

# **USAID-Burundi Stock-Taking**

**Prepared by an AFR and DCHA team -- December 2004**

## **PURPOSE**

This stock-taking seeks to promote a corporate USAID view on how we can best support the positive developments taking place in Burundi -- so that this impoverished, war-torn country can consolidate peace, establish a framework for democratic governance, and provide its citizens opportunities to lead better lives.

This report presents findings on: developments in Burundi (political, socio-economic, etc.); how our current strategy (Integrated Strategic Plan – FY 2003-2005) and programs are performing; whether they need to be refocused to better support Burundi in light of its developments; and whether we need to adjust our resources and management to accomplish an improved program. We hope the report will contribute to decision-making on strategy, resources, staffing and management.

## **BACKGROUND**

USAID is now almost two years into a three-year strategic planning period for Burundi. In November 2004, USAID sent small teams to Burundi to assess that country's progress in implementing the Arusha peace accords and our progress in implementing the ISP. These teams prepared reports on findings and recommendations for different sectors, which were then reviewed by an inter-Bureau team at an ISP stock-taking workshop from November 30 – December 3, 2004 in Burundi. The workshop examined the current ISP with respect to the results that have been achieved, but also with respect to the evolving political and security situation in Burundi. Participants included representatives from DCHA, AFR/EA, REDSO/ESA, OFDA/ECARO and our team in Burundi (resident staff from OTI, OFDA and REDSO). The U.S. Embassy Deputy Chief of Mission participated throughout, and the Ambassador also met frequently with the team. The team gratefully acknowledges the guidance, support and hospitality of the Ambassador.

While in Bujumbura the team met with USAID's NGO and UN implementing partners. The team also had the opportunity to travel outside of Bujumbura to Gitega and Kirundo Provinces. With the Ambassador and DCM, the team visited activities managed by FFP, OTI, OFDA and REDSO.

## **DEVELOPMENT CONTEXT**

According to the 2003 UNDP Human Development Index, Burundi is ranked 171 out of 175, making it one of the poorest countries in the world. More than 58 percent of the population is estimated to live below the poverty threshold and 69 percent of the

population suffers from malnutrition. According to UNICEF, in 1992 life expectancy was 54 years. In 2002, it had dropped to 41 years. In 2002 infant mortality was 114 per 1,000 births and under five mortality was 190 per 1,000. In 1999, the per capita gross national product was \$163. By 2003 this figure had dropped by nearly half to \$87. Burundi faces daunting challenges, with enormous needs in such areas as democracy and governance, education and health, economic and agricultural development, refugee repatriation and IDP return, and security sector reform.

HIV/AIDS knows no borders, and massive population movements, as is the case in Burundi, undermine any and all efforts to address the pandemic. There is a clear connection between fragile and disintegrating civil and state organization and the increase of HIV/AIDS prevalence. Burundi has not been spared from the epidemic. Its HIV prevalence rate is 6 percent, similar to that of Kenya, Rwanda and Uganda. With the potential for the return of 400,000 refugees living in Tanzania, the reintegration of demobilized combatants into their communities and the return of IDPs, the risk of the spread of HIV is high.

Despite this grim socio-economic picture, the past two years have shown some positive developments in Burundi and produced hope that the Arusha Peace and Reconciliation Agreement (APRA) will be successfully implemented. The presidential transition occurred as planned in May 2003, and security throughout the country improved greatly when the CNDD-FDD, the largest and most capable of the two rebel groups still involved in armed rebellion, signed a cease-fire agreement and joined the Transition Government (TG) in late 2003. Between August and November 2004 an agreement on power sharing was achieved and expressed in a draft constitution, clearing the way for a six-month extension of the transition period with the draft constitution providing a temporary legal framework for the continued mandate of the TG. The National Independent Electoral Commission was also established and a full election calendar (including an early referendum on the constitution) was announced that would be completed during the six-month extension. A practical demobilization plan was developed that included incorporation of all armed groups into the army, a disarmament program to be carried out by the UN Peacekeeping Mission before the elections, and phased demobilization of approximately 15,000 soldiers per year over a five-year period.

Certainly there is no guarantee that the elections will be non-violent or generally accepted as free and fair. Nor is it certain there will not be a breakdown in relations between the APRA signatories that could result in a return to armed conflict. There is always the potential that extremists who feel that the transition processes have now definitively excluded them will resort to terror or sabotage to derail the elections. But there is a new optimism that a combination of the progress noted above, war-weariness on the part of the population and resignation by some potential spoilers to what are increasingly perceived as inevitable political changes, will ensure a relatively peaceful and successful completion of the APRA transition.

