team leaders who are accepting the responsibility for employing, managing, and paying teams of workers to undertake specific jobs. The creation of this cadre of private businessmen with the ability to perform as sub-contractors on other government road construction jobs as well as private sector construction activities in the region will be enhanced further by the R.P. 82 project as some of this group of contractors are likely to transfer to the new project.

### 5. Outputs

-- Reconstruction of 29 kilometers of the Muyama to Rumonge road to all-weather status.

-- Institutionalization of labor intensive system within the Public Works Ministry.

-- Trained cadre of road construction workers, pipe layers, masons, drivers made available for projects and private sector through on the job training.

- Increased incomes and nutritional levels among families of construction workers.
- Increased agricultural production and marketing at less cost and wastage.
- Study completed for four additional roads.

6. Life of Project \$1,600,000 includes:

AID grant \$782,000                      GRB \$418,000                      AID PL 480 \$400,000

AID:

Support of construction labor	\$240,000
Commodities, tools, POL	\$216,300
Road studies, evaluations	\$100,000
Contingency and inflation	<u>\$225,700</u>
Total AID	\$782,000

AID Food for Work PL 480 Title II                      \$400,000

GRB:

Personnel, administration, engineering supervision	\$100,000
Equipment usage	\$179,700
Contingency and inflation	<u>\$138,300</u>
Total GRB	\$418,000

May 27, 1982.

Burundi Community Water and Health

(695-0109)

1. Purpose: To improve the quality of water and its sanitary use for rural residents by capping springs and providing better sanitation education.
2. Background: Water borne and sanitation related diseases, particularly diarrheal diseases, are the principal causes of morbidity and mortality among infants and young children in Burundi. Its infant mortality rate is about 140/1,000, and approximately two out of five children do not reach their fifth birthday. Approximately 90 percent of childhood deaths are due to infection coupled with parasitical, primarily waterborne, diseases.

Contaminated spring water often does carry hookworm eggs and parasitic amoebas, and is the chief cause of bacillary dysentery. These health problems can be especially serious for the weaning child who is being taken off its sterile mother's milk onto contaminated water. Although it is difficult to quantify, debilitating water borne diseases causing dysentery, increased absenteeism and lower farm labor productivity.

With a yearly average rainfall of 800 to over 2,000 mm and abundant springs throughout the country, Burundi is well provided with water for its rural residents but it is often not potable. However, furthermore, Burundi's dense yet dispersed population mean that safe water demand and sanitation inputs requirements are high, but many population pockets are reached only on foot paths. Development of safe water sources in these isolated areas has been minimal.

In 1980, the Ministry of Rural Development established the Department of Rural Hydrology and Electrification to promote self help water projects. Although enthusiastic about rural water development, it lacks personnel as well as funds. Communal level administration of water projects has been constrained by a lack of training in water and sanitation management and technology although interest and local participation are very high.

Within Burundi there are two types of service personnel already in rural areas that can be used for sanitation training: health technicians working in rural dispensaries/clinics and the women who work as animatrices (social workers/home economists), who work in the rural social centers (foyers sociaux). They have the skills to act as water use health educators, but their lack of specific training and understanding of water related sanitation combined with competing duties have led to underutilization of these technicians in sanitary education.

The GRB public health policies are aimed at eventually providing more equitable distribution of essential services. The proposed reforms would emphasize preventive medicine as being more responsive to the needs of, and accessible to people in rural areas. Health services would be eventually decentralized and coordinated with developmental activities of other ministries. Both local and national levels of the GRB are beginning to support water programs and also encouraging programs for improved sanitation.

In STATE 134911, AID summarized its domestic water and sanitation policy, which stated conditions under which AID will finance such programs. These include evidence of clear demand - as demonstrated in the UNICEF project - the existence of institutions (both local and national), the ability to supervise and technological suitability. The WASH evaluation reviewed the strong program and the very low cost, simple, effective technology and the fact that after the first year the community finances the spring capping/maintenance personnel. A health education component is included.

AAO/Burundi has three main interlocking and interdependent strategy objectives in food, fuel and family health. The third strategy objective is "improving the delivery of rural family health and family planning services". Rural health and family planning are closely tied together in Burundi, given the sociological importance of the family and the consequences of high infant mortality rates.

AAO/Burundi has supported an expanded program of immunization run by the GRB with UNICEF and WHO assistance. Another area which now offers an excellent opportunity for project assistance is rural community water supply development and sanitation education. A contract advisor is now finishing his work in Burundi in planning programs in this sector and he is developing family planning/family health operational research programs for financing under regional projects. Eventually, AAO/Burundi would like to develop a larger combined program of rural family health/family planning that would include elements of immunization, spring capping/sanitary education and MCH/family planning.

3. Project Components: The project will improve the health of the rural population through the provision of clean water and its sanitary use for nearly 100,000 rural residents by capping 1,000 springs using AID financed materials and providing better sanitary education. Local community based and supported fontainier (spring technician) will be responsible for capping the springs with the assistance of local labor, AID will purchase the non-locally available material for capping these springs and train new fontainiers as well as upgrading the skills of those now in service. Their training will be provided by the project under the Department of Hydrology. AID will pay the salaries of the fontainiers for one year, after which the local commune will assume this responsibility. This arrangement has proven acceptable to local communes, once the value of the fontainiers' work has been demonstrated.

The project will reduce water-related health problems by training health education personnel at dispensaries and the animatrices at the foyers sociaux. Through the Ministry of Health and the Ministry of Social Affairs, AID will jointly sponsor a series of in-service workshops on water use and sanitation. Finally the project will provide funds for preparation and production of sanitation and water use education materials and an instruction booklet on spring capping.

The AID project will be part of a larger program that builds on the experience of UNICEF in well capping over the past three years. An AID funded evaluation of the project was conducted in October 1981 under the Water and Sanitation for Health Project (WASH) and it supported expansion of the project

and the introduction of a sanitation component. Through the end of 1981 UNICEF has capped 1,030 springs and trained nearly 100 fontainiers. Because of the self help local nature of the project, it has by necessity started slowly. After three years, local enthusiasm and demand plus the availability of trained fontainiers is such that a major expansion to 1,400 spring captations per year is possible. Additionally, there is a need to complete institution- alization of the spring capping program so that it can continue once donor assistance ceases.

4. Beneficiaries: The primary beneficiaries will be the 100,000 rural residents of areas in which springs are capped. Women, who are the target group for the sanitation education will increase their knowledge of sanitary water use and awareness of water borne diseases. Since young children are the most seriously affected by water borne disease, they will especially benefit from the program. In addition, Department of Hydrology and Ministry of Public Health/Social Affairs personnel will benefit from training. The project has a strong self help community development component.

5. Life of Project: two years. AID Contribution: \$500,000.

6. Outputs:

- a. 1,000 springs capped (using AID funds - total all donors 3,600 springs).
- b. Five in-service training courses for fontainiers (75 additional fontainiers trained).
- c. Water use sanitation education curriculum developed for animatrices and health center personnel.
- d. Three health education courses conducted (60 people trained).
- e. Training material developed.

