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Burundi Agribusiness Program: PY 3 Q3 Quarterly Report

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Prepared for: Alice Nibitanga, Cognizant Technical Officer, USAID/Burundi
James M Anderson Country Representative, USAID/Burundi

Prepared by: Benjamin E Lentz, Chief of Party DAI/BAP
17 Rue de Coton, Qtr. GATOKE
BP 1643 Bujumbura, Burundi
Ben_Lentz@dai.com

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Acronyms and Abbreviations

ADC	Agent de Développement Communautaire
AFAB	The Burundi Association of Women Entrepreneurs
ARFIC	Agence Régulateur de la Filière Café
ASBL	Association sans but Lucratif
AVEDEC	L'Association Villageoise d'Entraide et de Développement Communautaire
BAP	Burundi Agribusiness Program
BBIN	Burundi Business Incubator
BBN	Burundi Bureau of Normalization
CAPAD	The Confederation of Agricultural Producer Associations for Development
CECM	Caisse d'Epargne et Crédit Mutuelle
CERADER	Centre de Recherche Agronomique et du Développement Rurale (U Ngozi)
CNAC	Confédération National des Caféiculteurs
CNTA	Centre Nationale de Technologie Agro-Alimentaire
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CQI	Coffee Quality Institute
CTO	Cognizant Technical Officer
CURDES	Centre Universitaire de Recherche sur le Développement Socio-économique
CWS	Coffee Washing Station
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
DG	Directeur Général (Managing Director)
DPAE	Direction Préfectorale de l'Agriculture et Elevage
EAFCA	East African Fine Coffee Association
EAWEExN	East African Women Entrepreneurs Exchange Network
ESF	Economic Support Funds
EU	European Union
FAO	Food and Agricultural Organization of the United Nations
FBU	Francs Burundais
GAP	Good Agronomic Practices
GDP	Gross Domestic Product
GMP	Good Management Practices
GOB	Government of Burundi
HACCP	Hazard Analysis and Critical Control Point
IAB	Industrie Agro-alimentaire de Buterere (dairy)
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INADES	Institut Africain du Développement Economique et Sociale
IQC	Indefinite Quantity Contract
IRAZ	Institut de la Recherche Agronomique en Zootechnie
ISABU	Institut de Recherche Agronomique du Burundi
KIST	Kigali Institute of Science and Technology
KTBH	Kenyan Top Bar Hive
LOE	Level of Effort
LOL	Land O'Lakes

MFI	Micro-Finance Institution
MINAGRIE	Ministère de l'Agriculture
MCC	Milk Collection Center
MOU	Memorandum of Understanding
MSU	Michigan State University
NGO	Non-Governmental Organization
OTF	On the Frontier
OCIBU	Office du Café de Burundi (Coffee Board)
PAGE	Projet d'Appui à la Gestion Economique
PHAST	Participatory Hygiene and Sanitation Transformation
PRASAB	World Bank Funded Development Program in Burundi
PO	Producer Organization
PP/S	Participants per Session
SCAA	Specialty Coffee Association of America
SCAE	Specialty Coffee Association of Europe
SCEP	Service Conseil aux Efforts de Privatisation
SCP	Soil Conservation Practices
SIVCA	Société pour la Valorisation Industrielle du Café
SODECO	Société de déparchage du Café
SOGESTAL	Société de Gestion des Stations de Lavage
STTA	Short Term Technical Assistance
UHT	Ultra-High Temperature
USD	US Dollar
USG	US Government
VC	Value Chain
WB	World Bank

Introduction

This third quarter of BAP's third project year, the first after receiving approval for our PY 3 workplan and budget as well as our funding obligation, was one of diverse, varying and concentrated activity. The third quarter corresponds to the harvest season for Burundi's coffee crop as well as the principal rainy season. This year it also corresponded to the beginning of Burundi's six month electoral season, including the first two rounds of elections, the communal and the presidential.

Despite electoral campaigning, a number of extra holidays linked to distribution of voter registration cards, and the exercising of every Burundi adult's civic duty (voting) as well as a slight uptick in violence linked either to electoral discontentment or the results of the World Cup matches, we were able to continue our work in the field with only minor disruptions.

During this reporting period BAP hosted a field visit by US Ambassador Pamela Slutz and members of her staff, IMF Country Representative Koffi Yao, representatives of the Burundian Ministry of Agriculture to project activities in Kayanza and Muramvya Provinces. This high level, well publicized visit gave us a chance to showcase our activities. It permitted direct dialog between our clients, donors and our supporting technical ministry's representative on impacts, constraints and lessons learned in implementing the first post conflict development assistance program specifically targeting sustainable economic growth in Burundi through a value chain approach, with emphasis on benefits accruing in the rural areas.

In this quarter BAP's DCOP Allison Williams became fully operational and began adding her unique perspective to program operations and technical interventions. With her addition to the team we are reviewing our protocols and processes and identifying areas of weakness needing reinforcement. We have all benefitted from her arrival, questioning attitude and willingness to both pitch in and learn. With her assistance we are intensifying our technical assistance and capacity reinforcement to staff, field agents and clients.

In Coffee we continued to assist cooperatives and washing station management to improve their capacities be they organizational, agronomic, in the adoption of new technologies, procedures and methodologies- including improved traceability of dry lots and the beginning of differentiated processing of cooperative coffee from that of individual farmers and collectors. During this quarter, the Alliance for the Cup of Excellence continued its efforts to train Burundian cuppers, Sustainable Harvest offered training in improved washing station management protocols and the production, application and benefits of organic compost, and AgriDev assisted the sector in beginning its reflections concerning the formalization of value chain alliances and the contracting of services in a post privatized sector. BAP and MSU in collaboration with ARFIC and InterCafe produced a number of publicity materials, PR presentations, new maps, posters and videos in order to improve the presentation of Burundi's Coffee at Trade shows like SCAA and SCAE. BAP worked with coffee sector actors to assist them in

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

identifying their priorities for participation in the Trade shows, arranged meetings with key buyers, roasters, importers, and financiers; and leveraged contributions from US Specialty Buyers, particularly Intelligentsia Coffee, for improved coffee preparation technology and freshly roasted Burundian Coffee. Jeff Taylor of PT's Coffee provided a professional photo montage and DVD with images from Burundi to be used in promotional materials. With improved publicity materials, upgraded technology and a well placed booth, as well as superlative coffee, Burundi's stand at the SCAA in Anaheim, though probably too small, attracted a great amount of attention, including 350 "hits" of people interested in learning more about Burundi and its coffee, or in increasing their commitment to purchasing Burundi coffee in 2010. The buyers tour, organized in early June was a great success. Buyers came from Canada, the US and the UK. Over 162 different samples of coffee were cupped in three marathon sessions. A number of very fine coffees were identified; but too, it became apparent the depth and breadth of Burundi's "potato" problem as samples from 21 of 54 washing stations providing samples had at least one day lot with potato taste. BAP is currently mapping these stations and using a cluster analysis to determine characteristics they may have in common so we may better target our agronomic interventions to alleviate, if not solve, this endemic problem. We remain concerned about the productivity of Burundi's coffee, as once again, production will not attain projected targets and are focusing our efforts on collaborating with ISABU and the University of Ngozi as well as interested specialty coffee buyers committed to investing in Burundi to alleviate agronomic stress, stabilize production, increase overall soil fertility and thus yield higher productivity in the medium term.

In Dairy, we continued our assistance in the development of a favorable environment for zero grazing intensified dairy production systems with the monitoring of the lead farmer/ community livestock extension agents, continuing improvement of available forage and the development of grant request documents for the installation of milk collection centers in Bukéyé and Rutegama. With assistance from Land of Lakes BAP provided technical advice to dairy farmers and processors to assist them in upgrading their enterprises in the hopes that this will translate to greater volumes of quality milk and milk products available to Burundian consumers at affordable prices.

In Horticulture supply side activities during this reporting period concentrated on providing technical training on small scale irrigation, trellising, planting density, seedling production, grafting techniques and good harvesting practices to client associations as well as monitoring grants already received and promoting new grants for expanded horticultural production. On demand-side, this quarter was characterized by a greater emphasis on wooden box (*Cageot*) extension for fruit and vegetables transport and on the relocation of Muramvya vegetable market. BAP also began piloting activities in drip and sprinkler irrigation in Kirundo province, solar drying technologies and improved nursery seedling production in Bubanza and Kirundo provinces.

Our activities in women's leadership in addition to on-going capacity reinforcement in organizational management and simple BDS focused on three fundamental areas – improved functional literacy for rural women's association leaders in Bubanza, Bujumbura Rural and Cibatoke provinces, promotion of modern

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

beekeeping and other diverse micro-enterprises in Mwaro and Gitega provinces, and sponsoring women leader's participation at regional and international trade shows and entrepreneurship workshops.

In grants and financial intermediation BAP has made steady progress providing technical assistance, evaluating and disbursing grant financing to BAP partners. Eight new grants were approved this quarter and 12 others are currently under review. Under the DCA facility, one loan was disbursed, two other dossiers were submitted for consideration- one by a microfinance institution and another by a private entrepreneur seeking to improve dairy processing facilities in Bururi province to serve the needs of the Southern provinces of Burundi. Our small grants program continues to exhibit a certain lethargy, both in terms of volume of grants received, approved and disbursed, and in the pipeline of grant requests. We are reviewing our processes, systems, and the technical assistance we are providing to our clients to ensure they are well adapted and as efficient as possible.

In Community Water we are pleased to announce that six effluent control systems are now operational in the project zone. Further, hygiene and sanitation training has been offered to leaders and communities in our intervention zone and we are on the verge of finalizing the contracting of the community infrastructure renovations at four sites in Kayanza and Muyinga provinces. We expect these systems to be operational by the end of the fiscal year, along with an additional three effluent control systems at washing stations in Kayanza and Ngozi Provinces.

Finally, the Burundi Business Incubator made great strides during this quarter. Legal statutes were drafted, an executive committee was elected, a project coordinator and incubator director was hired, an exchange visit to incubators in Rwanda was organized, the business plan was finalized and, by the end of the quarter, the ASBL had received its legal recognition from the Ministry of the Interior.

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Value Chains

Coffee

Introduction

Coffee Sector activities were intense during this reporting period. April through June is the principle coffee harvest and wet milling season in Burundi. It is also the period when the American Specialty Coffee Association Meetings and those of the Specialty Coffee Association of Europe occur. It is the period when coffee buyers start to visit with the intention of cupping the new harvest to identify potential lots, meet the growers and coffee sector actors and begin direct sales negotiations. This year this season also corresponded with the beginning of Burundi's six month electoral season. Included in this time frame were both the Communal and Presidential Elections as well as the period reserved for the distribution of voter registration cards.

During this reporting period BAP continued our assistance to the coffee farmer associations in order to enable them to render better service to their members while improving their agronomic practices, harvesting, selection and conditioning methods. We monitored implementation of improved processing technologies, the separation of day lots and improvements to record keeping for improved traceability. BAP in conjunction with Agronomists from Sustainable Harvest in Tanzania promoted the production and use of organic compost developed using residual coffee pulp, implemented six pilot effluent control systems with accompanying latrines, health, hygiene and sanitation training. With ACE facilitation another course for upper level beginners/intermediate cuppers was facilitated. We began working on the formalization of alliances between coffee sector actors and assisted in preparations for participation at SCAA, including providing guidance to participants on do's and dont's for Trade shows, producing improved brochures, folders, maps, posters and a DVD presentation. BAP also facilitated participation at SCAA for three key coffee sector actors, including two women exporters and the President of the Coffee Reform Committee. BAP arranged with industry leaders to upgrade and train trade show booth hostesses in coffee preparation and the reception of visitors. We continued to negotiate outside lending for the sector and to work with bankers in Burundi to reduce their interest rates and liberalize the types of guarantees required. We also continued our radio programming to inform coffee sector actors of on-going reforms and market trends. Noting that the predicted production figures will once again not be attained, BAP has entered into consultations with ISABU and the University of Ngozi to implement operational farming system protocols designed to increase per unit productivity and overall soil fertility in coffee plantations of the project zone.