The post-transition government (PTG) which may be seated as early as May 2005 will face numerous challenges including:

- Weak/non-existent governance structures and a failing economy. Years of civil war, neglect and control by elite groups that have sought personal enrichment over accountable, transparent governance and free market and private sector development have destroyed most governance structures. The transition government now in place is more a government of the peace process than of the country. Corruption in the market system has undermined private-sector investment.
- Deep social inequality. A legacy of decades of minority domination of economic and educational opportunities has created deep divisions and mistrust at both ethnic and regional levels.
- Minimal financial resources. Lack of resources will severely limit the government's capacity to develop and implement sound policies or even pay the salaries of civil servants.
- The continuation of security sector reform. The Burundian army will need continuing assistance to complete the program of integration and training and in building a military that represents national interests, respects human rights, and is subordinate to democratically-elected civilian authority.
- A barely functioning judicial system. The judicial system lacks human and institutional capacity. A history of corruption and political manipulation contribute to a huge backlog of litigation at all levels and a pervasive culture of impunity throughout the country.
- Land disputes. Land tenure reform is likely to advance very slowly. As refugees and IDPs return and population increases, subsistence farming will be increasingly unsustainable as a primary source of livelihoods.
- The re-integration of refugees, IDPs, demobilized soldiers and ex-combatants. This is likely to be a multi-year process that will require well-organized, short-term assistance to returnees and host communities alike, as well as real and increasing economic opportunities for both.
- Insecurity. The FNL rebel group, which has yet to cease fighting and join the government, will likely continue to cause instability in areas of Burundi (particularly in the Bujumbura Rural province near the capital). Increasing criminality may result from both soldiers and ex-combatants frustrated with the limitations of peacetime lifestyles. In this context any new government may be tempted to impose a strict security regimen with little regard for legal restrictions or basic human rights.

Burundi's PTG will require continued assistance and support from the international donor community if it is to effectively address these challenges.

It is also important to consider Burundi in the larger regional context. As the August 2004 massacre of more than 150 Congolese Tutsi refugees at the Gatumba camp in Burundi demonstrates, the ethnic divisions do not respect borders and have spillover effects for all countries in the Great Lakes region. The FNL is drawing support from outside Burundi, and the recent increase in tensions between the DRC and Rwanda highlight the need for Burundians to remain focused on promoting peace and reconciliation at all levels. Due to its small size and lack of natural resources, if Burundi is to achieve sustainable economic growth, it must develop its economy in the context of a larger, more integrated regional economy.

## **USAID PROGRAM**

As reflected in the make-up of the stock-taking team, there are many different offices within USAID that are active in Burundi. The USAID program in Burundi represents a unique opportunity for creating innovative linkages among USAID offices and their respective programs. The Burundi program currently receives funding from AFR, FFP, OFDA, OTI, CMM and PVC. While there is not a USAID mission in Burundi, AFR, OFDA and OTI each has one representative responsible for program management located in Bujumbura. These three individuals work closely with each other as well as the U.S. Embassy, REDSO, OFDA/ECARO and DCHA to ensure effective program implementation. They also provide support to their counterparts in FFP, CMM, and PVC with respect to program monitoring and evaluation.

In addition to USAID support, State PRM provides significant resources for Burundi, funding UNHCR programs for refugees.

**FFP** -- Food For Peace supports targeted interventions through WFP for war-affected and other vulnerable groups including IDPs, refugees and returnees. WFP is providing assistance to over 680,000 beneficiaries monthly and distributing 85,000 MT annually. One of WFP's main activities is providing a three-month resettlement ration to returning refugees from Tanzania. Near-term opportunities to transition away from emergency food aid are limited as Burundians still engage in conflict-related coping mechanisms such as cultivating quick-growing crops, harvesting crops too early, and immediately selling crops for cash due to fears of displacement and to prevent looting. Cassava-mosaic disease is also depleting non-mosaic resistant crops, a primary source of caloric intake. The USG is the largest donor to WFP in Burundi.

**OFDA** – In FY 04, OFDA provided \$11 million in humanitarian assistance through 12 UN and NGO partners focused on emergency nutrition, food security, community-based health care, rapid response to short-term displacement and disease outbreaks, coordination of humanitarian aid, and water/sanitation. OFDA also supports a food security early warning system implemented through FAO.