7. Preliminary Budget:

(See next page)

<u>Item</u>	<u>Cost</u> (LOP)	<u>Total</u>
<b>a. <u>AID Contribution:</u></b>		
(1) Material for 1,000 well caps	\$265,000	
(2) Training - <u>Fontainiers</u>		
In-service (5 courses at \$5,000)	25,000	
Initial (3 courses at \$5,000)	15,000	
(3) Other Training:		
Observation Tours and Commune Administrator Seminars	10,000	
(4) Salaries for <u>Fontainiers</u> :		
Initial year only: 75 x \$720/year	54,000	
(5) Health Training:		
3 months short term TA - Survey and Course Development	36,000	
3 courses at \$10,000	30,000	
(6) Training Material:		
Health	17,000	
Well captation	3,000	
(7) 10 percent contingency	<u>45,000</u>	
		\$500,000
<b>b. <u>UNICEF Contribution:</u></b>		
(1) Project Manager, 2 person/years	205,000	
(2) Administration Personnel	158,000	
(3) Transportation	21,000	
(4) Other and contingency	<u>76,000</u>	
		\$460,000
<b>c. <u>UNCDF Contribution:</u></b>		
(1) Construction Materials	424,000	
(2) Other Costs	<u>16,000</u>	
		\$440,000
<b>d. <u>Government Contribution:</u></b>		
		\$262,000
<b>e. <u>Commune Local Costs:</u></b>		
Labor and materials (2,500 springs at \$85/spring)		<u>\$221,000</u>
Grand Total		<u><u>\$1,662,000</u></u>

**8. Status:**

a. PID will be submitted in June - no additional design requirements needed.

b. PP will be completed late July/early August (REDSO/EA - AAO Project Authorization). Since it builds on PID and WASH evaluation, relatively few additional work weeks are required to complete PP. Personnel needed include:

(1) REDSO/EA engineer to review spring cap design and update progress (one week);

(2) Health sanitation specialist (MPH/health education) to identify most effective channels for educating spring users and coordinate institutional arrangements for training (2 and a half weeks, contract, \$8,500);

(3) REDSO design officer (2 and a half weeks).

May 26, 1982.

REGIONAL PROJECTS

1. African Manpower Development Program I (698-0384.27) and AMDP II (698-0433.27)

FY 1981	\$100,000
FY 1982	\$150,000 (initial allotment) plus \$50,000

The purpose of this regional project is to meet critical requirements for training managerial and technically skilled manpower in the fields of agriculture and rural development in order to enhance Burundi's contribution in this priority development field.

Current Status: The FY 1982 Limited Scope Grant Agreement for \$150,000 was signed on 3 May 1982. To date (24 May) seven subobligating PIO/P's have been signed for eight participants.

Priority Accorded by AAO/Burundi: Very high priority, but places heavy demands on local and U.S. staff time.

2. African Graduate Fellowship Program (AFGRAD)

The purpose of this program is to provide graduate training in the U.S. for African students in order to prepare these individuals to assume high level positions of responsibility with their government services or in their national universities.

Current Status: All four candidates for 1981-1982 academic year were accepted by U.S. Universities and have departed for the U.S. They are:

1. Victor Ciza, M.B.A., Adelphi University;
2. David Karemera, M. Sc. Agricultural Economics, North Dakota State University;
3. Alice Karikurubu, M. Sc. Plant Pathology, Louisiana State University; and
4. Renée Munezero, M. Sc. Plant Physiology, Louisiana State University.

Priority Accorded by AAO/Burundi: Very high priority, but at times requires considerable input from AAO staff.

3. Expanded Program of Immunization (698-0410.34)

FY 1981	\$340,000
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The purpose of this two year long regional, multi-donor project is to help the GRB to carry out its five year long nation-wide immunization program which will vaccinate children against six communicable diseases (measles, tuberculosis, polio, diphtheria, tetanus and whooping cough).

Current Status: Project commodity orders have been placed and commodities have begun to arrive. The Center for Disease Control (CDC) in Atlanta provided two French speaking consultants to teach a mid level immunization program management course in Burundi. About 25 people attended the course which was held from 16 to 29 January 1982.

Priority Accorded by AAO/Burundi: This activity has a medium high priority because it may serve as a pilot for other health sector activities.

4. Improved Rural Technology (IRT) (698-0407.33)

FY 1982                      \$73,000

The purpose of this activity under the regionally funded IRT project is to develop, test and extend solar crop dryers in Burundi. It is a collaborative project with the Center for Research on Utilization of Alternative Energy (CRUEA) of the University of Burundi.

Current Status: The activity has been authorized and the Limited Scope Grant Agreement is being transmitted to the GRB for review and signature.

Note: There is the possibility that the IRT may be used for additional activities on micro-hydro installations following a review of hydro sites, or other alternative energy projects.

Priority Accorded by AAO/Burundi: The IRT program is very useful and should have a medium to high priority. However, it can be rather time consuming in terms of the relatively small amount of money involved.

5. Community Water and Sanitation

AAO/Burundi is proposing this activity as FY 1982 bilateral "shelf project" or as a regionally funded health activity. See project write-up annexed to Table IV. High priority item.

6. Rural Health Initiatives - Proposed Regional FY 1982 project

The purposes of this proposed activity are to improve the existing services at four rural sites (health centers or dispensaries) emphasizing maternal/child health and family planning services, and to develop an outreach program utilizing community health workers trained and supervised at the rural sites.

Current Status: This activity is currently being developed with the Center for Population and Family Health Columbia University and the School of Medicine, University of Burundi. It is expected that a full time staff person will be required in the project area to organize, administer and provide leadership to the project. The project office will be at the Medical School's Department of Family Medicine. The project will coordinate its activities with the current Expanded Program of Immunization, the Foyers Sociaux health education activities, the nutrition and feeding programs of voluntary agencies and others. The Columbia team has agreed with the Ministry of Public Health and the School of Medicine to further develop the project proposal. A tentative budget of \$185,000 has been established.

Priority Accorded by AAO/Burundi: Very high.

7. Proposed Health Care/Family Health Project

The purpose of this proposed regional health project is to assist USAID Missions and Host Countries in the improvement and expansion of primary health care services and management capabilities.

Current Status: Since our EPI project will be ending in June 1983 and we expect the GRB will approach us for a second project, AAO/Burundi would then have an opportunity to use this proposed centrally funded project to enlarge its health/family planning activities.

The proposed activity would emphasize implementing proven technologies in disease control and the provision of Primary Health Care (PHC) management support services for the improvement of the design, implementation and evaluation of PHC programs. Among technologies that will be stressed in AAO/Burundi activities are oral rehydration treatment and immunization (both of these are in GRB list of its top ten public health priorities). Family planning should be included in this program. A very rough estimate of the budget is \$450,000 in FY 1984.

Priority Accorded by AAO/Burundi: Medium now, rising to high in 1984.

8. Conventional Energy Training

The purpose of this centrally funded project is to train participants in conventional energy management and energy saving techniques.

Current Status: AAO/Burundi has one participant in U.S. and hopes to have more.

Priority Accorded by AAO/Burundi: Definitely useful.

9. Proposed Energy Initiatives Project for Africa

The purpose is to support pilot energy programs, provide information and evaluation.

Current Status: We understand that PP revision is undergoing AID/W review. There are also other centrally funded energy activities that we can draw on - such as NRECA minihydro expertise.

Priority Accorded by AAO/Burundi: We expect this project will be useful, but we are concerned about implementation workload, despite contractor assistance in activity preparation.

10. Worldwide Population Training Fund and JHPIEGO

The purpose is to provide training in population and related areas.

Priority Accorded by AAO/B: Population training has been very useful in increasing the awareness of Burundi's population training. It has a relatively high priority.

11. Centrally Funded Contraceptive Commodities

Estimated needs for contraceptive commodities for FY 1984 are as follows:

- |                |                                    |
|----------------|------------------------------------|
| a. Orals       | 50,000 cycles                      |
| b. Condoms     | 100,000                            |
| c. Neosampoons | Quantities for 1,500 acceptors     |
| d. IUD's       | Lippe's Loop 5,000; Copper T 5,000 |
| e. Diaphragms  | 100 boxes of twelves               |
| f. Jelly       | 5,000 large tubes of jelly         |

Priority Accorded by AAO/Burundi: This small activity is very useful to us despite small level of commodities requested.

12. Suggested Combined AIP/WID or Centrally Funded Funds for Farming Systems Research

The purpose of these activities will be to conduct studies for establishing baseline data in two areas for Small Farming Systems Research (SFSR) project.

Current Status: Since funds for SFSR project will not be available until FY 1983 and it will take time to recruit staff, we believe some time can be saved by using regional and/or central funds to conduct the critical baseline studies while project authorization and contracting processes are going on.