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Enterprise Development

Training Sessions facilitated by ADC for Lead Farmers

During this reporting period a total of 114 training sessions were held for Lead Farmers at pilot washing stations. Total participation was 3277 of whom 688 (21%) were women. Women's participation varied per Province from a high of 36% in Gitega, to a low of 9% participation in Ngozi.

In general the themes developed treated one of the following large categories of topics:

1)	Organization and Management of Producer Associations	30.7%
2)	Maintenance of coffee plantations (pruning, thinning, mulching and pest control)	27.2%
3)	Improved Coffee Processing	20.2%
4)	Project planning and business plan development	13.2%
5)	Soil Fertility and Composting	8.8%

Overall women's participation was highest when pest control and composting were discussed and lowest for sessions related to business plan development and maintenance of the coffee plantations.

The average number of training sessions facilitated by ADC during this reporting period for Lead Coffee farmers was relatively weak averaging 3.8 sessions/ADC/month. Reasons given for this phenomenon were-

- Strong, frequent rains in April and May
- Peak Harvest Season in May/June
- Electoral Campaign for the communal and presidential elections in May and June

Cascading Training Sessions offered by Lead Farmers on their hillsides

During this reporting period Lead Farmers facilitated a total of 664 sessions on hillsides adjacent to pilot washing stations. A total of 24,288 participants assisted at these sessions an average of 36.58 pp/session. Women's participation averaged 40.1%. A total of eight different themes were developed. Fully 50% of all sessions occurred on hillsides in the provinces of Kirundo and Muyinga. Provinces where this type of training was least effective were in the Sogestals of Kirimiro and Mumirwa. The most frequently offered themes were agronomic management of coffee plantations (280 s) and Improved Processing of Coffee (279 s). The least facilitated themes during this reporting period are: Nursery preparation and management of farmer's associations (2 sessions each). Greatest mean number of participants per session was registered for the following themes:

1)	Nursery Production	64.5 pp/s
2)	Association management	51.5 pp/s
3)	Improved Processing	38.3 pp/s

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4) Agronomic Mgmt of Coffee Plantations 37.4 pp/s

Women's mean participation, as a percentage of total, was greatest for the following themes:

1) Association management (50.5%)
2) Fertilization (41.2%)
3) Agronomic management of coffee plantations (40.3%) and
4) Improved Processing Coffee (40.1%)

Table 1: Summary of Cascading Training participation by Theme, disaggregated by sex

	TOTAL SOGESTAL						
	Men	Women	% Female Particip.	Total pp	% des participants/thème	#s	Mean pp/s
Pest Control	408	252	38.18	660	2.72	20	33.00
Managing Coffee Plantations	6249	4216	40.29	10,465	43.09	280	37.38
Fertilization	530	372	41.24	902	3.71	40	22.55
Composting	345	227	39.69	572	2.36	19	30.11
Processing Coffee	6401	4278	40.06	10,679	43.97	279	38.28
Association management	51	52	50.49	103	0.42	2	51.50
Structural organization of producer associations	481	297	38.17	778	3.20	22	35.36
Nursery Production	87	42	32.56	129	0.53	2	64.50
Total	14,552	9,736	40.09	24,288	100.00	664	36.58

Composting

Techniques for composting coffee pulp is a new theme developed following the Sustainable Harvest training session for ADC and Washing Station Managers. Participants at the training session committed to implementing a total of 83 demonstration plots. These plots are distributed in the following manner: Demonstrations are present in all five SOGESTAL. Demonstrations are present at 10 washing stations. These 10 washing stations are located in seven different provinces. Lead Farmers have established a total of 66 compost demonstrations. Most demonstration sites are in the province of Kirundo (38) followed by Muyinga (23) and Kayanza (15). Sites in these three provinces account for 92% of all compost demonstrations established during this period.

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BP 1643 Bujumbura, Burundi
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Table 2. Compost Demonstrations instituted in the Project Zone

Province	CWS	#	Observ
Bubanza	**Ntamba**	1	
Gitega	**Muremera**	1	
Karusi	**Shombo**	1	
Kayanza	**Bwayi**	1	
Kayanza	Farmers of Matongo	13	3 collines
Kayanza	**Rohororo**	1	
Kirundo	**Gasura**	1	
Kirundo	Farmers supplying Gasura	15	
Kirundo	**Buhimba**	1	
Kirundo	Farmers supplying Buhimba	17	
Kirundo	Farmers of Vumbi	4	
Muyinga	**Rugerero**	3	
Muyinga	**Murago**	3	
Muyinga	Farmers of Ngogomo	3	
Muyinga	Farmers of Nyamasaka	14	
Ngozi	**Ruhama**	3	
Ngozi	Coop Pres Ruhama	1	
Total	**10**	**83**	

Alliance Building between Coffee Sector Actors

As Burundi's Coffee Sector transitions to a privatized operational footprint and volume of throughput increases the informal manner through which actors of different levels operated will need to become formalized. In the past the State through the Coffee Board acted as mediator when conflict erupted between different actors of the value chain concerning the respect of contractual engagements. Further, the State acted as guarantor before the financial community for loans obtained by sector actors for infrastructural improvements and operations. As the environment shifts the development of transparent sustainable and enforceable commercial contracts between actors becomes a necessity. During this reporting Period BAP financed a consultant to assist in developing a strategic approach to formalized commercial transactions and to develop models of agreements that could be used as templates during future negotiations.

Three models were proposed (see figure on page 9).

The first model represents how the specialty coffee value chain has been structured in Burundi over the past two coffee campaigns. In this model production and harvesting are assured by the farmers who sell their coffee to the washing stations, managed by the SOGESTAL. CNAC furnishes assistance to the producers in the management of agricultural inputs, organization of pruning campaigns and assistance in phytosanitary treatment of plantations. The SOGESTAL purchase the cherry and process it to parchment. **They are the de facto**

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BP 1643 Bujumbura, Burundi
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owners of the coffee at this point. The dry mills offer a service to the SOGESTAL and other private sector processors for the dry milling and conditioning of their coffee. Marketing and Promotion services were furnished by OCIBU. This is now transitioning to the InterCafe Trade Association in conjunction with the East African Specialty Coffee Association (EAFCA) assisted in Burundi by Exporters, SOGESTAL and Private Sector Operators (COPROTRA, SONICOFF,CPC, etc..) and external to Burundi by Importers and Coffee Roasters. In this model sales of specialty coffee are negotiated by the SOGESTAL or the private washing stations under direct sales agreements. Some operators are vertically integrated operating both Coffee Washing Stations and Dry Mills (SONICOFF). In this model exporters, or more precisely exporter representatives offer a service of exporting the coffee. They charge for the document preparation from the warehouse to the port as well as reserving container space and timing overland transport. Certain exporters also work reserving container space on ships through local or international freight forwarding companies. The importers and roasters purchase the coffee from the SOGESTAL and other private sector coffee operators and undertake the promotion and marketing of the coffee to their consumer base.

Advantages of this model are that a private sector enterprise takes ownership of the coffee very early in the value chain which should result in better quality control and better cost control through the value chain.

Disadvantages are that the farmers are not incentivized to group together in associations or cooperatives. They lose bargaining power because of limited competition for their cherry because of geographical considerations and a lack of competing actors at the processing level. This system can engender monopolistic abuse of farm gate pricing and could motivate farmers to ignore their coffee, take their plantations out of production or divert to alternative crop production.

As long as this model pre-dominates the environment in Burundi, it is recommended that BAP define with CNAC mechanisms which could protect farmer revenues without causing financial prejudice elsewhere in the value chain. Secondly BAP could encourage washing stations to become more “market friendly” encouraging investments in the farming communities serving the stations and in the environmental protection of adjacent communities. Niche marketing through certification could result in additional economic returns accruing to farmers.

This model is well suited for markets that are less exigent in terms of quality and timing of shipment, but should be relatively effective in moving large volumes of coffee into upper end commercial channels.

Model 2 resembles the first model, with the major difference being that farmers retain ownership of their coffee through the chain and it is the cooperatives who negotiate services (wet milling, dry milling, exporting, and the final sales price of the coffee.

Advantages: The farmer retains ownership of their coffee through export which, if service prices are well negotiated should result in increased revenue for the coffee farmers. This model conforms with the Specialty

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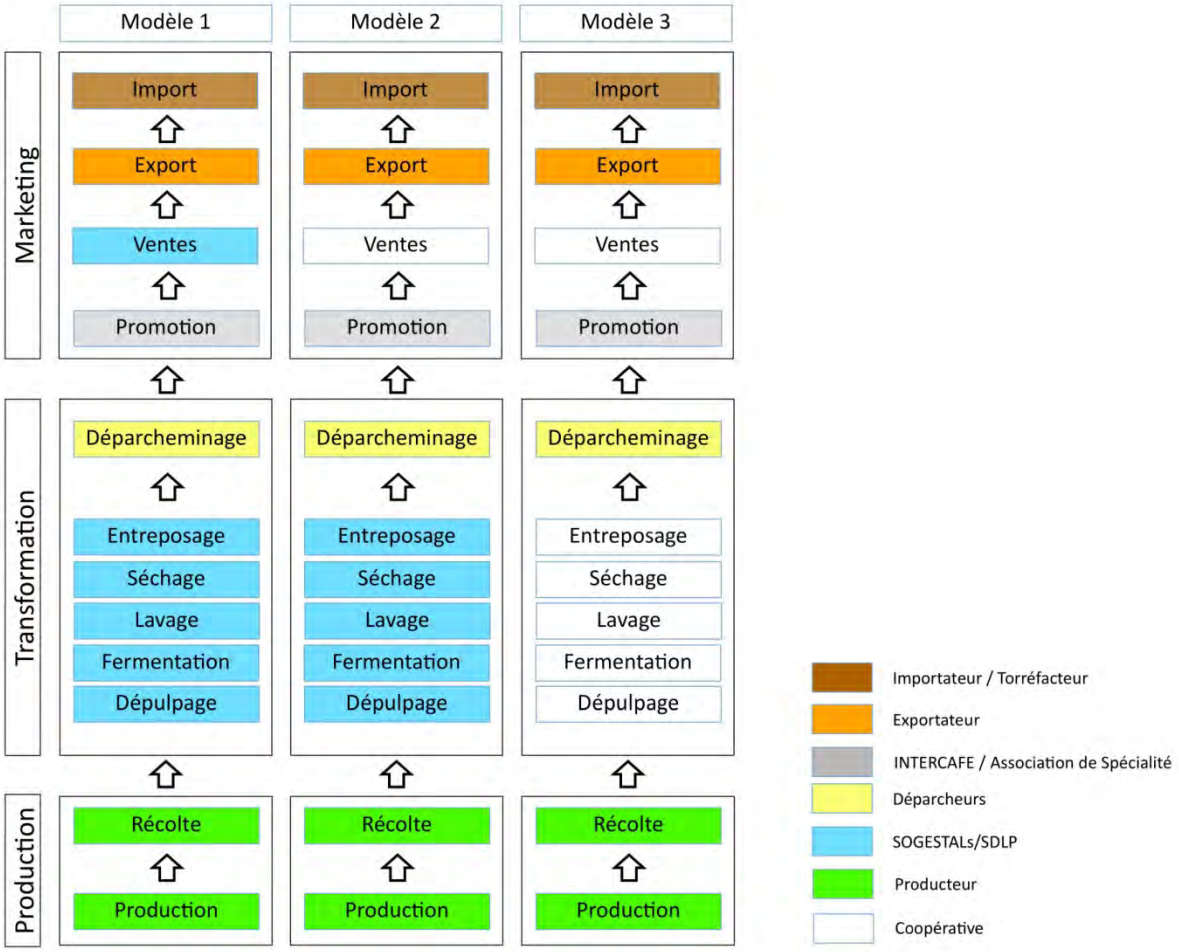
Fax +257.22.25.79.51

Coffee market's "relationship" model in which a direct relationship is developed between the producer and the importer/roaster.