Examples of innovative OFDA programming include:

- A multi-year initiative to rehabilitate and strengthen basic infrastructure in communities expected to receive large numbers of returning IDPs and refugees. These humanitarian programs have been linked to activities focused on peace, tolerance and reconciliation to encourage acceptance of refugees into communities that have suffered extensively over the past decade.
- Market-based seed fairs through Catholic Relief Services, in collaboration with the Diocesan Development Offices of the Burundian Catholic Church, targeting over 40,000. These seed fairs match small-scale buyers with sellers through the use of vouchers, and increase beneficiary control over the quantity, type and quality of seeds while pumping much needed cash into the local economy.

**OTI** -- The Office of Transition Initiatives (OTI) program began in March 2002. With a \$7.5 million 2004 budget, OTI supports the ongoing APRA peace process in Burundi by strengthening local capacities to benefit from and contribute to the peace process. PADCO, Inc., the Woodrow Wilson International Center for Scholars and a local NGO, African Strategic Impact, implement OTI's program and manage field offices in the provinces of Gitega and Ruyigi. Through the Community-based Leadership Program, vocational skills training, small grants and media components, the organizations encourage local-level cooperation for mutual problem solving, the generation of new off-farm income, and the dissemination of timely and balanced information that encourages broad participation in discussions related to the peace process. The organizations work closely with community groups, government entities, media outlets, NGOs, international organizations and other USAID offices to maximize positive outcomes.

**PVC** -- Private Voluntary Cooperation (PVC) is programming \$6.7 million from 2002 through 2007 to support U.S. Private Voluntary Organizations to build the technical, organizational and financial capacity of Burundian NGOs so that they will be better prepared to deliver development services. The targeted NGOs are active in maternal child health, preventative health and HIV/AIDS, democracy, governance and micro finance.

**CMM** -- CMM is providing funding for activities to mitigate land-related conflict, enhance food security and livelihood opportunities, and support community-based reconciliation. The activities address the land issue by providing opportunities for participatory dialogue and by creating alternative livelihood opportunities which stimulate economic growth.

**AFR/REDSO** -- The REDSO program evolved from activities initiated by the Great Lakes Justice Initiative supporting conflict resolution and dialogue and the strengthening of civil society. The program now consists of activities addressing good governance, food security and access to basic social services -- specifically the health sector, including HIV/AIDS. The ongoing program promotes peace, reconciliation and good governance by supporting unbiased media, teaching conflict resolution methods, and encouraging civil society participation, particularly among women and youth. A key addition in 2004 was provision of direct support for the Electoral Commission and for civic education on the elections. Activities also aim at improving livelihoods and enhancing food security through increased economic and agricultural opportunities and safe water and sanitation. Other activities improve the quality of life by providing access to basic social services such as child and maternal health care, immunizations, malaria prevention, HIV/AIDS care and prevention, and support for victims of torture. Many of the NGO partners implementing AFR-funded programs are building on activities previously funded by ODFA. The FY04 funding for REDSO-managed programs is a mix of resources from DA, CSH, ESF, CMM and Victims of Torture.

### **FY 2003 – 2005 ISP**

The ISP for Burundi (FY 2003 – 2005) was approved in April 2003. The ISP is based on three scenarios: 1) a continuation of the then basic stagnation of the implementation of

the Arusha Peace and Reconciliation Agreement (APRA); 2) successful conclusion to the cease-fire negotiations and implementation of the APRA; and 3) a breakdown in the APRA and a substantial increase in violence. The ISP laid out parameters in which all sectors were to adhere: limit the number of priorities, maximize partnerships with multilateral and NGO partners already on the ground, limit the number of management units, design flexible activities, and exploit USAID's comparative advantage.

Under this ISP three new Strategic Objectives and their respective IRs were approved:  
SO6 – Good Governance Enhanced

- IR6.1: Transition institutions and peace processes strengthened.
- IR6.2: Civil society participation increased.

SO7 – Food Security Enhanced

- IR7.1: Vulnerable groups receive effectively targeted assistance.
- IR7.2: Increased opportunities provided for productive livelihoods.
- IR7.3: Sustainable natural resources management practices adopted.