Priority Accorded by AAO/Burundi: High priority.

13. Project Development and Support (698-0135)

The purpose of this program is to provide financing for program and economic analyses as well as project design and some evaluation activities.

Current Status: In FY 1983, AAO's requirements for use of this fund will be rather low. Limited funds will be needed for Rural Road II PP design, and for possible support to Health/Population program design as well as enterprise related activities (see strategy update). AAO may need some PDS funds, in addition to REDSO assistance, in preparing PIO's for FY 1985 projects.

In FY 1984, AAO hopes to complete PP design for FY 1985 projects. This will require a modest amount of PDS funds, the largest portion of which will go to design of a new agriculture production/extension project.

AAO/Burundi builds project evaluation financing into its project budgets.

Priority Accorded by AAO/Burundi: Very high, these funds are most useful.

14. RAPID

The purpose of this activity is to increase Burundi awareness of the scale of the demographic problem they face.

Current Status: The RAPID presentation, formally made in January 1982, has had an impressive and substantial impact on GRB officials and others (see separate reporting cables). During FY 1982-1983 additional money should be allotted for follow up of the RAPID activity in Burundi. These include: priority additional RAPID booklets in French (a Kirundi version could be sponsored by the Embassy Self Help Fund); additional training for three individuals (regional training in a francophone African country), and additional equipment. We estimate an additional \$50,000 will be needed for these activities.

Priority Accorded by AAO/Burundi: Very high.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1984 PROPOSED PROGRAM RANKING		Country/Office				
		BURUNDI				
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)	
					INCR	CUM
1	695-0101 Basic Food Crops	0	G	ARDN	534	534
2	695-0103 Alternative Energy: Peat II	0	G	SDA	894	1,428
3	695-0106 Small Farming Systems Research	0	G	ARDN	2,500	3,928
4	PL 480 Title II				(1,683)	
5	695-0106 Small Farming Systems Research	0	G	ARDN	1,272	5,200
6	695-0103 Alternative Energy: Peat II	0	G	SDA	800	6,000

NARRATIVE - TABLE V

As mentioned in the narrative to Table I, FY 1984 is primarily a year of implementation, consolidation, and writing off the mortgage. With the AAPL level funding, only one project (Small Farming Systems Research) will require post FY 1984 financing.

As in previous years, the Burundi Basic Food Crops (695-0101) project has the highest priority because of its importance to food production along the food deficit region of the Zaïre/Nile Divide. We are requesting \$534,000 to meet additional costs, as recommended in the project evaluation and subsequent budget analysis. These funds, less than ten percent of original project estimate for the Kajondi seed multiplication activity done in 1979 before oil and imported goods prices skyrocketed, will cover some additional fertilizer purchases (CIF Bujumbura fertilizer costs are about \$700 a metric ton); operating a small livestock activity in order to provide natural nitrogenous fertilizers at a far lower cost than imported chemical fertilizers; additional shipping costs on farm equipment; a small amount of additional equipment to overcome constraints on labor availability at certain times of the year; additional POL costs; and other costs such as additional training of counterparts.

Second ranking is given to an increment of \$894,000 in the Alternative Energy Peat II (695-0103) project. The objective of this project is to develop ONATOUR into a self-sustaining profit making institution while producing peat as an alternative fuel substituting for wood/charcoal in light industries and urban households. This will provide a breathing space for afforestation programs to get underway. The project has interesting possibilities and spinoffs for private and profit making enterprises.

Third ranked in the table, but co-equal in importance to the Peat project is an increment of \$2,500,000 for Small Farming Systems Research (695-0106) project. This key project helps develop institutional capacity applied agricultural research in biological and socio-economic fields at the level of the individual smallholder farm as a production unit, but will develop a link to bridge the gap between agricultural research and extension.

Catholic Relief Services' PL 480 Title II Program is not only important for its impact on nutrition and health through maternal/child health and Food for Work programs, but is also a direct contributor to AID projects. AAO/Burundi is currently implementing a combined development assistance/Food for Work project in the ongoing Rural Road (R.P. 84) project (695-0108), but we also plan to begin the second road project in FY 1983. Both of these projects will be using FY 1984 PL 480 Title II Food for Work for implementation purposes in FY 1984.

Our fifth priority is another tranche of \$1,272,000 for Small Farming Systems Research. The increment will mean that about three quarters of the project funds will be obligated by the end of FY 1984.

The sixth increment of \$800,000 for Peat II will complete life of project financing for that project.

## FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	409.1	-	328.9	6.7	466.5	-	361.4	7.5
F.N. DIRECT HIRE	84.6	-	-	5.9	89.6	-	-	5.9
CONTRACT PERSONNEL	-	-	-	XXXXX	68.0	-	-	XXXXX
HOUSING EXPENSES	186.0	-	-	11.0	159.1	-	-	11.0
OFFICE OPERATIONS	320.9	-	124.3	XXXXX	260.3	-	124.3	XXXXX
TOTAL	1,000.6	-	453.2	XXXXXX	1,043.5	-	485.7	XXXXXX
RECONCILIATION	(453.2)	-	(453.2)	XXXXXX	(485.7)	-	(485.7)	XXXXXX
MISSION ALLOWANCE	547.4	-	-	XXXXXX	557.8	-	-	XXXXXX

Ref: State 132818

Dollar funded local currency cost for FY 83 is \$318,600.  
 Rate of Exchange : Burundi Fr, 89,55 equal U.S. \$1.00.

## FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 MINIMUM			FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	372.6	-	292.5	429.9	-	342.2	6.8
F.N. DIRECT HIRE	94.4	-	-	94.4	-	-	5.9
CONTRACT PERSONNEL	115.0	-	-	70.0	-	-	XXXXX
HOUSING EXPENSES	223.7	-	-	239.1	-	-	11.0
OFFICE OPERATIONS	276.8	-	124.3	281.3	-	124.3	XXXXX
TOTAL	1,082.5	-	416.8	1,114.7	-	466.5	XXXXX
RECONCILIATION	(416.8)	-	(416.8)	(466.5)	-	(466.5)	XXXXX
MISSION ALLOWANCE	665.7	-	-	648.2	-	-	XXXXX

## FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	429.9	-	342.2	6.8
F.N. DIRECT HIRE	94.4	-	-	5.9
CONTRACT PERSONNEL	70.0	-	-	XXXXX
HOUSING EXPENSES	239.1	-	-	11.0
OFFICE OPERATIONS	281.3	-	124.3	XXXXX
TOTAL	1,114.7	-	466.5	XXXXX
RECONCILIATION	(466.5)	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	648.2	XXXXX	XXXXX	XXXXX

TABLE VIII (A) and VIII (B)

AAO/Burundi does not have  
computers or word processors

PL 480 NARRATIVE

The PL 480 program in Burundi consists only of Title II. It is administered by Catholic Relief Service (CRS) and the World Food Program (WFP). This narrative concerns only CRS.

The program has four components, including Maternal and Child Health, Other Child Feeding, Food for Work and General Relief. Project sites are spread throughout the country, with heavier concentration in the densely populated areas of central and northern Burundi. None of the projects is located in Bujumbura. CRS/B management has been very conscientious in ensuring that its programs have the maximum development impact. Nutrition education is provided as a part of its feeding programs and its FFW projects are carefully selected to provide incentive to local laborers to participate in small infrastructure projects that will benefit their communities.

CRS/B is participating with AAO/B in the Rural Road (Route 84) project by providing FFW commodities to the laborers. An evaluation of the project is being conducted and preliminary findings indicate that PL 480 food is a valuable and useful part of the project. Conversations with wives of the workers reveal that they appreciate receiving the food and that bulgur is recognized as being especially good for children. The Mission intends to develop a second rural road project for funding in FY 83 and FFW will again be included as a component of the project.