Disadvantages: This model requires that farmer cooperatives have access to credit at competitive rates to pay advances to members and service fees to sector actors. Cooperatives in Burundi are still challenged managerially and lack minimal skills in contract negotiation and this could result in losses and a reduction in farmer revenues. To compensate for this lack of managerial experience in the past the farmers have abdicated responsibility for negotiation of sales to middle men and/or their own marketing commission with the end result being that the marginal increase in revenues registered went to pay the services of the middle men engaged to act on the farmer's behalf.



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Recommendations: BAP should reinforce the management capacity of cooperatives and continue its intermediation with different financial institutions to facilitate cooperative access to needed credit under competitive terms and conditions.

In the third Model, the cooperative has vertically integrated and now manages its own washing station while negotiating service fees for dry milling and exporting.

Advantages- Producers can benefit from the value added during wet milling of their coffee and can maintain firmer control on quality and traceability.

Disadvantages- This model requires that the cooperative leverage additional financing, not only for the purchase of cherry and service fees for dry milling and export but also for capital expenditures in washing station infrastructure and operations. This model requires investment capital and operating capital on an on-going basis. Lack of professional management experience at the cooperative level could yield losses at the washing station level and reduce farmer net revenues. This model has a history of failure in many coffee producing countries.

Recommendations- The transfer of responsibility to cooperatives and their vertical integration in the value chain should be progressive. BAP should improve the marketing capacity of sector actors, their negotiating ability and assist them in mastering their production, operations and capital expenditure costs. Further BAP needs to continue intermediation with financial sector institutions and assist them in developing new innovative services, practices, guarantees and reimbursement schemes.

The consultant included in his report copies of contractual templates for services related to wet milling, dry milling and export.

Communications with Coffee Sector Actors

BAP, in collaboration with the Radio Isanganiro, continued its sponsorship of the weekly radio program *Akeza Karigura* (Quality pays). During this quarter 6 emissions were produced and re-diffused twice each. Forty-two participants, including 8 women participated in the emissions. The themes covered were:

1. Improved technology for the production of specialty coffee
2. Operations of farmer owned washing stations
3. The management of price risk
4. The Coffee Buyer's Tour
5. Marketing of Burundian Coffee and
6. The Coffee Capaign in the WebCor intervention zone

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Tel +257.22.25.79.52
Fax +257.22.25.79.51

The weekly radio program, offered in Kirundi suffered from scheduling conflicts related to the electoral campaign during this reporting period. In addition to these radio programs BAP participated in televised round table discussions on Promotion and Marketing of Specialty Coffee. The Coffee Buyer's tour received widespread coverage by RTNB under PAGE financing in a collaborative effort with BAP.

On 18 June BAP organized a panel discussion of coffee sector actors at the Novotel on the topic of coffee marketing. Present were ARFIC, InterCafe, CNAC, the Coffee Reform Committee, WebCor, the Coffee Marketing committee, farmer representatives from the Federations of Muyinga, Gitega and Kayanza as well as representatives of BAP and PAGE. The panel discussed pricing of cherries, marketing of coffee and communication between coffee sector actors.

Concerning the price paid for cherries we note two distinct tendencies.

Scenario 1: All of the washing stations managed by SOGESTAL applied an initial advance price of 300 FBU/kg of cherry as had been decided by ARFIC and InterCafe and used in the financial projections presented to the consortium of banks financing this year's coffee campaign. At the date of the panel, this advance price had risen from 300 to 350 FBU/kg because of favorably evolving prices on the New York Commercial Market.

Scenario 2: WebCor and CPC had different payment schemes based on who was bringing the coffee to their stations. WebCor paid 320 FBU/kg to individuals and 350 FBU/kg to collectors and cooperatives for cherry. WebCor was adjusting their prices upwards (and downwards) with the market price of coffee – a strategy, because it was not well explained created some confusion among the coffee farmers in their zone. Further WebCor revealed that their true purchase price per kg of cherry was effectively upwards of 520 FBU/kg but that this effective purchase price included calculations for the inputs being provided to the farmers in their draw zone and the extension agents recruited and hired by WebCor and placed on the hillsides.

Concerning the marketing of Burundian Coffee, the president of InterCafe and the DG of ARFIC announced the following policy changes in marketing:

- Ordinary commercial grade coffee produced by the SOGESTAL is sold through tenders and future sales contracts negotiated by the marketing committee on a competitive differential price tied to the current price of New York C
- Specialty coffee is sold by the SOGESTAL through direct sales negotiations with interested buyers negotiated with quality premiums and it is the responsibility of the negotiating seller to inform InterCafe and ARFIC of the base price, terms and conditions.

Concerning communications between actors of the coffee sector, particularly producers, washing station personnel, SOGESTAL and International buyers, the Cooperative of Bwayi in Kayanza has met the buyer who is

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Tel +257.22.25.79.52
Fax +257.22.25.79.51

interested in their coffee but it is the SOGESTAL which negotiates the prices with the buyer and only informs the producers of the terms and conditions afterwards without including them in the negotiations.

In Muyinga, the coffee farmers of Rugerero and the washing station manager are not implicated in negotiations for their coffee. All negotiations are occurring between the buyer and the SOGESTAL. The farmers, however, recognize, that with BAP's facilitation they have now met and consulted with the buyer of their coffee "Intelligentsia Coffee" of Chicago.

During this reporting period BAP has noticed:

1) Increased competition for the purchase of cherry, particularly among private operators in Kayanza, has increased the purchase price paid to farmers
2) InterCafe and the banking consortium have entered into a conversation about strategies which, in the future may lead to paying the farmers for their cherry earlier in the campaign
3) There has been forward movement in the marketing of coffee with more attention being paid to movements in the New York C price of East African Arabicas and new strategies, including the negotiation of future sales contracts, competitive internet bidding, and some hedging starting to occur.
4) After WebCor's announcement that it would allow any farmer needing money to be paid an advance at the washing station against any cherry already delivered, if the washing station manager was alerted one week in advance, or in the case of an extreme emergency to receive same day cash as at WebCor's headquarters in Ngozi, the SOGESTALs of Kayanza and Ngozi followed suit.

Coffee Quality

Monitoring of Coffee Production and the Application of BAP promoted technologies at Coffee Washing Stations

Coffee Production

Early Projections of Burundi's 2010-2011 coffee production, based on early evaluations of the vegetative growth, flowering and load of cherry on the branches initially reached 28.000 mT of green. These projections were later reduced to 21.000 mT of fully washed green. As of 27 June the cherry received at all washing stations was only 88.506 mT which is equivalent to approximately 13.806 mT of fully washed green, equivalent to 49% of the original estimate and 66% of the revised estimate.

While the root causes of this production drop are not yet fully known, we note two phenomena that may help explain this dynamic. First, even with flotation and hand sorting of cherry prior to reception, washing stations were noting a greater percentage of diseased grains in the parchment, suggesting that there is remaining carryover effect from last year's snafu concerning orders and distribution of pesticides. There is some indication

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Fax +257.22.25.79.51

that the insect populations are becoming resistant to the pesticides being applied. Second, delays in payment for cherry delivered to the stations, linked to uncertainty of financing and purchase pricing of the cherry meant that many farmers diverted an important percentage of their production to collectors for the washed subsector who pay cash on delivery. This year too we note there has been increased competition among collectors for coffee which drove the prices to new highs (above 2000 FBU/kg) and this acted as an additional incentive for farmers to side sell their coffee to the collectors rather than delivering it to the washing stations.

Application of BAP promoted technologies at Coffee Washing Stations

During the last reporting period BAP worked with washing station management and cooperative leaders to reinforce their capacities in cherry harvest, selection of mature cherry, depulping, fermenting, washing and grading of coffee, settling, pre-drying and drying of parchment, bagging stocking, transport, traceability, the production of day lots and differential separation of cherry for cooperative and non-cooperative members. Of our 30 pilot washing stations, only the station of Mugina in Cibatoke province, managed by the SOGESTAL Mumirwa, refused to implement the majority of the recommendations. This phenomenon was due in large part to reticence on the part of the washing station manager and a lack of appropriation of these new technologies by the senior staff of the SOGESTAL. The following table exhibits the adoption of BAP promoted technologies designed to increase the quality of Burundian coffee and render the coffee more attractive to high end buyers.

Table 3:Application of BAP promoted technologies at Coffee Washing Stations by Proprietor

Technique	Sogestal Kayanza 19 CWS (3 pilots)	Sogestal Kirimiro 32 CWS (4 pilots)	Sogestal Kirundo-Muyinga 28 CWS (7 pilots)	Sogestal Mumirwa 25 CWS (4 pilots)	Sogestal Ngozi 26 CWS (6 pilots)	Webcor 13CWS (1 pilot)	CPC 1 CWS pilot	CODEMU 2 CWS (1 pilote)	Total 146 CWS (27 pilots)
Cherry Seclection and Flotation	19	6	28	3	7	13	1	2	**79**
Single Fermentation	16	6	28	3	5	13	0	2	73
Pyramidal drying	5	6	8	3	7	0	1	2	32
Day Lot Traceability	9	4	8	1	7	13	1	2	45
Separation of Cooperative member coffee from other farmers coffee during processing	1	0	1	0	0	7	0	2	11

We note that:

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- 79 CWS have systematically adopted flotation and cherry conditioning prior to reception, but that there are still inefficiencies due to lack of flotation infrastructure and wavering attention at the conditioning tables as daily volumes increased
- 73CWS have adopted single fermentation as their preferred method of processing coffee. In the WebCor Stations information originally received was that one CWS/company (a total of 3) continued double fermentation on a number of day lots for quality comparison and cost analyses. However, we have learned that later in the season, these three stations also transitioned to single fermentation raising the number of stations practicing this technique to 73. We note that the SOGESTAL Kirundo-Muyinga has adopted this practice at all of their CWS. The cost/quality efficiency of the single fermentation technology depends heavily on the quality of the cherry brought to the station and the quality and pH of the water used in processing. This technique allows CWS to reduce their operational costs and to manage greater volumes of throughput, because it is less labor intensive and of a shorter cycle allowing managers to increase the number of fermentation vats as volume increases and reduce the number as quantity wanes.
- 32 CWS practice pyramidal drying. This new technology is still undergoing comparative testing with traditional drying methods, though comparative cupping results from last season indicate a strong correlation between pyramidal drying and retained cupping scores vs traditional drying methods. Unfortunately, pyramidal drying requires closer management, more day labor, a greater number of drying tables, and can mitigate cost savings obtained through adoption of the single fermentation method.
- 45 CWS are practicing day lot separation. This method has been well understood and widely adopted where storage space at CWS warehouses permit. During the past two seasons it shown its worth because it has allowed identification and separation of lots containing potato taste from all those lots produced by the washing station which has meant that a greater percentage of washing station coffee is moving through direct sales channels because buyers, rather than rejecting the entire production of a washing station can separate out lots with potato taste and negotiate for lots that have not been contaminated; and
- 11 CWS are practicing separate processing of cooperative member coffee vs that brought in by individual farmers and collectors. BAP believes that this differential treatment will result in a) better traceability, b) differential pricing based on quality, and c) the ability to judge whether investments made in the coffee sector are in fact registering widespread adoption and acceptance as well as resulting in better quality coffee by early adopters.

In general the technologies have been more widely adopted in the provinces of Kayanza, Kirundo, Muyinga, and Ngozi than elsewhere.

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Annex 1 Details the technologies disaggregated by Proprietor and Washing Station. Pilot washing stations appear in Bold Print.