SO 8 – Access to Basic Social Services

- IR8.1: Increased availability of client-oriented health services.
- IR8.2: HIV/AIDS & infectious disease prevention, care and support programs expanded.
- IR8.3: Safe water and sanitation more widely available.

For each SO the stock-taking team assessed: 1) the results of USAID-funded activities; 2) the relevance of the SO structure given the current state of the transition and 3) the extent of the integration of USAID-funded activities. A similar approach was also used to facilitate discussions related to the eventual phase-out and/or program integration of OFDA, OTI and FFP programs.

*Where are we?*

Burundi is somewhere between scenario 1 (a continuation of the basic stagnation of the implementation of the APRA) and scenario 2 (a successful conclusion to the cease-fire negotiations and implementation of the APRA.) The next several months are critical. The degree of success of the upcoming elections will be a strong indicator of Burundian leadership's political will and commitment to the transition process.

*Where are we going?*

The team agreed that it should plan for a successful election that produces a democratically elected-president. However, even under this assumption there are different scenarios that could play out.

- 1) Peace holds. The elections result in a democratically-elected president that is deemed legitimate by the Burundian population.
- 2) Festering of disgruntlement. Under this scenario the government would make genuine efforts at reform but the population sees very few results. The situation is very tense and fragile and the transition could still fall apart.

- 3) Elections create more division. Under this scenario, the elections would further exacerbate divisions in society.

## **FINDINGS AND RECOMMENDATIONS**

These findings and recommendation are the result of a collaborative process among all participants including the U.S. Embassy in Burundi. This is reflected in the team's efforts to look for linkages among different program elements to enhance complementary geographic overlap and the leveraging of resources for maximum impact. The team's recommendations also reflect efforts to best position development assistance programming to serve as a follow-on to DCHA-funded activities.

On a broad basis, the team determined that it is appropriate to continue the programmatic areas of focus approved for the FY2003 – 2005 ISP: Democracy and Governance, Food Security, and Basic Social Services (Health). As the transition process moves forward however, it is important that USAID maintain flexibility in its programming. After a democratically-elected government is in place, it is likely that Section 508 restrictions will be lifted thus allowing USAID to provide direct support to the Government of Burundi. While USAID is likely to continue to provide the majority of its support through NGO partners, the lifting of 508 restrictions would allow programming in support of policy-level reforms and other capacity building activities in all sectors which will be critical to the success of the post-transition government.

The team also concluded that, while elections are an important step in the transition, the USG should determine its future programming based on benchmarks or performance indicators which demonstrate a strong commitment and political will by the PTG for necessary policy and economic reforms. It would be ideal if these performance indicators were determined in conjunction with other international donors and U.N. organizations. These could include benchmarks related to rule of law, liberalization of the economy, transparency, anti-corruption and government expenditures (e.g. how much is devoted to social sectors as opposed to the military). In creating these benchmarks, USAID should focus on sectors where it is feasible to reach a donor consensus on what is expected from the PTG. However, given Burundi's legacy, these benchmarks should not be overly ambitious or exact.

## **SO 6 – GOOD GOVERNANCE ENHANCED**

### **Findings<sup>1</sup>**

OTI programs in support of this SO are focused on building re-integration capacity at the community level with emphasis on vocational skills training and support for both

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<sup>1</sup> The team agreed that the current conflict and DG programming is appropriate in the pre-election period. The findings and recommendations are based on the assumption that elections will take place in 2005.

government and independent radio. There is increasing pressure from OMB and Congress for OTI to meet a close-out deadline of June 2006.

Both REDSO and OTI have media components to their programs. The respective results of each component must be explored to determine where there are complementary or overlapping activities.

All current REDSO conflict and DG programs will come to an end by September 2005.

There is currently no USAID program – either OTI or REDSO – designed to provide assistance to the post-transition government.

All actors in Burundi are currently focused on meeting the concentrated elections timetable. Some donors have longer-term conflict and DG programs that will continue beyond FY 05, but only a few have undertaken efforts to develop new programs specifically for the post-transition environment and these are not well advanced.

OTI's FY 2005 budget for its community-focused reintegration program is cut by 34% from last year at a time when:

- DDR is just getting underway.
- Refugee returns are hoped to return to levels witnessed earlier in 2004.
- Reintegrating IDPs into their communities is a high priority.
- General community recovery will be critical to the long-term stability of the peace process and Burundi's resumption of development activities.
- Elections are pending.