Burundi is an extremely poor country with an inadequate food supply for large numbers of its rural population. Children and women especially suffer when there are shortages. While AAO/Burundi's program is directed toward increasing the food supply, its programs do not affect as rapidly these most vulnerable sections of the population. By contrast, it is precisely these groups that the CRS/B programs reach, and CRS also provides fundamental education and training that will enable the Title II recipients to continue to improve their nutritional situation after food aid has been discontinued.

CRS/B has received an outreach grant to assist with warehousing, in-country transportation and program supervision. This grant (approximately \$200,000 a year for three years) has enabled CRS/B to expand its program slightly and to improve the timeliness of food deliveries up country. It has also improved its monitoring capability, resulting in greater development impact for its programs.

More detailed comments on CRS/B management and specific programs are contained in the Mission review of the FY 84 Operational Plan.

PL 480 TITLE II

Operational Plan FY 1984: CRS/Burundi

I. Elements of Operational Plan

A. Identification

1. Cooperating Sponsor: Catholic Relief Services

Country: Burundi

Date Submitted: 15 May 1982

Name of Principal Counterparts:

a) Ministry of Social Affairs

b) CARITAS

Numerous Catholic and Protestant missions

2. Responsible American Citizen for Title II Foods

Robert J. Burke

Catholic Relief Services -USCC

Lot 222-223, Rue du Phare, B.P. 665

Bujumbura, Burundi

Time Devoted to Title II Activities: Full time

Other CRS/Burundi Activities: - Project activities  
- Refugee assistance

Supervisory Staff:

International

Robert W. Roche, Program Assistant

Joanne Csete, Pre-School Supervisor

National

Dative B. Ngarambe, Accountant

André Bigirimana, Secretary

Annonciate Rurangira, Food Commodity Manager

Laetitia Niragire, MCH Supervisor

Albert Mpenzi, FFW - Controller

Justin Mugabo, Warehousman

Thadée Haragirimana, Driver

Innocent Rutabingwa, Driver

Ruth Ndayirarere, Receptionist

Joachim Ntibigarura, Custom Agent

Martin Hakizimana, Officer Messenger

Côme Nahimana, Assistant Warehouseman

### 3. Agency Agreement

Catholic Relief Services' Burundi program operates under the terms of a convention with the government of Burundi signed in 1971 with the Ministry of Foreign Affairs and amended in 1974. The convention is not specific as to the duration of the agreement.

In brief, the convention includes the following major provisions which greatly facilitate the operation of the CRS program:

- Duty-free entry for all PL 480 Title II commodities and other related supplies and equipment for use in CRS program activities;
- collection of fees from MCH program participants to assist in meeting program costs;
- in-country food transport costs may be met by contribution from food recipients;
- duty-free entry for the personal effects of CRS representatives at the time of their arrival;
- tax exempt status for CRS representatives while stationed in Burundi.

#### B. Area-Scope-Conditions of Operations

##### 1. Introduction

Catholic Relief Services is one of two PL 480 Title II co-operating sponsors in Burundi, the other being the United Nations' World Food Program.

CRS/Burundi Title II programs serve not only to directly alleviate hunger and malnutrition but also on a larger scale, seek to support human resources development and promote the strengthening of local level infrastructure/institutional capacity. In other words, CRS/Burundi programs are designed to:

- Enable individuals to obtain access to the skills, resources, and services needed to increase their productivity, income, and well-being;
- enhance the country's ability to marshall its own human and financial resources for the betterment of the population; and
- promote the integration of food and non-food aid , thereby increasing the effectiveness of its activities while fostering development that will continue beyond the period for which the direct assistance is provided.

CRS/Burundi program activities are spread throughout the country with the greatest concentration of assistance being devoted to the heavily populated central and northern provinces.

Title II food commodities are programmed in four categories; Mother-Child Health (MCH), Food for Work (FFW), Other Child Feeding (OCF), and General Relief (GR). These commodities include bulgur wheat, non-fat dry milk, and soya bean cooking oil.

The following table provides a breakdown of the number of recipients per program category as slated for fiscal year 1984:

<u>Program Category</u>	<u>No. of Recipients</u>
MOTHER-CHILD HEALTH	
Mothers	20,000
Children	30,000
FOOD FOR WORK	
Workers	4,000
Dependents	12,000
OTHER CHILD FEEDING	5,000
GENERAL RELIEF	5,000
OTHER (Rte 84) FFW	
Workers	1,000
Dependents	3,000
TOTAL FY 1984 PROGRAM	<u>80,000</u>

CRS/Burundi depends upon effective coordination and collaboration with a large number of public and private institutions for the daily operation of most phases of its programs, including: commodity transport, up-country storage, supervision, distribution, accountability, etc. Financial support is provided from internal as well as external sources. Participant contributions account for nearly 30 percent of program revenues. An Outreach Grant (AID-SOD-PDC-G-0357) in the amount of \$200,865 is programmed for FY 84. These funds will be used to support Title II commodity transport, storage, management, and supervision. In addition, revenues in the amount of \$100,000 are anticipated from a variety of European and American sources.

## 2. Program Categories

### a) Mother-Child Health

Malnutrition is among the world's most crippling diseases, striking at the very heart of a nation. Malnutrition debilitates a country's social, economic, and political institutions and significantly limits the development of a most abundant and vital national resource.... the human resource.

Burundi is, in many ways, a classic setting for widespread malnutrition. Agricultural production is not increasing to keep pace with population growth. Though the farmland is in some areas quite fertile, much of it has been devoted to non-nutritious cash crops. The tribal structure has historically not been conducive to an equitable distribution of resources among all groups. Within the family, moreover, the available food is not always shared equitably among all members; priority is often given to the father. Finally, the country is without adequate infrastructure as regards transportation, communications, education, and health care.

Attempts have been made in recent years by the government of Burundi and by various development agencies to address some of these problems. There are 66 government-approved health centers throughout the country (1982), many of which are associated with church missions. Most of these centers provide only the very basic of primary health care, sometimes including vaccinations and other preventive medicine. The government has encouraged the establishment of social centers in which young persons not attending school can receive some vocational training and minimum health education.

Malnutrition, nonetheless, remains a predominant fact of life throughout the country. Kwashiorkor, a debilitating protein deficiency disease found mainly in young children, is all too prevalent. Based upon accepted weight for age measures, 45-60 percent of children from 0 to 5 years of age have been found to be growing at below 80 percent of the standard for their age in many areas of the country. Burundi continues to provide a vivid example of the complexity of the problem of malnutrition and its intransigence in a setting of widespread poverty.

The CRS/Burundi Maternal-Child Health program or pre-school food and nutrition program, seeks to improve the food consumption of young children, the family members most vulnerable to malnutrition. The program provides food assistance and other forms of aid to existing health centers in Burundi at which program activities take place. Parents of children benefitting from food aid at these centers agree to work toward the goal of maintaining the good nutritional state of their children and are aided in this effort by a full range of educational activities in which they participate at the centers and by the CRS Growth Surveillance System described below. Through the CRS pre-school program, the supplementary food package thus becomes a nutritional aid as well as a form of economic assistance to families living at subsistence levels.

Children under age five and their parents participate in program activities at designated health centers throughout Burundi. Program beneficiaries attend monthly sessions which include the weighing of the pre-school children, nutritional lectures, gardening and cooking demonstrations, some education in small animal raising, and the distributing of a pre-determined ration of Title II bulgur, non-fat dry milk, and soy oil. A key element in the monthly sessions is the CRS Growth Surveillance System (GSS) by which the weight of each child is calculated as a percentage of an accepted standard weight for his age. His weight progress is clearly shown on a chart kept by his parents and on a master chart for all children which

is sent for analysis to the CRS office. Parents contribute a small fee for program participation.

Program activities are carried out at the health centers under the direction of permanent center directors who are in turn supervised and advised by the CRS pre-school program supervisor. Other CRS office staff members oversee the management of food storage and transport, the financial management of the program, and related administrative matters.