Cupping

A training session was held from 14-18 June. Facilitated by Paul Songer of the Alliance for the Cup of Excellence, this session was targeted to beginning/intermediate cuppers. Eleven participants including two women participated in the session. Participants were drawn from ARFIC (3), SOGESTAL (2, including 1 woman), ABEC (2), Sambi Coffee (2) and the University of Ngozi (2, including 1 woman). Representatives of the coffee farmer's federations of Kayanza and Kirundo-Muyinga were invited, but chose not to attend. Fifty five percent of the participants were novices in cupping while 45% have already participated in previous cupper trainings. We note that all of the cuppers, trained as cupping trainers, have found employment in the private sector and were unavailable for this session. Themes covered during this training session included:

- Fundamental principles of cupping- including proper sample preparation, using standard preparation methodology for all samples- water temperature, grind, seeping time, etc..
- Aromatic testing using the "Nose of Coffee" Test kit- this session is designed to accustom cuppers to typical aromas found in coffee samples and to develop a common vocabulary on which to base future classification
- Understanding the four principle tastes- salt, sugar, bitter, and acidity. It is necessary that cuppers be able to differentiate between these tastes but also be able to find balance between them wh en
- Triangular testing of the four principle taste profiles
- Use of ACE scoring sheets
- Qualitative and quantitative evaluation of different coffee samples and
- Possible errors in qualitative sampling- the major focus of this session was to discuss human fallibility and to stress that appreciation of samples can be influenced by personal prejudices or suggestions from other cuppers as well as a cupper's emotional state, fatigue level, or foods or drinks consumed prior to cupping. This is why, while cupping, it is advised to remain silent, be well rested and avoid spicy foods prior to cupping.

At the end of the training three cuppers were recommended for further training, of these two are students at the University of Ngozi, including one woman and one works for C&A B and was the ABEC representative to the training. Three others, two from Sambi Coffee and one from the Central Certification Lab at ARFIC exhibited good skills and intuition but will need a refresher course in basic cupping before being recommended for higher level training. The other five participants currently lack basic foundation skills for cupping and are not recommended as participants in future cupping. We note that 50% of qualifying cuppers are from the private sector, that one third are university students and that one is currently employed by the GOB Coffee Certification

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BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Lab. Unfortunately of the five lacking even elementary skills for cupping, two come from SOGESTAL, one from ABEC and two are employed as cuppers by ARFIC.

Coffee Quality Center

BAP regrets that to date SIVCA has been unable to respect its commitments permitting installation of this coffee quality facility on the grounds of their dry mill in Ngozi. In the interim BAP has lent SIVCA a portable cupping kit received from the Starbuck's Support Service Center in Rwanda. Neither SIVCA nor ARFIC seem ready to share space in the certification lab being built in Ngozi. ARFIC and INTERCAFE have assisted SIVCA in leveraging necessary financing to install needed electronic sorters at the dry mill (something insisted upon by specialty coffee buyers given the prevalence of potato taste in last year's "specialty" coffee purchases. However, at the date of this report, this electronic sorter had yet to arrive in Burundi or be installed at SIVCA and the dry milling season in progressing while the window of opportunity for concluding direct sales agreements, milling and exporting coffee timed to arrive for the 2010 Christmas season is fast closing. Perhaps increased competition from the new WebCor dry mill, currently under construction, will improve the responsiveness of SIVCA's management to needs of the specialty market. In the interim BAP is actively seeking alternative locations/partnerships in conjunction with InterCafe, the new private sector Trade Association, in order to ensure this center becomes a reality in the near future.

Coffee Promotion and Marketing

Specialty Coffee Conference of America (SCAA) Anaheim

Context

The Year 3 BAP workplan identifies specific marketing and promotion activities that require focused attention. Among them is the upgrading of Burundian trade show capacity at various annual international specialty coffee venues. As part of the privatization of Burundi's coffee sector OCIBU has been replaced by two new entities: ARFIC, as the regulatory body, and InterCafe, a trade organization formed to promote Burundi specialty coffee. Responsibility for needed upgrades at trade shows continues to be a process of negotiation between ARFIC and InterCafe. 2010 remains a transitional year in the re-alignment of coffee sector and BAP has demonstrated commitment to the sector through its efforts to build capacity of the newly formed trade association and to provide promotional support for the sector at large.

Specific BAP Year 3 marketing goals address the improvement of its trade shows booth presentation through professional promotional materials, proper brewing of high quality Burundi coffee and well trained English-speaking Burundians. The 2010 SCAA Conference and Exhibition was intended to serve as an important platform for launching a new and improved approach to promoting Burundi specialty coffee.

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BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Critical to the development of commercial relationships between the Burundi coffee sector and the international coffee community are meetings between producer representatives and coffee buyers. SCAA presents the best opportunity each year for BAP to further the ongoing objective to increase direct export sales volumes of specialty coffee. Numerous meetings with current and prospective Buyers of Burundi coffee were arranged to raise awareness of developments in the coffee sector and to encourage origin visits of coffee buyers.

Summary of Meetings, Activities and Recommendations

Meeting with Dunkin Brands (Jim Cleaves, Janet Rock and Sala Adebayo)

As one of the largest and oldest franchisors of coffee franchises in the US, Dunkin Brands represents a capacity to purchase significant quantities of Burundi specialty coffee. Jim Cleaves discussed both the quality profile of coffee that Dunkin Brands looks to identify and talked about the manner in which Burundi coffee could potentially be considered as a component in the Dunkin Blend. Jim described the process of evaluating Burundi coffee and encouraged the transmittal of coffee samples by exporters over the coming year. Stressing the importance of creating a data bank of information about quality consistency, volume of production and supply chain logistics Jim asserted that the development of a direct trade relationship with Burundi would be a process over time. Details of the 2010 buyers tour were shared in the hope that the company could give this consideration for 2011.

Recommendations and Follow up

Immediately following SCAA Dunkin committed to participate in the 2010 Buyers Tour beginning June 2, 2010. BAP assisted Dunkin (Jim Cleaves) with both his travel and tour itineraries and coordinated with organizers of tours planned in adjoining East African countries.

Meeting with Bull Run Roasting (Greg Hoyt)

A high quality roaster/retailer in Minneapolis, MN Greg Hoyt has visited Rwanda and Burundi and been a strong proponent of Rwanda coffee. Interested to develop direct trading with Burundi Greg is eager to cup 2010 Burundi coffees through Café Imports. In addition Greg committed to visiting Burundi during his next travels to East Africa. Upon learning of the US Marketing Study Tour following SCAA Greg extended and invitation to Emile Kamwenubusa and Adrien Sibomana to visit his roasting and retailing operations in Minneapolis

Recommendations and Follow Up

Follow up with Tom Chapedelaine at Café Imports was addressed to coordinate the Minneapolis itinerary for Emile and Adrien. In addition Tim was given guidance regarding Bull Run's interest in considering Burundi coffee for purchase in 2010 and their need for coffee samples when available.

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BP 1643 Bujumbura, Burundi
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Meeting with Counter Culture Coffee (Tim Hill, Kim Bullock)

A strong proponent of Burundi coffee Counter Culture Coffee was one of the first roasters to visit Burundi in 2007. Since that time the company had made numerous visits to Burundi through Tim Hill. Tim explained the company's interest in expanding their Burundi business and shared the template they have created for a transparent coffee contract. Designed to ensure that quality premium paid by Counter Culture are received by producing farmers the "Transparency Contract" was presented for review. Tim introduced Kim Bullock as Counter Culture's Sustainability and Producer Relations Manager and discussed her upcoming visit to Burundi in June 2010. Tim shared his findings regarding the prevalence of the potato defect in 2009 coffees and inquired about short and long term steps that will be taken to address this serious threat to sustainable progress of Burundi's specialty coffee sector. Tim reiterated his offer to participate in the research proposed and organized by BAP to uncover the scientific information behind the defect.

Recommendations and Follow Up

Communication with Kim Bullock regarding her specific travel dates for the purpose of planning and organizing her in country itinerary in mid June. Information/data from Counter Culture describing incidence of the potato defect in 2009 was shared with members of the BAP team and Paul Songer

Meeting with Intelligentsia Coffee (Sarah Kluth)

Intelligentsia has been an ardent supporter of Burundi specialty coffee and the company has made frequent trips to Burundi following Geoff Watts's participation in the 2008 coffee tour. Intelligentsia donated roasted Burundi coffee for service at the SCAA Burundi exhibit booth. Green coffee manager and buyer, Sarah Kluth trained both Isabelle Sinamenye and Lysie on the operation of water boilers and brewing devices purchased by BAP for use at trade shows. As part of the Post SCAA Marketing Study Tour Intelligentsia agreed to host Emile Kamwenubusa and Adrien Sibomana at the company's Chicago headquarters. Along with various meetings at the company's offices, Emile and Adrien's Chicago itinerary has been planned to include a tour Intelligentsia's roasting plant and visit their retail operations. Sarah Kluth also discussed her upcoming visit to Burundi in late May to cup coffees and oversee their 2010 purchase of Burundi coffee.

Recommendations and Follow Up

Communication with Sarah Kluth regarding the coordination of the Chicago portion of the Marketing Study Tour as well as confirmation of information needed by Intelligentsia to finalize export decisions for 2010 coffee. As BAP gets underway with newly proposed plans to conduct research into the potato defect in Burundi Intelligentsia has committed their active involvement as a working member of the research team.

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Meeting with BD Imports (Phyllis Johnson)

A long-standing specialist importing East African coffees Phyllis also serves on the International Women's Coffee Association (IWCA) Board. Recently the organization has begun organizing chapters in Africa and next steps to advance the process in Burundi were discussed. BAP is committed to facilitate this process by continuing to sponsor potential candidates for membership in the IWCA as well as the activities it promotes to advance Burundi women in coffee.

Recommendations and Follow Up

As an importer Phyllis is interested to consider Burundi coffee for her roaster clients and asked to be informed about the June coffee tour. Her company would be interested to entertain 2010 samples. Phyllis offered to be the point of contact for BAP in its efforts to coordinate with IWCA in establishing a Burundi chapter and facilitating the representation of Burundi women in future IWCA coffee workshops or events.

Meeting with Alliance for Coffee Excellence (Susie Spindler and Paul Songer)

BAP reviewed the status of Burundi cupper training thus far, briefly assessing skill development of individual trainees and their varying progress. The format and dates for upcoming trainings in mid June (Train the Trainers sessions focused on sample preparation, set up of coffee, and basic cupping) and early August (Intermediate training) were reviewed and plans were discussed for selected Burundi cuppers to observe the Cup of Excellence in Rwanda August 23-37th. Cup of Excellence Director Susie Spindler will consider visiting Burundi briefly after the Rwanda COE to discuss development of a Burundi Cup of Excellence program with various stakeholders and in country partners. Upcoming BAP plans to begin coffee appellation work and potato defect research was discussed with Paul Songer, as were the opportunities for his involvement.

Recommendations and Follow Up

BAP will propose alternate/additional candidates for trainings to insure there are an adequate number of trainees proceeding through the process. As the Head Judge for the 2010 Cup of Excellence in Rwanda Paul Songer will take the steps necessary to coordinate with Rwanda organizers to arrange for participation of Burundi observers.

Meeting with Crop to Cup (Taylor Mork)

On behalf of Crop to Cup Taylor Mork first visited Burundi in November 2009. His coffee importing company is based on an alternative model with a heavy emphasis on relationship coffee through farmer assistance and development. His company has selected several coffee washing stations in Burundi for development. The company plans to send a newly hired representative to visit Burundi again in June to meet with farmers and cup 2010 coffees. Crop to Cup Chicago is co-hosting Emile and Adrien as part of their post SCAA Marketing Study Tour.

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Recommendations and Follow Up

Crop to Cup has created a Burundi brochure to promote coffee among interested roster clients. Among them is Old Soul Coffee in Sacramento, CA. who has interest in participating in the upcoming Burundi buyers tour. BAP will want to work in close partnership with Crop to Cup to develop their model and engage additional relationship roasters in this interactive approach to

Meeting with Root Capital (Diego Brenes)

Root Capital participated in the 2009 Buyers Tour and with the help of BAP has taken some of the necessary steps to complete the paperwork and dossiers for loan approval. During the meeting Diego stressed the need for disaggregated information for individual coffee washing stations in a SOGESTAL and the role that BAP could play in furnishing that financial information from each washing station. For 2010 Root Capital has $1.5 million in loan capital and with the proper documentation submitted Burundi is in a good position to receive loans this year.