Some USAID funding for governance/conflict activities has been offered in a hurried or piecemeal basis, inhibiting solid program design.

### **Recommendations**

1. USAID should recognize that the end of the formal APRA process does not mean that the transition is over. Future programming should reflect the fact that Burundi will face continuing political uncertainty, instability and insecurity for the next several years.
2. USAID should consider mechanisms with maximum flexibility through which it can provide early support to the PTG. Activities could include short-term technical assistance for early reform efforts and support for multi-stakeholder policy discussions. Early support for the PTG will demonstrate U.S. support and build confidence.
3. REDSO should lead an inter-bureau (possibly multi-donor) assessment/design to define post-elections programming in the conflict and DG sectors. This should be undertaken during the first trimester of 2005 and include broad participation from USAID/W and REDSO. It should focus on:

- Support to the national legislature and civil society to encourage participatory governance and to promote the establishment of political counterweights to the strong executive branch defined in the draft constitution.
- Support for efforts to build effective civil society/government development partnerships at the local level.
- Promotion of the rule of law through support for the judicial system, anti-corruption, efforts to reform the legal code, monitoring and reporting on human rights, and possibly support for community policing.
- Efforts for better coordination of the re-integration aspects of DDR.
- Support to independent media and national and local reconciliation.
- DG aspects of encouraging broad-based economic and private sector development (in coordination with efforts to build civil society/government partnerships).

It should also consider which elements of the current OTI program can and should continue beyond OTI's presence in Burundi and recommend modalities for handover.

5. USAID should explore program options for continuing support to the DDR process. The OTI vocational skills training (VST) program may offer a model for continued USAID assistance to the reintegration process and alternative livelihood activities. An evaluation of the results/impact of this program is forthcoming. If the job placement statistics for the graduates of the VST programming are encouraging, USAID should also consider an effort to solicit other support for the DDR process for this model program.

6. USAID should provide increased development assistance to support conflict and DG programs on a more assured basis.

## **SO7 – FOOD SECURITY ENHANCED**

### **Findings**

Approximately 90 percent of the population relies on subsistence agriculture. This is not sustainable in the long-term given population density and land issues. Alternative livelihood activities are essential.

FFP-funded activities are currently managed from REDSO. The security situation has made it difficult for REDSO's FFP officer to effectively monitor and evaluate these programs.

The livelihood program funded by REDSO is building on earlier OFDA-funded programs. Working with a consortium of four NGOs, it improves access to seed and veterinary drugs, demonstrates improved farming and soil conservation practices, promotes and distributes improved breeds of goats, and improves management of community resources on hillsides and in swamplands. Implementation is now well underway and is benefiting both settled and returning families (refugees and IDPs).

Beneficiary targeting in the livelihoods program is often different from that of OFDA and FFP activities, moving from the most vulnerable to farm households that can increase their productivity and find market opportunities.

The geographic scope of the REDSO-funded livelihoods project scope is limited to a few communes in only 4 provinces, but with more funding could be readily expanded.

A lack of growth in the overall Burundian economy will deter successes in food security/livelihoods programs.

Cassava Mosaic Disease has destroyed cassava crops in northeast Burundi and is spreading throughout the country. As cassava is a key staple and income-generating crop for Burundians, this disease poses a major threat to food security in the country. But this disease isn't new: it has been plaguing the eastern and central African region for over ten years, and USAID programs and their partners in Uganda, Kenya, DRC and elsewhere have accumulated valuable experience in dealing with it. However, scattered, localized efforts working within short time frames cannot provide enough resistant planting material to stop the spread of the disease or to significantly improve food security.

### **Recommendations**

1. REDSO should hire an FSN in Burundi to monitor and evaluate FFP programs. This person would also serve as a liaison with the other offices to ensure the integration of FFP activities with the other strategic objectives.
2. USAID and its partners should take a leadership role in the multiplication and distribution of cassava varieties resistant to the mosaic disease. The NGO consortium should develop a clear strategy for obtaining appropriate varieties and for setting up efficient multiplication chains to get enough clean material into enough communities to make a major difference. Within Burundi, this effort should be coordinated with the FAO, ISABU and other agencies. Within the region, it should be coordinated with REDSO-funded programs operating under the regional research association ASARECA and with IITA and other international research organizations working on the disease. It should build on the lessons and best practices of USAID-supported programs elsewhere.
3. USAID should examine the viability of the coffee sector and undertake a study that looks into off-farm economic opportunities.
4. USAID should continue to support linkages among the OFDA, REDSO, FFP food security programs as well as with OTI programs.
5. USAID should work with its livelihoods and food security partners to look at opening bottlenecks to increased production/achieving food security; marketing, roads, bridges, etc. As peace takes hold, it should expand the livelihoods program to other communes and provinces as funding permits.