The emphasis of the CRS/Burundi Title II program will continue to be in the area of Mother-Child Health in the coming fiscal years. The FY 84 Mother-Child Health program is targeted for 30,000 children and 20,000 mothers or a total of 50,000 monthly recipients throughout the year. These figures represent an increase of 5,000 children and 5,000 mothers over the FY 82 and FY 83 approved recipient levels. No change in the monthly recipient rations (2 kg. Bulgur, 2 kgs. NFD Milk, 1 liter Oil) is foreseen for FY 84.

The increase in recipient levels will be possible as a result of significant strengthening of Title II program administration and accountability during FY 82 and FY 83. In addition, the CRS/Burundi program has received increased technical and supervisory expertise through the addition of an international MCH program supervisor to the CRS/Burundi staff. Emphasis will center on expanding enrollment at existing centers as well as opening new centers in regions of the country with the greatest need. Attachment A provides an estimate of recipient levels by center for FY 84.

b) Food For Work

The CRS/Burundi Food for Work program component is designed to encourage the promotion of local level participation in food and agricultural development by broadening access to production incentives and resources, as well as increasing opportunities in the areas of education, training, and other productive services. In more specific terms, CRS/Burundi FFW projects are intended to:

- Contribute directly to the income of the disadvantaged by utilizing food aid as an important income supplement for families in economic need;
- serve as an incentive to increased productivity, employment, and family income;
- encourage the use of labor-intensive techniques;
- stimulate community development through the construction of local physical infrastructure targeted to benefit the poor; and
- maximize the long-term development impact of food aid through the integration of food assistance and non-food inputs, i.e. technical assistance, materials, supervision, and local participation.

The FY 84 FFW program encompasses support for developmental efforts in a wide range of areas, including: agricultural/economic development, community development, education, conservation, and health/sanitation. Priority is given to small-scale, short-term local level projects which are consonant with GRB plans and priorities. Attention will be devoted to utilizing food assistance as an incentive to production as distinct from a mere compensation for work performed. During FY 84, specific efforts will be made to integrate FFW program assistance with the MCH program. Examples of planned integration include the FFW construction of buildings to house the health/education activities and the construction of potable water systems in conjunction with the health center. A purposeful integration of FFW resources within the MCH program context will result in the development of an increased local self-help capacity on the part of program participants. In addition, all projects will be evaluated and selected for support according to the following criteria:

- type of project (e.g., agriculture, education, construction)
- duration of project
- number of workers
- impact on local area, long and short term
- who benefits, public vs. private
- degree to which project is designed to alleviate the causes of the need for assistance
- degree of local participation, commitment, and assurance of project continuity
- level of project technical, material, supervisory, and managerial capacity
- level of integration of project with other CRS activities, especially MCH
- past performance of project holder in collaborative efforts with CRS.

The FY 84 FFW program plan is targeted for 5,000 workers and 15,000 dependents monthly, including the USAID Route 84 workers and dependents (refer to: Route 84 Highway Project). The plan provides a food package of 36.5 kgs of bulgur and 2 liters of cooking oil per month for a worker and 3 dependents. With the exception of Route 84, FFW projects are generally programmed for an eight month period rather than a full year, allowing for the worker to return to the fields during the planting and harvest season. Attachment B provides an estimate of recipient levels by FFW project for FY 84.

c) Route 84 Highway Project - Food for Work

The goal of increasing agricultural productivity sufficiently to feed Burundi's growing population is the top development priority of the GRB. Lack of ready access between agricultural producer and consumer has been identified as a major obstacle to meeting this goal. The Route 84 Highway Project represents a collaborative effort on the part of the government of Burundi and USAID to address the constraint of ready access in one important rural area.

The Route 84 project is relatively straightforward both in concept and execution. Action centers on the reconstruction of a 61 kilometer section of Route 84, a mountainous rural road serving a fairly populous and potentially agriculturally productive area in the Province of Bururi. The project's goal is to upgrade the economic and social welfare of the rural poor in the region by providing an all-weather access to agricultural marketing facilities within the area as well as link the area with routes to outside markets. In addition, the project serves as a pilot effort in the use of labor intensive road construction techniques. Based on the experience acquired, the project hopes to establish a generalized operation and management system that could be applied to other appropriate development activities in Burundi.

The Route 84 project lends itself easily to the FFW concept. The project contributes directly to the income of those in the region in terms of both short term employment as well as increased access to markets in the long term. Greater market access will in turn serve to provide a meaningful incentive to increased agricultural productivity and greater family income. The labor-intensive techniques serve to increase local participation while stimulating regional development through the construction of local transport infrastructure. The project also provides an example of the successful integration of food and non-food assistance toward the goal of greater agricultural productivity.

A project agreement was signed in 1980 between the GRB and USAID/Burundi to assure the funding of this project. As a precondition to the signing, the GRB had to arrange with CRS/Burundi for FFW food assistance for the three-year duration of the project. The food ration allocated was that programmed under the 1981 AER FFW ration level: 34.4 kgs. of bulgur and 4 liters of cooking oil monthly per worker and 4 dependents. Due to the general reductions in the CRS/Burundi Title II AER FFW recipients and ration levels since the signing of the project agreement, CRS/Burundi has requested and received authorization from FFP/W to continue to furnish Route 84 workers with the original recipient levels and rations outlined in 1981.

In order to program Route 84 FFW rations at the higher 1981 levels, CRS has separated Route 84 from the regular programming of the FFW category and given this project an individual designation under the category OTHER. The following recipient levels, rations and months of operation have been programmed for Route 84 during FY 84:

- Recipient levels:           1,000 workers  
                                  3,000 dependents
- Commodity rations:       Worker plus 3 dependents: 45.4 kgs bulgur,  
  4 liters oil
- Months of operation:    12 months

d) Other Child Feeding

CRS recognizes the need to assist needy and impoverished children who are not included in the MCH category or who do not live in a household receiving FFW assistance. The Other Child Feeding category permits CRS to provide food aid rations to a variety of institutions engaged in child welfare. These institutions include orphanages, centers for handicapped children, vocational education centers, and intervention programs for children suffering from advanced stages of clinical malnutrition. The FY 84 program calls for 5,000 monthly recipients to receive a monthly food ration of 4 kgs. bulgur, 2 kgs. NFD Milk, and 1/2 liter of oil. A list of proposed participant institutions and estimated recipient levels is contained in attachment C.

e) General Relief

CRS has as a primary mandate the provision of material support to the destitute and impoverished. Through the General Relief programs, CRS supplies humanitarian food aid to various institutions and organizations in Burundi whose principal goal is assistance to the indigent elderly, urban poor, physically handicapped, and refugees. Institutions use the food aid in the preparation of meals for the recipients, while non-institutional welfare organizations issue take-home rations. The FY 84 General Relief program provides a monthly ration of 4 kgs. of bulgur, 2 kgs. of NFD Milk, and 1/2 liter of oil to be distributed monthly to a total of 5,000 recipients. See attachment D for a list of participating institutions and organizations.

f) Emergency

The 20 percent operating reserve, besides compensating for the shipping and transportation losses inevitably involved in importing food aid to a landlocked country, gives CRS the flexibility to respond immediately to the food needs arising out of small-scale disasters and emergencies. Recipients are normally the victims of crop and/or property damage caused by fires, floods, hail, etc. Distributors are usually the parish or civil authorities who originally report the disaster. For emergency food needs which exceed the capacity of the calculated operating reserve, CRS has the option of either:

- requesting a special shipment (if the need is not immediate);
- drawing upon food on hand for an immediate response, and receiving a special shipment later to replace the diverted food.

Either of these options require the special approval and cooperation of the donor.

### 3. Assumptions and Benchmark Indicators

Through the four major program elements described above, CRS/Burundi has outlined a detailed program plan for the utilization of Title II food assistance. The plan demonstrates how food assistance can be employed as:

- economic aid - a tangible increase in the disposable income for the family results as additional food supplies decrease the family food purchases and money is freed for the purchase of medicines and other necessary items;
- nutritional aid - a distinct contribution to the child's physical health results with an increase in vitamins, minerals, and protein;
- development aid - an invaluable input to stimulate popular participation in local level activities leading to increased agricultural productivity, the establishment of rural physical infrastructure, and the development of human capital resources.