Recommendations and Follow Up

As the numbers of coffee washing station supported by BAP increases Diego requested that Root Capital receive regular updated information to identify them. In addition Diego will discuss with Richard Tugame (Root Capital East Africa Loan Representative) recommendations by BAP to stagger loan payments to farmers using the parchment that farmers deliver as collateral on next payments. At the request of BAPO Diego will check into DCA guarantees for selected East African countries.

Meeting with Tony's Coffee (Wendy De Jong) and Atlantic Specialty (Andi Trindle)

Atlantic Specialty Coffee is broadening their client base to include a number of high quality roasters. Among them is Tony's Coffee of Bellingham, WA. BAP met with both companies at EAFCA to discuss their participation in the upcoming Buyers Tour. At SCAA dates were explored to determine those best to maximize possibilities for both companies to attend. As the incoming Director of SCAA Roasters Guild Wendy DeJong will be proposing a Roasters Guild Tour of East Africa. Likely to scheduled in Spring 2011 Wendy wants to visit the region in order to begin advance planning for the Guild Tour.

Recommendations and Follow Up

Input from both companies was noted and, together with feedback from other potential participants, BAP will determine the June dates for the 2010 Burundi coffee tour and advise all companies immediately following SCAA.

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Meeting with Kaldi's Coffee (Taylor Zimmer)

One of the first US roasters to heavily promote Burundi Coffee Kaldi's received early recognition for the coffee in a Coffee Review which gave Kinyovu a score of 94. Published in ROAST Magazine this review attracted the attention of many other US roasters and contributed to the industry buzz surrounding Burundi coffee. Wanting to take their involvement to the next step Kaldi's conveyed their interest to participate in the 2010 tour to visit coffee washing stations from which they currently buy coffee. Kaldi's is also interested to cup coffees from other stations in order to begin new trading relationships.

Recommendations and Follow Up

Tyler and Kaldi's owner Josh Ferguson will need final dates and itinerary of the tour. In addition BAP will send Kaldi's visa and other travel information needed to prepare for the tour.

Meeting with Anodyne Coffee (Steve Kessler)

A small midwestern roaster Anodyne has purchased Burundi coffee through Café Imports. Interested to start a direct trade relationship in Burundi the company has the 2010 tour under serious consideration. With a business model that promotes the notion of working closely with coffee producers Anodyne is committed to an origin visit in the near future. BAP assured Steve that the company is welcome to visit Burundi anytime. If the dates for the June tour do not conform to their availability the company will be given a complete tour at any time they decide to visit.

Recommendations and Follow Up

Tour itinerary and dates will to be sent to Steve following SCAA.

Meeting with Paragon Coffee (Steve Bauer)

Members of the Burundi coffee delegation to SCAA sat down with Steve Bauer of Paragon Coffee. For the past several years Paragon Coffee has been a major US importer of Burundi coffee. In 2009 Paragon was unable to fulfill their needs for Utz certified Burundi coffee because of the dramatic reduction in Burundi coffee production. BAP facilitated discussion between Steve and Burundi stakeholders to address the causes of 2009 problems, remedies applied for improvement in 2010 and Paragon's fundamental criteria for development of the its Burundi coffee business. Steve complimented Burundi, and specifically Dreyfus, on the swift export of the coffee the past several years. The company stands ready to buy upwards of 14 containers of Utz certified Burundi coffee and so efforts to stabilize coffee production is an important first step. Steve was apprised of the prospects of 2010 coffee production and the efforts underway to obtain Utz certification for a second washing station

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Recommendations and Follow Up

Offering a timeline for the receipt of 2010 samples and the dates by which Paragon wishes to complete its contacts for Burundi coffees Steve urged members of the Burundi coffee delegation to communicate with him directly. BAP will support the efforts of Dreyfus and SOGESTAL Kirundo-Muyinga to advance the Utz certification process for a second washing station in the province.

Meeting with Transfair (Ben Schmerler)

As demand for Fair Trade coffee raises it becomes important for Burundi to consider this as a potentially viable course to successfully differentiate its coffee offerings. Member of the Burundi delegation to SCAA heard a presentation by Transfair that outlined the criteria and costs of certification. One of the most important considerations in pursuing fair trade certification is volume of coffee production. For washing stations that have the capacity to produce large volumes of fully washed coffee the costs of certification can be spread among the sales of multiple containers of Fair trade coffee. Since there is a substantial fee associated with the audit process in evaluating a coffee washing station for certification BAP was encouraged to review the criteria and select those washing stations whose structure and operation had the most likelihood of becoming certified.

Recommendations and Follow Up

Emile Kamwenubusa will continue communication with Tranfair's representative in Rwanda (Christine Condo) as well as with Webcor representatives in Burundi to determine those coffee washing station currently supported by BAP that can be recommended for Fairtrade certification.

Preparation of the Burundi Booth

In addition to the above meetings there was a significant portion of time and attention devoted to the preparation for and staffing of the SCAA Burundi exhibit booth. Though the booth location was optimum the size of the booth was too small. Now in the process of promoting its new image Burundi came to 2010 SCAA with expanded promotional materials and displays. The booth size was inadequate for effective presentation. Nonetheless visitor attendance at the booth was overwhelming and positive and feedback after the conference included many requests from roasters and importers for 2010 coffee samples. Promotional coffee maps, brochures, folders were handed out in abundance. A flat screen television monitor featured a DVD showing coffee processing at origin. A ROAST Magazine article about the privatization of Burundi coffee was published just prior to SCAA and was also distributed at the booth. Most importantly, expertly brewed quality coffee was served by two highly professional women representing Burundi's coffee sector, Isabelle Sinamenye (Chief de Service ARFIC Laboratorie and Lyse, proposed Coffee Marketing Liaison for InterCafe.

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Fax +257.22.25.79.51

Both women attended the Women in Coffee Breakfast along with a Burundi exporter Mrs. Angele Mbonigaba-Ciza. Together these women heard about efforts to establish new IWCA chapters and Africa and attended a meeting following the breakfast to discuss next steps in the process.

Conclusion and Next Steps for BAP Follow Up in Burundi and US

As was mentioned in the beginning of this report Burundi is transitioning from a coffee owned industry to a private sector responsible for its own marketing and promotion. The nascent InterCafe Burundi is poised to develop the necessary capacities to expand membership, develop professional staff, and to take full responsibility for promoting Burundi coffee at future trade shows. With one organization at the helm of its promotional strategy Burundi will be in a position to present a more cohesive picture and message. Though the 2010 SCAA booth retained many elements of a government owned Burundi coffee image, Burundi stakeholders recognized this and InterCafe realized its role to unify the Burundi coffee image.

In an effort to support the work of InterCafe Burundi at future trade shows BAP created a series of Trade Show "Do's and Don't" for distribution to all Burundi delegates prior to trade show conferences. Though it is often stressed, it bears repeating again that all delegates attending trade show conferences need to be English speaking. Without the benefit of the predominant language to communicate at meetings and understand the many discussions and presentations at conference there is little to no value for Burundi stakeholders or industry buyers.

We note that the time invested in preparing the sector actors for SCAA was well appreciated by the sector as were the new promotional materials, booth organization, and the contributions of Intelligentsia Coffee in providing updated coffee preparation technology, coffee sourced from Burundi and lessons in preparing and serving coffee at the Trade show.

An invitation/announcement of the 2010 coffee tour was prepared to provide potential participants with highlights of the tour and a general itinerary. Additional roasters who have expressed interest in the tour need to receive this information immediately following conference. BAP will facilitate travel and visa arrangements for buyers who commit to the tour.

For those importers and buyers unable to join the 2010 buyers tour their needs to be follow up communication regarding the furnishing of 2010 samples. Roasters should be advised of importers who will be supplying Burundi coffee. And Burundi exporters need to be apprised of importers and large roasters wanting to entertain specific samples of Burundi coffee. BAP serves an important link in the trading process. Now with the assistance of Lyse, the in country coffee marketing liaison for InterCafe, this link between exporters and buyers should be better-supported and consummating greater sales.

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BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Lessons learned by the Burundi delegation are:

1) Begin Preparing for a Trade Show Early- prepare, store and send competition samples in a timely manner. Make reservations and get visas early
2) Anticipate equipment needs- tables, electric hook up, display boards, data loggers, equipment to remain in code for health and hygiene, Booth Size, etc. Order early and pay in a timely fashion
3) Reserve hotel rooms in proximity to the conference center
4) Have sufficient quantities of samples, brochures and handouts;
5) Negotiate Rendez-vous and appointments before arrival
6) Limit the number of Burundian representatives at the booth at any one time
7) Arrive at least a day early (for jet lag) prepare to leave the day following the event.
8) Hold a lessons learned session following each trade fair in order to improve performance in future shows.

Finally the consistent message from industry roasters and importers concerned the alarming levels of potato defect in Burundi coffee. Buyers are interested to know both the immediate and long-term steps planned to be taken to address this problem. In order for Burundi to sustain the interest and enthusiasm of current and prospective coffee trading partners there needs to be serious oversight of the mechanisms applied to detecting this defect in 2010 (operational UV sorters) and concrete plans to establish needed scientific research into this critical problem. Many industry roasters expressed their interest in participating in the research once it is established. This should be a high priority for BAP in its Year 4 workplan.

Post SCAA Buyers/Roasters Meetings in the US

Context

From 19-22 April, Emile Kamwenubusa BAP's Coffee Value Chain Manager and Adrien Sibomana, the President of InterCafe visited buyers and roasters in Minneapolis Minnesota, Chicago Illinois and Lansing Michigan. The objectives of these visits were:

- Present the changes occurring in Burundi's coffee sector as it transforms to a private sector footprint and explain the new roles attributed to different sector actors and institutions
- Inform interested buyers and roasters of impacts derived from BAP interventions and inform them of the forthcoming coffee buyer's tour
- Solicit appreciations from American buyers/roasters of Burundi Coffee and recommendations of where improvement still needs to be made

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Minneapolis visits

Dunn Brothers Coffee Company

Dunn Brothers has 90 franchise coffee shops in the mid-west. Visits were arranged to the prime roasting facility and to one of the coffee shops. After the visits a meeting was facilitated with Dunn's President and key management personnel. Dunn Brothers recognizes the intrinsic quality of Burundian Coffee and is prepared to increase the quantity it purchases. Dunn Brothers is interested in developing a long term mentoring relationship with farmers and one or two washing stations and is prepared to continue direct sales negotiations and the payment of quality premiums to farmers producing superlative coffee.

Following visits at Dunn's HQ a presentation on Burundi and its coffee sector was held for franchisees at the Renaissance Hotel.

Café Imports

This visit was facilitated by Tim Chapdelaine. A visit was made to their receiving warehouses and cupping facilities. Café Imports while interested in Burundi coffee is quite concerned about the prevalence of Potato taste and stressed the need for immediate remedial actions to be taken including better pesticides, more widespread pesticide application and the installation of modern UV electronic sorting equipment at the dry mills in order to eliminate the maximum number of defects prior to shipping.

Bull Run Coffee Roasters

A visit was made to Bull Run Roasters Roasting Facility and Franchise Operation. Bull Run has, in the past bought coffee from CWS Gatare in Kayanza, appreciates the quality and is prepared to move forward with more volume in the future.

Chicago

Crop to Cup Coffee

Emile and Adrien visited three coffee shops serving Burundian coffee. Demand is growing among Crop to Cups clientele and they would like to increase their exposure to Burundi, purchasing 4 to 5 containers of green from one or two washing stations. They have a preference for coffee from the Buhorowa Washing Station in Kayanza.