6. USAID should continue to encourage environment and conservation activities as a component of the livelihoods program. This includes tree planting, agro-forestry, and erosion control.
7. USAID should encourage PVOs to build capacity of national NGOS.

## **SO8 – ACCESS TO BASIC SOCIAL SERVICES IMPROVED**

### **Findings**

The TG's support to the health sector is minimal. Only three percent of the budget is dedicated to the health sector and the majority of those resources are concentrated in the capital. The provincial health structure is fragile and vulnerable.

With substantial OFDA support, the NGOs and key UN agencies are holding the health system together. Without their support, many of the provincial health clinics would cease to operate.

Returning refugees and IDPs will likely increase the strain on a system that is already unable to respond to the needs of the population.

USAID/Washington has not allocated separate funding for HIV/AIDS activities in Burundi in FY 2004, 2005 and beyond. As in FY 04, REDSO is being called upon to fund Burundi programs from its modest regional program (\$750 thousand from an FY05 allocation of \$6.75 million). This amount is too small to mount effective programs for attacking the HIV/AIDS problem in Burundi, yet will compromise achievement of the regional program's objectives.

### **Recommendations**

1. USAID should continue providing substantial humanitarian assistance to the health sector.
2. USAID should continue funding health activities in Muyinga and Kirundo provinces. If additional funding becomes available, REDSO should expand this project to other areas in Muyinga and Kirundo as well as to adjacent provinces. The geographic scope of the health program should remain flexible with respect to the security situation. In addition, USAID should explore ways to integrate health programs with livelihoods and food security activities in the provinces.
3. USAID should continue to work with UNICEF and WHO to have an impact at the national level.
4. USAID should provide independent, substantial HIV/AIDS funding for Burundi.

## BUDGET<sup>2</sup>

### USAID – BURUNDI FUNDING SUMMARY (\$ thousands)

Fund Type	2003	2004	2005 (planned)	2006 (planned)
DA	4,149	2,310	1,543	1,697
CSH	750	880	1,731	1,680
ESF	1,250	3,479	3,250	3,575
HIV/AIDS	1,750	700		
<b>Total dev't funds</b>	<b>7,899</b>	<b>7,369</b>	<b>6,524</b>	<b>6,952</b>
FFP Title II	23,838	19,880	11,880	
OFDA	11,943	11,470	6,500	
OTI	3,700	7,500	5,000	
DCHA-DG		500		
DCHA-CMM		500		
DCHA-PVC	2,378	732	732	732
<b>Total DCHA funds</b>	<b>41,859</b>	<b>40,582</b>	<b>24,112</b>	<b>732</b>
<b>GRAND TOTAL</b>	<b>49,758</b>	<b>47,951</b>	<b>30,636</b>	<b>7,684</b>

### Findings

During the ISP planning period, DCHA-provided resources have accounted for three quarters or more of total USAID resources provided to Burundi. This is not surprising given the dire humanitarian situation and transitional status of the country.

During this transition, humanitarian assistance has been filling the gap in social services thus allowing space for the development of the peace process. The transition will continue long after the elections, and humanitarian assistance will continue to be needed.

The civil war has exacerbated social indicators over the last 11 years, making the population extremely vulnerable to the slightest shock. Burundi suffers from chronic poverty which must be addressed as aid shifts from relief to development.

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<sup>2</sup> Recommendations in this section are based on an assumption that elections will be held in 2005 and the country will remain at peace. While USAID should plan for peace, OFDA is prepared to respond should the situation deteriorate.

OFDA's FY 05 budget is being cut by 40 percent at a time when:

- Malnutrition rates remain high and appears to be rising in some areas.
- The health care system cannot function without donor assistance.
- The population remains food insecure with the ability to only feed itself 9 months of the year.
- A successful political transition depends on the will of the people, yet continuing poverty will diminish this will.

If Burundi's elections succeed and stability becomes more assured, then there will be increasing opportunities for longer term development investments, and the balance of humanitarian/development funding would be expected to tip more in favor of the latter.