Reliable instruments and exact measures to precisely determine the developmental impact of food assistance have yet to be established. Nonetheless, CRS has accumulated a vast experience in food and nutrition programs in Africa and through this experience has developed a barometer that permits the rural health worker to effectively and efficiently gauge the nutritional status of a child. This barometer is known as the Growth Surveillance System (GSS). Using the GSS the health worker plots a child's weight for age on a master chart. This point corresponds to a percentage relating the child's weight to a standard path of growth from birth to five years of age. This information is also transferred to an individual chart for each child. The GSS coupled with an appropriate educational component has been shown to be an effective aid to mothers' understanding of the nutritional state of her child.

By June 1982 the GSS monitoring tool will be instituted in all participating MCH centers. The GSS statistics generated during 1982 and 1983 along with the information gathered by continual CRS supervisory staff visits to all centers, will enable CRS to assemble critical baseline data on the nutritional status of children throughout the country. A systematic analysis of the data collected will permit CRS to self-evaluate its own efforts as well as serve to direct future program operations to those regions of the country with the greatest need.

### 4. Control and Receipting

A properly managed food program, especially in a landlocked country, must have as its basis a series of controls and countermeasures that enable constant supervision of the commodities. The Shipment Process described below is integral to any food program. This process in the case of CRS/Burundi has been buttressed by the addition of a claims procedure,

reconditioning process, and disposition of unfit food procedures essential to the CRS/Burundi management of its PL 480 Title II program. These measures have substantially improved the administrative control of the food program, especially as it relates to the inland transport from the port of Mombasa to Bujumbura.

The following Shipment Process is the normal means that CRS employs in obtaining food commodities.

a) Shipment Process

1. Annual Estimate of Requirements submitted for approval to CRS/New York, and thereafter to USAID/Washington
2. Call Forward placed by CRS/Burundi on a quarterly basis
3. Notification of Field "Placement of Order" with USDA received by CRS/Burundi
4. Notification of USDA Contract of Availability/Booking information received by CRS/Burundi
5. Packing List with Bills of Lading received by CRS/Burundi
6. CRS/Burundi requests forwarding agent to arrange to clear the shipment and conduct a discharge survey
7. Initial shipping ledger and wall chart entries made
8. Packing List (P/L) file opened
9. Trucks arrive from Mombasa
10. Port-Bujumbura Reconciliation and P/L Recapitulation sheet completed
11. Certification of Foreign Receipt and Survey Report forwarded to CRS/New York.

b) Arrival Process

The arrangement that CRS has with the forwarding agent specifies that the forwarding agent cedes control of the cargo only at the CRS warehouse, not at the Port of Bujumbura. As each truck arrives from Mombasa, the cargo is approved by the Ministry of Social Affairs for duty-free admission. Then the truck is cleared through Customs without being discharged of its cargo. However, a tax agent assigned for verification purposes may investigate the cargo at the port or be present at the unloading at the warehouse.

Cargo is then discharged directly into the CRS warehouse under CRS supervision. The CRS warehouseman and the driver co-sign the waybill delivery note for the cargo received, noting at the time any discrepancies. Goods received are entered on CRS warehouse tallies and P/L tallies, as well as on the CRS daily arrival ledger. The waybill delivery note is filed in the P/L file and the shipping wall chart is brought up to date.

c) Commodity Reporting

CRS follows the approved procedure for commodity reporting for U.S. Government donated foodstuffs. These forms are the Commodity Status Report (CSR), the Commodity Loss Status (CLSR), and the Recipient Status Report (RSR). Reports are submitted quarterly.

- Commodity Status Report (CSR): Quarterly balance sheet which shows the amount of food on hand at the beginning of the quarter, the amount received, the amount distributed by program category, and the balance on hand at the end of the quarter;

- Commodity Loss Status Report (CLSR): Quarterly analysis of food losses, both during ocean transport, and inland transport. The CLSR also provides information on the amount of food recovered through reconditioning practices which otherwise might have been lost. The loss is identified by commodity, CRS P/L number, and CCC Contract number;

- Recipient Status Report (RSR): Quarterly record of the number of recipients reached during the quarter by category.

d) Reconditioning

As the cargo is being discharged into the CRS warehouse, any units which are damaged and leaking are set aside to be reclaimed through a reconditioning process. CRS has purchased polyethylene sacks for the reconditioning of bulgur and polypropoline sacks for the milk powder. Cooking oil that arrives leaking is immediately poured into plastic containers or large metal drums. CRS/Burundi has successfully reduced overall loss by a swift reconditioning process that permits partially damaged units to be reclaimed.

e) Disposition of Unfit Foods

Units which are judged possibly unfit for human consumption must be examined by an inspector from the Département du Laboratoire Vétérinaire, Ministère de l'Agriculture et de l'Elevage. Upon analyses the inspector prepares an Inspection des Denrées Alimentaires to document the unfit status of the food. This document is kept on file at CRS/Burundi. All units which are found fit for human consumption are reconditioned per above.

CRS completes and submits a Notification of Damage report requesting USAID authorization for the disposal for these commodities in accordance with Title II Handbook 9 regulations. USAID has three working days within which to respond. Unfit food is then donated to a governmental or charitable organization for use as animal feed or non-food use. When the donated food is taken, CRS/Burundi asks to be reimbursed for the administrative and handling costs it has incurred. This rate is now set at five francs Bu./kg. Expenses and reimbursements will be reviewed by CRS semi-annually. When reimbursements exceed expenses, this net amount will be deposited with the U.S. Disbursing Officer, American Embassy, with instructions to credit the deposit to CCC account No. 20 Ft 401.

f) Claims for Losses Sustained During Inland Transport

At the time of cargo discharge in Bujumbura, the CRS warehouseman and the truck driver co-sign the waybill delivery note. Any discrepancies, such as damaged units, torn sacks, water or diesel stained sacks, missing units, and excess units are carefully noted. When CRS has received all the units pertaining to a specific Bill of Lading, then the total of units received, both sound and damaged, is compared against the total marked as sound and damaged on the Ships Ex-Tackle Survey Report. If the number and value of damaged or missing units received at Bujumbura exceed the number and value of damaged units noted in the Survey Report by more than \$300, a claim is submitted against the freight forwarder. The USAID Mission is informed of all claims pertaining to the shipment of PL 480 Title II commodities.

g) End Use Checking

End-use checks are field visits to distribution points carried out by CRS staff members for the purpose of verifying adequacy of distribution. Adequacy is assessed in terms of the written food aid agreement between the distributor and CRS.

Principal areas of interest include the condition of the storeroom, the number and eligibility of the recipients, the size of the rations distributed, and the basic documentation available for completion of reports. CRS personnel prepare written reports outlining the findings of end-use checks. If the findings indicate a need for corrective action on the part of CRS or the recipient institution, the necessary action or correspondence is initiated. Written end-use check reports are on file at CRS.

Experience indicates that checking each distribution point twice a year provides an adequate level of control.

5. Port Facilities

A situation of extreme congestion in the port of Dar es Salaam in 1978 led to the decision to route all CRS/Burundi PL 480 Title II food commodities through the port of Mombasa, Kenya beginning in 1979. CRS/Burundi continues to use the port facilities in Mombasa. Communication is maintained with the freight forwarder, Maritime Forwarders Kenya, Ltd., on a constant basis via letter and telex.

CRS/Burundi has experienced considerable difficulty in obtaining adequate port survey documentation. The problem centers around the need for both a ship ex-tackle tally as well as a delivery survey upon receipt of goods in the transit agents godowns. Discussions are underway with the survey agents, SGS Kenya, to clear this matter. USAID/REDSO/EA and CRS/New York are participating in the present negotiations. The current port survey fees are 12 Kenyan shillings per MT.