Intelligentsia Coffee

Visits were made to the roasting facility, cupping labs and franchise operations and discussions were held both with Sarah Kluth, Director of Quality Control and Geoff Watts, Vice-President and principle Green Coffee Buyer. The consumers recognize the quality of Burundian Coffee and Intelligentsia wants to increase its volume of Burundian Coffee from CWS in Ngozi and Kirundo/Muyinga to one or two containers in 2010, up from 85 sacks

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Fax +257.22.25.79.51

of FW green in 2009. Intelligentsia remains concerned about the timing of shipments and the prevalence of potato taste. Intelligentsia is prepared to collaborate with BAP and MSU on a research program designed to mitigate potato taste at the field level.

Lansing

Paramount Coffee

Discussions were held with the President Angelo Oricchio and the founder of Paramount Coffee Robert Fish. Paramount is a roaster/distributor and has a large and diversified clientele ranging from Universities and the Carriage Trade (Hotels and Restaurants) to Specialty Coffee Roasters. Paramount is interested in sourcing from Burundi and is seeking a variety of samples.

Coffee Buyer's Tour

Context

In the area of market development and promotion of Burundi coffee there remains the continuing challenge of raising awareness of Burundi specialty coffee among international buyers. Accordingly the BAP Year 3 Work plan sets forth the goal of sponsoring one international buyers group tour with a focus to introduce buyers to Burundi specialty coffee and developing commercial relationships resulting in multi container sales. Buyers tours are designed as a strategy to increase direct export sales volumes and the 2010 tour targeted 2 individual larger buyers for this express purpose.

Following discussions with specialty coffee roasters and importers at the East African Fine Coffee Association Conference in Mombassa, Kenya and the Specialty Coffee Association Conference in Anaheim, CA, the 2010 Burundi coffee buyers tour was planned for June 2, through 6, 2009. As part of a broader East African coffee tour most buyers elected to spend several days touring Rwanda coffee washing stations and mills before starting the Burundi tour at the Kanyaru haut border crossing.

Like previous tours the 2010 program included visits to representative coffee washing stations across the provinces. Each demonstrated specialty coffee operations in Burundi, and showed buyers the production and processing interventions that have been applied to improve coffee quality. Buyers saw government owned, SOGESTAL owned, producer owned and privately owned operations. In addition based on feedback from 2009, extensive cuppings were planned at three different laboratories with time allocated for the reporting and tabulation of scores. In order to lay the necessary groundwork for negotiations and sales of Burundi coffee, arrangements were also made to introduce buyers to the Burundi exporters who have established a positive track record for expeditious delivery of specialty coffee.

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Participating in the 2010 Specialty Coffee Buyers Tour were the following:

- Dunkin Brands (Jim Cleaves), Boston, MA
- Kaldi's Coffee (Josh Ferguson and Tyler Zimmer),St. Louis, MO
- Atlantic Specialty Coffee (Andi Trindle), San Francisco, CA
- Tony's Coffee (Wendy DeJong), Bellingham, WA
- Transcend Coffee (Josh Hockin), Edmonton, Alberta CANADA
- Union Roasters (Jeremy Torz),London, England, UK

Summary of Tour Visits, Activities and Recommendations

Before arriving in Burundi buyers convened in Kigali, Rwanda and spent a day meeting with exporters, the Rwanda Coffee Board and USAID SPREAD Project representatives. After visiting washing stations in and around Butaré Rwanda on the second day, the group was transported to the Kanyaru haut border crossing where they were met by the USAID BAP team. There each buyer was presented with Burundi Coffee information packets containing:

- a welcome letter from BAP/PAIR Director Ben Lentz,
- a Burundi country profile,
- a program of the tour offering a day by day itinerary of visits and activities,
- Fact Sheets for all BAP coffee washing stations,
- a Burundi coffee map identifying locations and altitudes for all stations,
- a listing of BAP supported washing stations and their corresponding intervention year and
- a brief overview of BAP impacts to date.

With the help of several translators assigned by BAP to facilitate communication throughout the tour, buyers engaged with representatives of washing stations, cupping labs and dry mills. The government of Burundi and Webcor sponsored dinners, and US Ambassador to Burundi Pamela Slutz hosted buyers at a cocktail party at her residence. In addition the US Ambassador attended and participated in a complete morning of cupping and evaluation of coffees with buyers at the ARFIC Lab in Bujumbura.

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Washing Stations:

Coffee buyers visited the following washing stations:

Kayanza Province: -Ruhororo, Butegana, Buziraguhindwa Kinyovu,
Ngozi Province- Ruhama
Muyinga Province-Rugerero
Rutana Province-Butemba
Gitega Province-Kibuye

Each washing station visit began with introductions of washing station and farmer association representatives along with welcoming remarks. During station tours buyers made observations, took pictures and asked questions that were promptly answered by station managers.

Recommendations and Action Steps:

Early June timing of the 2010 tour reflected Burundi coffee positively and buyers were able to witness all stages of the wet milling and the drying of parchment. Record keeping showing how individual farmers are credited for the cherry they deliver to each coffee washing station conveyed clearly that traceable systems were well in place.

Improved Fact Sheets contained most of the information buyers needed to follow up with coffee washing stations of interest. However it was suggested that after viewing each washing station buyers be allowed to ask final questions of coffee station managers during a brief question and answer session facilitated by translators.

If possible buyers expressed an interest in seeing the farmers delivering cherry to a coffee washing station. If possible future tours should time one of the coffee washing station visits to coincide with farmers delivery of cherry at the end of a harvest day.

Overall buyers were favorably impressed by the operations of coffee washing stations but commented that they would have liked to see more water efficient wet milling systems. And though some stations were in the process of addressing effluent control separation of solids from wastewater this needs to be coupled with remediation of the water before it re-enters the groundwater system.

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Dry Mills

Buyers were taken to SIVCA, the private dry mill in Ngozi that processes much of Burundi specialty coffee. There they learned of plans by SIVCA owners to construct a separate mill dedicated to offering greater traceability through the milling smaller micro lots. Though buyers visited the much larger SODECO mill it was not for the purpose of touring the operation but rather for the cupping that was arranged there.

Recommendations and Action Steps:

Foremost on the minds of most buyers was the optical sorting capability at the SIVCA lab. Though buyers were reassured to see a UV sorter at SIVCA last year there was a failure to address needed repairs for successful operation of the equipment and none of the 2009 coffee was sorted electronically. Incidence of the potato defect among 2009 coffees was alarmingly high and buyers are very skittish about 2010 coffees. Though they were reassured that the equipment has been repaired and is ready to screen coffees this year BAP was asked to oversee actual practices and intervene if necessary.

Cuppings at Ngozi Certification Lab, Sodeco Dry Mill and ARFIC Headquarters

After the first day of the buyers tour there were comprehensive daily cuppings planned at three different regional labs: Ngozi certification lab, Sodeco lab in Gitega and ARFIC lab in Bujumbura. Roaster buyers, together with Burundi cuppers, cupped coffees using the Cup of Excellence scoring sheet to achieve a numerical scoring. Each lab prepared a blind cupping where each lot of coffee was assigned a code. Lab staff was expeditious in their preparation of the cuppings making it possible for 162 samples to be evaluated from 54 coffee washing stations. Following each flight of coffees evaluated cuppers convened to reveal their scores and to identify the presence of potato defect if detected. Buyers and BAP team representatives worked together to tabulate scores and reported after each day of cupping. On the final day it was learned that coffee washing station Gahahe received the highest overall score of 87.92. The average score for all coffees was 82.68. It was troubling to learn that the potato defect was detected in 21 of the 54 coffee washing stations.

Following the final cupping at ARFIC Burundi exporters met informally with various individual buyers to discuss next steps. Buyers on this tour were urged to begin a dialogue with exporters to discuss expectations regarding future transmittals of Burundi samples as well as other important elements to be considered in the expeditious delivery of coffee.

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Recommendations and Action Steps

Though the cupping sessions were long and demanding, buyers were very pleased to leave Burundi with a wealth of tangible information. The time allocated for the cupping was inadequate on Day 2. In planning future tours a minimum of two and one half hours should be allocated for each cupping. It should also be noted that along with water there needs to be bread or rolls available to cuppers during lengthy cuppings.

For future cuppings during buyer tours it was suggested that there be standards for acceptance of coffees submitted for evaluation. Criteria for submission of samples needs to be stated and samples carefully screened before they are accepted.

Conclusion

The overall impression of Burundi coffee far exceeded expectations of buyers. Quality interventions at each washing station demonstrated that Burundi coffee farmers have the information and know how to steadily improve coffee quality. Current infrastructure in Burundi supports the development of the more sophisticated traceability systems required by exemplary roasters. And production potential of fully washed Arabica coffee in Burundi approaches the volumes that can accommodate the needs of large specialty roasters. According to estimates provided by InterCafe and other coffee stakeholders 2010 production of fully washed Arabica coffee is expected to be 16,000 T.

The organization and execution of the Burundi buyer's tour was notable, especially following a disorganized and poorly prepared tour in Rwanda. The information packets were extremely useful to buyers during the tour, and all participants remarked at how helpful the map, fact sheets and brochure would be to supporting the commencement of trading relationships.

Following the 2009 tour support for coffee sales was inadequate and several interested buyers were unable to purchase Burundi coffee. In an effort to avoid this circumstance in 2010, meetings were arranged between buyers and Burundi exporters to discuss their expectations regarding communication, receipt of samples and timelines for coffee delivery. In addition BAP will be serving as a conduit between those roasters unable to participate in this year's tour but who communicated their interest to receive 2010 samples, and the Burundi exporters whose responsibility it is to provide them.

Following her involvement in the Burundi exhibit booth at SCAA, Lyse Kaneza Ndabambarire was proposed by BAP and other stakeholders to be Burundi's new in country coffee marketing liason for specialty coffee. As InterCafe takes its role as Burundi's coffee trade association responsible to market and promote Burundi coffee

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BAP recognized the need for a coffee promotion expert and, as part of its Year 3 workplan, committed technical and financial support. Lyse performed a critical role during the tour providing translation at both formal presentations and informal meetings. Her coffee background and knowledge make her a superb candidate for this position.

The SCAA Roasters Guild has elected to conduct their 2011 East Africa Coffee tour during the same time period as the 2010 BAP tour. A total of 12 roasters are expected to participate in a 3-4 day tour. Along with the coordination of the tour BAP is expected to provide meals, lodging and ground transportation. In addition there is an educational component of the tour and a room equipped with seating, PowerPoint projector and screen will be required for 2 classes conducted in the field.

In considering its 2011 Buyer's Tour BAP should cultivate interest among a broader audience of international buyers, especially those in Europe, Scandinavia and Japan. Many such buyers will be acting as international jurors for the 2010 Cup of Excellence in Rwanda. This will be an optimum opportunity to begin a dialogue between assorted jurors and Burundi delegates observing at the Rwanda event.

Already in the planning stages is a 2010 Buyers Tour for Dunn Bros. Coffee Roasters who are bringing 12 roaster retailer franchises to tour Rwanda, Burundi and Kenya in November 2010. BAP is supporting the organization and coordination of the tour, and will be conducting it in Burundi

Finally as has been expressed in previous reports the potato defect looms large on the horizon for specialty coffee development in Burundi. It is problem that seriously challenges the potential of long term coffee relationships and one that the US community of coffee buyers looks to BAP to address. Roasters and importers have expressed urgency in applying concentrated scientific research to study this problem and many industry experts have offered to assist and participate in the process. If this problem is given high priority in the BAP workplan for Year 4, it will serve to strengthen trading partnerships in Burundi and encourage future commitments from specialty coffee buyers.

Visits by Individual Coffee Buyers

In addition to the Coffee Buyer's Tour BAP hosted visits by Sarah Kluth of Intelligentsia Coffee and Kim Bullock of Counter Culture Coffee during this reporting period. A visit by Morten Wennersgaard of Solberg and Hanson Roasters of Norway was also announced for early July. Intelligentsia is interested in increasing its footprint of coffees from Kirundo-Muyinga, notably from Rugerero and Ngogomo Washing Stations. Counter Culture has already committed to purchasing a container of coffee from the CPC Washing Station in Kayanza.