### **Recommendations**

1. USAID should maintain its humanitarian assistance program. The humanitarian situation should be re-evaluated as the PTG demonstrates its ability to respond to the needs of the population – including returning IDPs and refugees.
2. USAID should explore possibilities to build further linkages between OFDA- and REDSO-funded programs. Limited funding will require innovative approaches which will enable USAID to reach the largest number of beneficiaries.
3. USAID should maintain adequate programming levels for OFDA. Funding should not be cut this year given the current humanitarian situation and expected returnees.
4. As Burundi achieves stability and a democratically-elected government, USAID should increase its development budget, particularly DA, CSH and HIV/AIDS funding, to provide a more stable funding base for longer-term development investments.

## **MANAGEMENT AND STAFFING**

### **Findings**

Security remains an issue, compelling TDYs to be limited. This was a major constraint on program implementation in FY 2003 and to a lesser extent in FY 2004. Security concerns also limit the number of long-term official American personnel in-country. However, the security situation is improving, and if the elections succeed, then USAID can look to modestly increasing the number of its long-term American personnel.

The security situation does not constrain the number of USAID FSN personnel in Burundi. However, limited secure office space and funding are constraints.

Communication between USAID/Burundi staff and the REDSO Management team needs to be strengthened and formalized.

## **Recommendations**

1. REDSO should lead monthly meetings alternating between Bujumbura and Nairobi to encourage coordination and collaboration among all members of the USAID/Burundi Team. The REDSO Mission Director and LPC Office Director, and OFDA Regional Advisor should plan more regular travel to Bujumbura.
2. USAID should hire an FSN who would be responsible for monitoring the food aid program in conjunction with REDSO/FFP.
3. The USAID/Burundi field staff should institutionalize informal coordination mechanisms which are already in place.
4. USAID should consider hiring senior FSN technical experts for each SO area in order to ensure effective monitoring and evaluation as well as to promote linkages among the different USAID offices. These positions would be in addition the FFP FSN noted earlier. These experts should work together to standardize monitoring and evaluation among offices and programmatic areas.
5. If the elections are successful, USAID should establish a modest USAID Mission in Burundi. Planning for this and recruitment of a USDH mission director or representative with delegation of authority should begin once there is a successful referendum. This officer should be recruited from the senior foreign service via the SMG process, with mobilization soon after successful elections. Once the director is in place, the Mission would report to USAID/W (along with continued reporting to the U.S. Ambassador in Burundi), and REDSO's role would become one of service provider. (Establishment of the Sudan Field Office, with effective collaboration by USAID/W, the Nairobi Embassy and REDSO, can serve as a model.)

## **LEGAL ISSUES**

### **Section 508 Restrictions**

Burundi is subject to Section 508 of the Foreign Operations Appropriations Act (FOAA). Section 508 prohibits direct assistance to the government of a country where a democratically elected government was deposed through a military coup. There is no waiver available for Section 508, but the provision does provide one exception, allowing assistance "to promote democratic elections or public participation in democratic processes" (subject to Congressional notification).

There are several notwithstanding authorities that USAID can apply to overcome the Section 508 restriction. All activities funded from the Child Survival and Health, International Disaster and Famine Assistance (IDFA) or Transition Initiatives (TI) accounts are subject to broad notwithstanding authority. Africa Bureau requires approval of the Assistant Administrator for use of notwithstanding authority. For FY2004 the AA approved the use of the Child Survival notwithstanding for all country restrictions for

Africa. It is likely that a similar approval will be forthcoming for FY2005. There are other purpose-related notwithstanding authorities that apply to DA funds for anti-corruption activities, assistance to victims of trafficking and to combat trafficking in persons (subject to CN), for victims of war and for displaced children.

USAID does not have a bilateral agreement with Burundi.

**Recommendations:**

1. After elections take place, and provided the process meets the criteria, USAID should work with the Department of State to ensure the timely lifting of section 508 restrictions. This does not mean however, that USAID should immediately begin to provide direct support to the PTG.
2. REDSO should work with USAID/W and the Embassy in Burundi to negotiate a bilateral agreement with the government of Burundi.

**CONTRACTING ISSUES**

**Need to compete**

Every other year, the trend for REDSO-managed programs has been to extend existing Grant and Agreements without a competitive process. This scenario had led to some programs having their Estimated Costs increase from a base of \$3 million to \$10 million.

**Recommendation:**

New activities should be competed.