## 6. In-Country Storage and Transportation

### a. Warehousing

CRS uses two warehouses at the present time. The smaller of the two (702 sq. m) is located on the CRS office grounds and houses the oil shipments. This location enables close supervision of the most valuable commodity and discourages possible theft. The larger warehouse (1200 sq. m) is located about 100 meters from the CRS complex and provides space for the bulgur and milk powder. The estimated capacity of the two warehouses is 2500 MT. Standard warehousing practice is observed, such as first in first out, wooden pallets, fumigation if necessary, and regular cleaning. All warehousing operations are under the direct control of CRS personnel. A physical inventory of the warehouses is conducted at the end of each month to verify stock sheets and P/L tallies.

The storage facilities are well ventilated. The foundations are solidly built and the regular inspection of the facilities greatly reduces the possibility of spoilage or damage due to water, insects, rodents, etc.

### b. Issue of Supplies and In-country Transport

The food commodities are distributed through two different channels. The MCH program transport schedule is arranged in the CRS office and the transport to the centers in the interior is handled by a private transport company (TRANSBU). MCH centers are served according to a regular schedule so as to eliminate stock disruptions. Food transport for the other program components is handled by the project holders themselves or their representative transporters.

The CRS secretary prepares a "bordereau d'expédition" which identifies the transporter, the amount of food received, the date issued, and the destination. Copies of the bordereau serve as a receipt for the transporter and the recipient center, as well as a verification of issue for CRS. The details of each issue are entered into a control ledger maintained by the CRS secretary which is compared against the warehouse inventory ledger at the end of each month for verification and control.

## 7. Processing

None planned.

## 8. Financing and Receipts

### a. Financing

The requisite financing of the CRS/Burundi food aid program depends upon funding from a variety of sources:

<u>Source</u>	<u>Primary Use of Funds</u>
1) CRS/New York	Administrative support, international staff salaries and housing, travel
2) U.S. Gov't. Outreach Grant 0367	Logistical support including the storage and transport of Title II commodities
3) Gov't of Burundi	Duty-free entry of all program commodities
4) Recipient Contributions	Administrative costs of the recipient center/institution, in-country transport of food commodities
5) Misc. Donors	Purchase of recipient center supplies, i.e. weight charts, scales, visual aids, and educational materials

b) Receipts

All financial support received from outside funding agencies (U.S. Gov't, Fame Pereo, Fr. Reddington, etc.) is channeled through the CRS/New York offices. Accounts are maintained in both U.S. dollars and local currency.

All recipients of PL 480 food commodities contribute to the cost of operation of program activities. Contributions from MCH category recipients are collected at each monthly program session. CRS instructs recipient center personnel to arrange activities in a manner that the fee collection and food distribution do not take place simultaneously. This practice is necessary so that the mothers understand that their contribution is for overall program operation and not payment for the food ration received. At present (1982) MCH program participant fees are set at 50 francs. The recipients center retains 10 francs per recipient and forwards the remaining 40 francs per recipient to CRS/Burundi. The share kept by the center is used to pay center health workers, administrative costs, and guards for the food warehouse. The money received by CRS is also used to cover salaries, travel costs for center visits, educational material for the centers, and some of the administrative costs of the CRS program. Empty containers of oil and empty bulgur sacks are often sold at the centers, providing an additional source of revenue to enable the centers to meet their operating costs. Many centers have expressed the need for increased revenue in order to maintain existing levels of activity. CRS/Burundi is therefore planning to increase recipient fees prior to the commencement of fiscal year 1983. It is estimated that the fee will be raised from 50 francs to 80 francs; the recipient center will retain 20-25 francs with the balance to be forwarded to CRS/Burundi. Due to continuing high inflation, CRS will continue to periodically review recipient fee levels in relation to program costs and make adjustments accordingly.

Recipient fees for the program categories FFW, OCF and GR are presently set at 2 francs/kg. This fee is levied at the moment foods are removed from the CRS warehouses and serves to cover CRS storage and handling costs. Plans call for an increase from 2 fr/kg to 4 fr/kg to take effect prior to FY 83. CRS is aware that an exception may be required for orphanages and other institutions with extremely limited financial support.

In addition to recipient contributions, CRS also receives revenues from the disposal of unfit foods. CRS currently requests 5 fr/kg from approved government and charitable organizations who receive food unfit for human consumption for use as animal feed or for non-food use. These revenues serve as a reimbursement to CRS for the direct costs involved in the disposal. An increase to 8 fr/kg is programmed for July 1, 1982 to cover the increased costs of labor and warehouse space needed to handle the unfit food.

#### 9. Acceptability of Available Foods

CRS/Burundi imports three food commodities: bulgur wheat, non-fat dry milk, and soybean cooking oil. The importation of these commodities does not create a disincentive to local production.

a) Bulgur Wheat: This commodity has been introduced as a supplement to local grains which are often in short supply. Its acceptability by the rural population is excellent. Bulgur is locally produced in but one pilot project in northern Burundi; hence, the disincentive aspects are negligible.

b) Non fat dry milk: Powdered milk is used in the preparation of porridge. At all recipient centers, mothers participate in food demonstrations to ensure that those receiving the milk are introduced to proper preparation procedures. Careful attention is paid to explain to the mothers the possible adverse health effects of mixing the milk powder with contaminated water.

Milk is available in two forms in Burundi: imported dry powdered milk, which is prohibitively expensive for the rural population, and cow's milk which is produced in selected regions of the country. CRS has found Title II non-fat dry milk to be no disincentive to local production.

c) Soybean cooking oil: Edible oil is produced locally in two varieties: palm oil and various seed oils such as cotton, sunflower, and peanut. Neither type of edible oil is produced in sufficient quantities to meet the high demand. The acceptability of Title II soybean oil is excellent and its importation offers no disincentive to local production.

#### 10. Program Publicity

CRS informs the GRB, recipients, and other interested individuals that the Title II food commodities are a gift of the American people. This is accomplished by several means:

- Written reports: An Annual Report is published in French and distributed to the President of Burundi, Government ministries, counterpart agencies, and selected international development agencies;

- Container markings: All containers are marked with a statement noting that the food is a gift of the American people;

- Word of mouth: All participating centers, whether MCH, OCF, or General Relief, are apprised of the fact that the food commodities are donations of the American people and that CRS is supplying these commodities for specific reasons, be they nutritional or developmental in nature.

11. Bellmon Amendment

The CRS food imports have not been demonstrated to be a disincentive to production (as explained in the preceding section, Acceptability of Available Food). There also exists adequate storage space for the projected levels for FY 1983.

II. Contributions to Program

A. Commodity contributions: FY 1984 Projected levels

<u>Category</u>	<u>No. of Recipients</u>	<u>Commodity (MT)</u>			
		<u>Bulgur</u>	<u>NFD Milk</u>	<u>Oil</u>	<u>Total</u>
MCH	50,000	1200	1200	600	3000
FFW	16,000	1165	-	64	1229
Rte. 84	4,000	545	-	48	593
OCF	5,000	240	120	30	390
GR	5,000	240	120	30	390
	<hr/> 80,000	<hr/> 3390	<hr/> 1440	<hr/> 772	<hr/> 5602

Commodity Value Calculations

1) CCC Commodity Value (FY 84 Projected levels)

Bulgur	3390 MT x \$262/MT	888,180
NFD Milk	1440 MT x \$110/MT	158,400
Oil	772 MT x \$825/MT	636,900
		<hr/>
		1,683,480

2) Ocean Freight value (FY 81 average)

Bulgur	3390 MT x \$207/MT	701,730
NFD Milk	1440 MT x \$252/MT	362,880
Oil	772 MT x \$267/MT	206,124
		<hr/>
		1,270,734

3) Port-Bujumbura Inland Transport Value (CY 82 Rates)

Bulgur	3390 MT x \$317/MT	1,074,630
NFD Milk	1440 MT x \$317/MT	456,480
Oil	772 MT x \$317/MT	244,724
		<hr/>
		1,775,834