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Principle Coffee Activities Planned for Q4

- Participation at the Cup of Excellence in Rwanda
- Exchange visit/training with Sustainable Harvest in Kigoma Tanzania
- Participation in Let's Talk Coffee Africa in Moshi Tanzania
- Documentation and analysis of Coffee Production costs at the Farmer, Washing Station and Dry Mill levels
- Recruitment and Training of Regional Coffee Sector Agronomists
- Recruitment of the Coffee Promotion and Marketing Specialist
- Commence operational research to improve coffee productivity and reduce the prevalence of potato taste
- Continue extension work on composting of coffee pulp
- Explore Alternative solutions for the establishment of a coffee quality center at altitude
- Continue intermediation assistance in the negotiating process of direct sales contracts with international importers/roasters- includes sourcing/sending of samples, cupping calibration, communications facilitation, monitoring of dry milling and export procedures
- Continuation of Communication Programming on goings on in the coffee sector with Radio Isanganiro
- Policy Work on Regulatory Reforms in the Coffee Sector- spacing of washing stations, price and service payment differentiation, and defining the methodology for farmer payment of the "part reservateur" for privatized CWS
- Production of Quarterly and Annual Reports
- Work planning for PY 4

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Dairy Value Chain

Introduction

Activities during this reporting period focused on four essential elements:

1. Monitoring the accomplishment of the community veterinary agents
2. Monitoring the development of the forage trials
3. Preparing the grant dossiers for the different milk collection centers and
4. Preparing the groundwork for the different Milk Collection Centers

We note that the Dairy Value Chain benefitted from two STTA missions during this period.

Activities Undertaken

Community Veterinary Agents

During this reporting period community veterinary agents from 6 hillsides, 4 in the commune of Rutegama and 2 in the Commune of Bukéyé reported on training offered to members of their dairy/livestock associations. In total 11 different themes were developed during 25 different training sessions. The most popular training sessions overall were differentiating healthy from sick animals and treatment of tick borne illnesses. Least popular was the session on skin diseases followed by castration. Sessions on animal nutrition and raising livestock intensively using permanent stabling were popular with women members, while men were, on average, most interested in treatment of internal parasites, stable construction and hygiene and managing hooves and horns.

Table 5: Training sessions facilitated by community veterinary agents

	Theme	M	W	T	S	X/m/s	X/w/s	X/S	# hillsides	# Communes	Observation
1	Differentiating Healthy Animals from Sick ones	76	45	121	5	15.20	9.00	24.20	5	2	
2	Stable Construction and Hygiene	56	13	69	3	18.67	4.33	23.00	3	2	
3	Tick born illnesses and their treatment	71	42	113	5	14.20	8.40	22.60	5	2	
4	Internal parasites and their treatment	38	11	49	2	19.00	5.50	24.50	2	1	Rutegama
5	Managing Hooves and Horns	55	17	72	3	18.33	5.67	24.00	3	2	
6	Birthing Calves	25	5	30	1	25.00	5.00	30.00	1	1	Rutegama
7	Skin Diseases	26	6	32	2	13.00	3.00	16.00	2	2	
8	Spraying cattle	17	24	41	1	17.00	24.00	41.00	2	1	Bukeye
9	Large Ruminant Nutrition	1	20	21	1	1.00	20.00	21.00	1	1	Bukeye
10	Raising Livestock intensively under permanent stabling	1	20	21	1	1.00	20.00	21.00	1	1	Bukeye
11	Castrating Animals	16	4	20	1	16.00	4.00	20.00	1	1	Bukeye
	Averages					14.40	9.90	24.30			

Application of lessons learned in the prevention and treatment of tick borne illnesses appears to have had a major positive impact on animal health in the two communes as has the training in birthing of cattle for farmers in Rutegama.

Improving Dairy Production

Forage seed and leguminous shrubs were obtained from different Burundi Research Stations and provided to two separate groups of Dairy Producers: small holders and medium sized industrial dairy farmers. These differentiations were based on availability of land and average herd size.

Smallholders

The Lablab (Hyacinth Bean) was not very appreciated by the smallholders because of its low germination rate and the time necessary to establish the crop. Oats grew quickly, resisted hydric stress well and the productivity depended both on latent soil fertility and residual moisture. The barley germinated well but its production was disappointing, probably due to hydric stress and sensitivity to poorer soils. The stylosanthese is a flowering leguminous shrub which takes a long time to become established because of its deep tap root. It produced best on lower hillsides close to marshland and on soils of moderate to high soil fertility.

The Leucaena and Calliandra planted on hedgerows as anti-erosive barriers and to provide forage and green manure have attained a height of 1 meter. The first cutting will occur when they attain 1.8-2 m in height, at which point it is expected their root system will be well established and should permit vigorous regrowth.

Medium Sized Industrial Dairy Farmers

In Bukéyé, the farm tested not only cultivars received from ISABU but also forage species imported from Kenya, notably alfalfa and forage sorghum. In addition they planted lablab, stylosanthese and clover. The alfalfa fed to test cattle increased their daily production by an average of 5 liters per milking (10 liters/day). Given this preliminary result, the farm manager decided to irrigate his alfalfa so it would continue to produce through the dry season. The Lablab produced well in Bukéyé and 5kg of lablab added to test cattle's daily rations increased their productivity by 4 to 5 liters of milk per day. The forage sorghum produced well and a ration of 10 kg of sorghum per day, split into two feedings increased test cows production by 2 ½ to 3 liters per day. The barley has produced moderately well with no special soil treatment. The seed will be collected and re-seeded during the mini-rainy season from Oct-December.

At the Biranyuranwa farm in Magamba Commune of Bururi Province, oats, barley, clover, forage millet and Napier grass were tested. The barley was well adapted to the climactic conditions, altitudes and soils. The oats also appear to be well adapted. The clover germinated late, but has now established itself as a solid ground cover. The forage millet germinated well and has headed out with a high productivity. The Napier grass has already attained 1 meter in height appears to produce well in the climate, but we need to monitor its productivity through the dry season.

In Rutegama, the stylosanthese is producing well as is the Napier grass. The clover is producing well in the early stages and we will monitor its drought resistance through the dry season.

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
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Fax +257.22.25.79.51

Milk Collection Centers

During this reporting period the technical specifications of the equipment needed for each model of milk collection center was determined and quotes obtained in anticipation of their procurement during Q4.

In Rutegama, the Garakiramatongo association members have already amassed a number of the local construction materials needed for their center. The association is a legal entity with notarized statutes. The association currently has 416 members each of whom are cattle owners. The largest farmer is the association's vice-president who has 10 cows. The yields of present milking cows in the region vary from only 3 to 7 litres a day. Reportedly, a total volume of 2,000 litres/day could actually be collected and this amount could increase to 4,000 litres in the next two years. The region is well known for its milk production. The morning milk is often boiled and afterwards shipped to Bujumbura. The coop pays 500 FBU/litre to farmers and sells their milk for 600 FBU/l in Bujumbura. The evening milk remains with the producers and they use it for their own consumption, including feeding their domestic animals.

Four small holder association member farmers were visited. The farmers kept the cattle inside the houses and worked on a zero grazing system. The fodder was cut laboriously and fed three times per day, and manure collected. The quality of milk was relatively low, 3-6 litres per day, but is a very useful dietary and economic supplement to the farmer. The manure from the animal appeared to be as highly prized as the milk. The famers without cattle appear to be a severe disadvantage with regards to food security and crop production.

The system is very rudimentary and the opportunity for improvements in productivity through improved feeding, housing and management are considerable. The initial trainings could be followed up with some more back stopping as the famers adopt new technologies. In addition the introduction of fodder racks, chopping boxes and better designed housing units, will improve the famer's lot.

In Bukéyé the site for the future milk collection center was identified. The farm in Bukéyé plans to invest in a mechanical milking machine. In order to reduce costs the milking machine will be installed in a "milking salon" adjacent to the milk collection center so that the milk will go directly into the cooling tanks to reduce the possibility of external contamination. Milk production is currently about 800 liters/day from 120 cows, of whom 100 are high grade improved race variety F1 or F2 generations. Production has been hit recently by an outbreak of lumpy skin disease for which the cattle has not been vaccinated. The cows are kept in a zero grazing loose housing system in small groups of four to six animals over three properties. Manure is collected by hand and scraped up using boards.

Feeding on mainly purchased fodder chopped by hand mixed with brewers grains from Bujumbura, the cattle are in good condition and appear to be yielding well. There appears to be a good market for the milk so much so that the owner is considering installing a milking machine to maximise.

The cool weather and continuous collection of manure seemed to have substantially reduced the fly population.

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It is the farm's intention to enter into sourcing agreements with surrounding smallholders capable of providing an initial estimate of 400 to 500 liters of milk/day.

Areas of concern and Recommendations

Labor usage – There are a number of simple labor saving devices that could be introduced by the farm and this would allow more efficient use of labor and reduction of scut work. These include chopping boxes, manure scrapers, carts, and drying racks for the alfalfa.

The housing currently has been constructed over a period of time with additions when time would allow. No overall farm plan was follow which has resulted in large number of small pens which tends to be cumbersome with regards to labor efficiency and possibilities of low cost mechanization. In the future redesigning the area may become a priority.

Cow comfort is an issue with only concrete floors for the cows to ruminate in and a hoof care program could be considered to reduce subclinical laminitis. Consider housing design changes with cubical.

Milk hygiene - with not specific milking parlour, milking in the pens, into plastic buckets and no chilling facilities producing hygienic milk will be a challenge. This must be highlighted to the famer to see how we can address these issues. It was unclear on the masts its control regime but it appeared this could be an area of concern. Routine teat dipping and use of dry cow theory could assist substantially in any mastitis's control program. Chilling the milk on the farm via the MCC makes sense and testing the cattle twice weekly for mastitis also will help.

Vaccination program to cover the common diseases would be money well spent especially Anthrax, Braxy/Blackleg, Brucellia, Lumpy Skin, Rift Valley fever, and any other common diseases. The cost involved is negligible for such a farm with high value animals. Tests for TB and Brucellia would also be suggested, to allow the farm to differentiate its milk from others in the market. Initiate vaccination program.

In Magamba the promoter of the milk collection center anticipates combining the center with a moderate sized dairy processing enterprise to serve demand in the southern half of Burundi. The farmer has two sites within the Magamba region in an extremely mountainous and challenging area with relatively high population density. The housing is zero grazing but much more rudimentary structures made from wood, tin and bedding on grass. Both sites had free flowing water and is very damp. The feeding system is forage based and, as result, the 18 cows in milk produced only 80 litre per day (4.5 liters/cow on average). The animals appeared to be F1 – grade dairy cows.

The fodder trials looked good with the legumes taking little longer to produce than oats and barley. This is a good way of establishing which fodder species will do well in which location. Once the plants are a little bigger, farmer field days with seeds available would be useful ensuring replication and adoption of best forage practices.

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The second farm site was closer to the site for the proposed Milk Collection Centre, and built on the side of the hill. Again the site had free flowing water but none of the cattle had drinking water in their pens.

Issues to be addressed:

Water and nutrition are the first two limiting factors with regards to production and so it is recommended the farmer concentrators on raising production through improved feeding and having water available continuously to the cows.

The development of standard building designs for most of the zero grazing units would also be very helpful. All the dairy units that have been visited with a few minor, cost effective modifications would result in greater cow comfort, more efficient use of labor and a more economically profitable system.

It would appear to make logical sense to relocate all the milking cows to the farm closest to the MCC site, feed them better, build better designed housing, and move heifers to the other site.

Activities with Dairy Processors

IAB (Industrie Agro-Alimentaire de Butere),

Dairy products produced The dairy plant is producing the following range of dairy products:

- Pasteurised milk at 3.2% fat, packed in 500 ml and 1000 ml Tetra Rex Packs;
- Fermented milk (lait caillé / drinking yoghurt) at 1.5% fat in Tetra Rex Packs;
- Yoghurts at 3.0% fat, packed in 150 ml cups, produced in 4 different flavors (vanilla, strawberry, pineapple and apricot) and packed in cups of 150 ml.