Total Food Commodity Value \$4,730,048

4) Duty Free Privileges

<u>Commodity</u>	<u>Total Value</u>	<u>x</u>	<u>Duty Rate</u>	<u>Total Exoneration</u>
Bulgur	2,664,540	x	33%	879,298
NFD Milk	997,760	x	30%	293,328
Oil	1,087,748	x	103%	1,120,380
				<hr/>
				2,293,006

B. Financial Contributions

<u>Type of Assistance</u>	<u>Amount</u>	<u>Donor</u>
CRS Administrative Support	45,000	CRS/New York
CRS Professional Supervision	100,000	CRS/New York
Outreach Grant	200,865	U.S. Government
Inland Food Transport	200,000	Recipients & Distributions Burundi
Food Assistance	4,730,048	U.S. Government
Port Survey Charges	6,722	U.S. Government
Duty Free Exoneration	2,293,006	Government of Burundi
Misc. Operational Support	100,000	Misc.
	<hr/>	
	7,675,641	

FY 84 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

Country : BURUNDI

Sponsor's Name : Catholic Relief Services

A. Maternal and Child Health .....Total Recipients : 50,000

No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
50,000	Bulgur	1200	314
50,000	N.F.D. Milk	1200	132
50,000	Oil	<u>600</u>	<u>495</u>
Total MCH		3000	941

B. Food For Work .....Total Recipients: 16,000

No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
16,000	Bulgur	1165	305
16,000	Oil	64	53
Total Food For Work		<u>1229</u>	<u>358</u>

C. Route 84 .....Total Recipients: 4,000

No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
4,000	Bulgur	545	143
4 000	Oil	48	39
Total Rte 84		<u>593</u>	<u>182</u>

D. Other Child Feeding.....Total Recipients: 5,000

No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
5,000	Bulgur	240	63
5,000	N.F.D. Milk	120	13
5,000	Oil	<u>30</u>	<u>25</u>
Total OCF		390	101

E. General Relief .....		Total Recipients: 5,000	
No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
5,000	Bulgur	240	63
5,000	N.F.D. Milk	120	13
5,000	Oil	30	25
Total GR		<u>390</u>	<u>101</u>

CCC Commodity Value Total (\$000) 1,683

TABLE XIII (FY 83)

PL 480 TITLE II

Country : BURUNDI

Sponsor's Name : Catholic Relief Services

A. Maternal and Child Health ..... Total Recipients: 40,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>	
40,000	Bulgur	960	258	
40,000	NFDM	960	106	
40,000	Oil	480	431	
Total MCH		2400	795	

B. Food for Work ..... Total Recipients: 16,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>	
16,000	Bulgur	1165	313	
16,000	Oil	64	57	
Total FFW		1229	370	

C. Route 84 FFW ..... Total Recipients: 4,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>	
4,000	Bulgur	545	147	
4,000	Oil	48	43	
Total Route 84 FFW		593	190	

D. Other Child Feeding ..... Total Recipients: 5,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>	
5,000	Bulgur	240	65	
5,000	NFDM	120	13	
5,000	Oil	30	27	
Total OCF		390	105	

E. General Relief.....Total Recipients: 5,000

No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
5,000	Bulgur	240	65
5,000	NFDM	120	13
5,000	Oil	30	27
Total General Relief		390	105

CCC Commodity Value Total (\$000) 1,565  
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TABLE XIII (FY 82)

PL 480 TITLE II

Country : BURUNDI

Sponsor's Name : Catholic Relief Services

A. Maternal and Child Health ..... Total Recipients: 40,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>		<u>KGS</u>	<u>Dollars</u>
40,000	Bulgur		960	224
40,000	NFDM		960	403
40,000	Oil		480	429
Total MCH			2400	1056

B. Food for Work ..... Total Recipients: 16,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>		<u>KGS</u>	<u>Dollars</u>
16,000	Bulgur		1165	271
16,000	Oil		64	57
Total FFW			1229	328

C. Route 84 FFW ..... Total Recipients: 4,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>		<u>KGS</u>	<u>Dollars</u>
4,000	Bulgur		545	127
4,000	Oil		48	43
Total Route 84 FFW			593	170

D. Other Child Feeding..... Total Recipients: 5,000

No. of Recipients		(Thousands)		
<u>by Commodity</u>	<u>Name of Commodity</u>		<u>KGS</u>	<u>Dollars</u>
5,000	Bulgur		240	56
5,000	NFDM		120	50
5,000	Oil		30	27
Total OCF			390	133

E. General Relief .....		Total Recipients: 5,000	
No. of Recipients		(Thousands)	
<u>by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
5,000	Bulgur	240	56
5,000	NFDM	120	50
5,000	Oil	30	27
Total General Relief		390	133

CCC Commodity Value Total (\$000) 1,820

PL 480 - Mission Narrative Review

The Mission concurs with the recipient and commodity levels projected in CRS/B's Operational Plan for FY 84. Although the total is below the country level provided in State 129224, it reflects a careful assessment by CRS/B of its capabilities and a realistic projection of how quickly it will be able to expand its programs.

Management capability in CRS/B has improved significantly over the last year as the RFFPO, REDSO/EA indicated in his report of 9 March 1982. Until September 1981 there had been frequent turnovers in CRS/B expatriate staff, resulting in poor record-keeping, sporadic follow-up on problems, and considerable disruptions in the program. The situation has greatly improved since then with the arrival of an experienced country director, a program assistant and a pre-school supervisor. Thus, CRS/B's capability for dealing with the requirements of various bureaucracies (CRS, AID, and GRB), transportation problems, and in-country monitoring of its programs is at a much higher level than a year ago.

An example of this is that progress is being made in resolving chronic problems of commodity losses in the Port of Mombasa and during overland transport to Bujumbura using newly instituted procedures reviewed and approved by the Regional Food for Peace Officer. Because of Burundi's landlocked position, there will always be transshipment problems, but CRS/B management is working effectively to improve its transport network.

The RFFPO report of 9 March noted several other areas in which CRS/B leadership is making progress in improving its management procedures. This report was based upon a thorough review of CRS/B operations and it concluded with a general endorsement of CRS/B actions. Given this judgement, which agrees with the Mission's own observations, we have full confidence in CRS/B's capability to carry out the proposed program.

One of AAO/Burundi's strategy objectives is to increase the availability of food to the rural poor, especially in densely populated areas. CRS/B supports the AID program directly in working toward this goal by providing Food for Work assistance on the Route 84 Rural Road project. FFW is provided as a supplement to minimum GRB wage and is a significant incentive to local laborers to take part in a project which will improve the economic condition of the surrounding area.

Aside from this project, CRS/B is using food to help finance development that will lead to construction of infrastructure for the rural population. In general, CRS/B's food and nutrition programs make available food and other forms of aid to agencies and institutions of rural areas to assist families to increase food consumption, primarily of the most vulnerable household members, against a commitment that, in return for economic aid received, and within the limits of their ability, these households will undertake income generating activity, or will offer labor to the public sector. An additional advantage provided by the CRS program in terms of meeting CDSS objectives is that a majority of its projects are in the densely populated northern and central sections of the country.

CRS/B has adequate storage facilities for the program expansion projected through FY 87. This is based on a careful CRS survey of its facilities and represents the maximum program possible with current capacity.

The amount of PL 480 food coming into Burundi is not sufficient to act as a disincentive to domestic production. Furthermore, the commodities being imported are either new products (bulgar) or supplement inadequate local production (NFDM and vegoil) so that there is no competition with local crops.

Mission personnel are in frequent contact with CRS (every few days) and there is a continual exchange of information on the program. The General Development Officer is assigned to monitor the CRS program. In addition, the Regional Food for Peace Officer based in Nairobi makes periodic trips to Bujumbura to provide more specific technical support to CRS's program here as well as provide assistance with logistics problems in Mombasa.