All products have the same brand name: NATURA.

Sales of finished products: There are no sales problems at all. Presently, the dairy processes only around 500 liters of raw milk per day while there is an immediate need of 2,000 liters a day. Even quantities of 6,000 liters of raw-milk intake per day are feasible in terms of processing capacity and sales possibilities.

Such a throughput (6,000 l/day) could be realistic during the entire year as the monthly consumption of dairy products is rather stable during the year.

Processing capacity: The maximum processing capacity of the dairy plant is around 1,500 liters/hour, with the packaging machine being the actual bottleneck.

Purchase of raw milk: The main problem of the dairy plant is sourcing the required raw milk for processing purposes. Currently the dairy plant pays 650 FBU per liter, delivered at dairy plant. If required, the dairy plant is in a position to collect the raw milk from collection centers.

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Concerning milk output during the different months in the year, the climate certainly plays a role and the rainy season is the most favorable one to boost milk production. In Burundi there are 4 different seasons concerning rain and dry periods:

- January/February: 2 months dry ("petite saison sèche"),
- March/June: 4 months rain ("grande saison de pluie"),
- July/September: 3 months dry ("grande saison sèche"), and
- October/December: 3 months rain ("petite saison de pluie").

It is known that, in particular, free-grazing herds, and there are many in this mountainous country, have their highest milk output in the rainy months. Because of the non-grazing herds are increasing in total number of dairy cows the national milk output is becoming more stable during the year.

A short visit was paid to the processing unit and the main observations are:

Control of the quality (composition and water content) of the raw milk is correctly performed.
The small laboratory is using a milk analyzer (Lacto scan, made in Bulgaria) and determines the following components: Fat/SNF (Solids Non Fat)/protein/lactose/density and water%.

Most equipment is very recently installed. The plant is focused on three finished products: mineral waters, soft drinks and pasteurized milk.

Equipment for soft drinks and milk is 18 months old and for mineral water only 6 months.
The pasteurized milk is packed in Tetra Rex Cartons of ½ and 1 liter, by a filling machine with a capacity of 1,500 cartons per hour. As said before this filling machine is the bottleneck in the overall capacity throughput; in other words the capacity is easily to increase by purchasing a second filling machine, if ever needed.

Records on milk intake show that in January 2010 only 4 farmers delivered milk; their monthly delivery was: 120, 900, 1200 and 1500 liters, respectively. This means that only 120 liters of raw milk were delivered on a daily average.

The dairy plant is indeed facing **a huge under-utilization of its milk-processing capacity**. IAB needs much more raw milk for processing purposes. Its immediate need is 2,000 litres/day and could increase this demand to 6,000 l/day. IAB **is prepared to ship the milk by its own transport vehicles** from a milk collection centre to its own processing plant in Bujumbura.

In order to cover its immediate need of raw milk, IAB envisages purchasing raw milk in neighbouring Rwanda (region of Nyanza).

The General Manager is prepared to switch to milk produced in Burundi as soon as the planned milk collection centres in Rutegama, Bukéyé and Magamba are operational.

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Dairy "Ferme de Bukéyé"

The material for the Bukéyé dairy has cleared customs and is being installed. Production is anticipated to begin during July 2010. The dairy anticipates processing 1000 liters per day to start: 400 liters of fresh pasteurized milk, 350 liters of fermented milk and 250 liters of yoghurt.

JIWAN LAIT

In 1988, the family-owned enterprise (DME Exportations) commenced its activities, exporting fruit and vegetables to Europe. These activities still are an important asset for the enterprise.

In 1997, DME Exportations created Jiwan Lait and started to process milk under the brand name "La Perle".

The years 1996/2005 were very difficult due to embargo circumstances.

Raw milk intake: Due to low sales of finished products (see below), Jiwan Lait purchases only 20 litres of raw milk per day from one single farm and pays 800 FB/litre.

Dairy products produced: The dairy plant is producing the following range of dairy products, but at very low volumes:

- 4 types of yoghurts: natural ("Bulgare" type), with strawberry flavour, with strawberry pieces and with raspberry pieces,
- Ice cream with vanilla + chocolate, and
- Fresh cheese

Yoghurts are packed in cups of 150 or 175 ml. Due to a shortage of raw (fresh) milk also reconstituted milk from powder is mixed with the fresh milk.

Sales of finished products: There are real sale problems, in particular for the yoghurts and mainly due to two reasons:

-The relatively expensive yoghurts are not easy to sell because the number of the so-called better-off consumers is very restricted. Jiwan Lait delivers the products twice a week to 15 supermarkets and under the condition they store the products in their refrigerator. The ex-factory price of a cup of yoghurt amounts to 515 FBU, including 18% VAT. The cup is sold to consumers for 750 FBU. This means a retail margin of over 45%.

- Dairy plant Nyabisabo started in 2008 its operations in a very aggressive way. It sells its products at a 30-40 % lower price; as an example: the declared ex-factory price of Jiwan Lait (515 FBU) amounts to only 350 FBU for the same Nyabisabo's product.

In 2008, Jiwan Lait was still selling 5,000 cups of yoghurt per month but nowadays this volume has decreased to only 1,000 cups/month.

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Dairy plant JIWAN LAIT is well managed and is likely being able to purchase more raw milk and to sell the finished products for the following reasons:

1) There is a great demand for two products:
    - Pasteurised skimmed (low fat) milk, and
    - Butter.
2) In order to realize this demand the company already purchased, two years ago, a stand-pasteuriser and a butter churn. Both machines are still unpacked in a storage room.

The company needs indeed to lower its processing costs and trying to have a larger throughput is a sensible idea.

In case diversification to production of pasteurised skim milk and butter becomes a reality envisaged, more Technical Assistance is required particularly for a Dairy Technician (for equipment installations) and a Dairy Technology expert (for preparing and launching the first products).

RECOMMENDATIONS:

Dairy plant JIWAN LAIT is well managed but, nevertheless, the question arises whether – by taking into account its current decrease in sales volumes because of competition with Nyabisabo Dairy - more raw milk intake could easily be marketed.

Jiwan Lait could be a second potential dairy processor- after IAB - being in a position to purchase raw milk from future MCCs once initiated.

The Nyabisabo Dairy received their loan through the DCA facility at Interbank and has ordered the equipment needed to upgrade their infrastructure. There have been some delays shipping from China and the owner of the dairy recently made a second trip to ensure his equipment shipped in a timely fashion.

Principle Activities Planned for Q4

- Exchange visit with Milk producers, processors and operational collection centers in Rwanda
- Milk Collection centers financed, equipped and operational in Bukéyé and Rutegama
- Capacity reinforcement in the management of Milk Collection Centers and Dairy Processing units
- Community Veterinary Service organized and operational in production zones of Muramvya Province
- Selection process concluded and capacity reinforcement underway to prepare clients destined to receive improved race variety cattle under the principles of the Community Solidarity Chain

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Horticulture Value Chain

Introduction

This report outlines the activities carried out during the third quarter of BAP project year 3 on supply side, demand side and cross-cutting activities according to the Y3 work plan.

On supply-side, our BAP horticulture activities were concentrated on providing technical training on small scale irrigation, trellising, planting density, seedling production, grafting techniques and good harvesting practices. Solar dehydration of fruits and vegetables was also piloted for tomatoes and trials for other fruits and vegetables have been planned. Follow up to specific new and existing farmer organization work plans was carried out and built into grant requests proposals.

On demand-side, this quarter was characterized by a greater emphasis on wooden box (*Cageot*) extension for fruit and vegetables transport and on the relocation of Muramvya vegetable market.

Several cross-cutting and capacity building activities were carried out jointly with the ADCs on several crops in different regions. Good Management Practices (GMP) training material in Kirundi was developed for supermarkets, restaurants and hotels following the requests of representatives of these businesses to produce more materials so they could to train their personnel.

Each of these activities is expanded below outlining achievements, challenges and adopted solutions.

Activities

Introduction of small-scale irrigation practices

The SOW for Mr Brian VINCHESI, STTA irrigation expert was developed to budget out, install and train farmers on the use of irrigation, pumps and other equipment.

The irrigation design and an inventory of required materials were made by the irrigation expert and shared with the office in Burundi to source as much as possible from local shops. As a result, specific items were imported from the US and France, and most of PVC materials were purchased locally.

The original program called for the installation of overhead and drip irrigation systems on two demonstration plots, one for DUFATANEMUNDA farmer association (Gihanga commune, Bubanza province) and another for TWITEZIMBERE farmer association (Busoni commune, Kirundo Province). Each plot was designed for 0.75 HA (0.50 HA of sprinkler and 0.25 HA of drip irrigation).

DUFATANEMUNDA's demonstration plot was delimited, but the pumping system from a well ended up not being a feasible alternative because the well needs to be more than thirty meters deep to avoid natural salts

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present in the soil at shallower depths. According to the expert, salts are manageable in areas having a lot of experience with sprinkler irrigation and monitoring tools to leach salts; however, for Burundi, dealing with salt issues, particularly in the drip irrigation system, is a higher level of soil management that will be very hard to implement by the farmer associations at their current stage of development. Whether we will be able to work with irrigation in DUFATANEMUNDA remains a technical challenge under discussion. Alternatives are to work only with sprinkler irrigation and shallow, hand-dug wells taking advantage of the pumping equipment in the hands of the association. It is noteworthy that DUFATENMUNDA is well organized and has shown a high level of responsibility in applying improved cultural practices, reason for which we will exhaust all available possibilities to support their training and use of improved irrigation practices.

In Kirundo, the irrigation system for the overhead plot and the headlines of the drip irrigation plot have been installed. The clients contributed by the clearing the land, digging the trenches and in the laying out of irrigation pipe.

TWITEZIMBERE members are filling the trenches

The overhead sprinkler system will be run by pumping while the drip system will be run by gravity. The required water pump (240 liters per minute flow and 56 m head) was calculated on site once the system design was completed. Unfortunately, a pump with this water lifting capacity could not be found locally and we are in the process of sourcing it from South Africa.

A core activity under irrigation was a training workshop held by the irrigation expert in Kirundo on june 17th. There were fifteen attendees including the ADCs of Kirundo, Bubanza and Cibitoke provinces, the DAPEs of the above provinces, four students of Ngozi University and the representatives of three farmers associations (DUFATANEMUNDA, DUFASHANYE and ALUCOVIS) which are supported by BAP. The workshop was judged as pertinent for Kirundo and other regions with water problems, highly technical and, in some areas, challenging to understand, but highly motivating to the attendees who intend to pursue careers focused on further knowledge on this important aspect of agronomic and horticulture production.

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The agenda of the workshop presentation included the following topics:

- ✓ Description of low volume irrigation;
- ✓ Water quality and soils;
- ✓ Design and installation of overhead irrigation systems;
- ✓ Design and installation of drip irrigation systems;
- ✓ Irrigation system maintenance;
- ✓ Sourcing of irrigation materials;

In conclusion, the expert recommended:

- ✓ To choose equipment based on water quality and pumping requirements;
- ✓ To understand the soil water holding capacity and intake rate;
- ✓ To design the system for high uniformity and efficiency;
- ✓ To remember the importance of filters, gauges and air release valves;
- ✓ To choose the proper quality pipes;
- ✓ To adopt a proper schedule of irrigation;
- ✓ To correctly install and manage the systems;
- ✓ To ensure good maintenance of irrigation equipment

The workshop also included live demonstrations of how filters, valves and other pieces of irrigation equipment work. For everyone, including the DPAEs, this was a first opportunity in their careers to learn about modern irrigation systems in a practical manner. In the afternoon, a field visit was organized in Busoni commune were the irrigation system was being installed. The presentation will be translated to French for easier comprehension.

Improving yields through easy-to-apply cultural practices.

Three farmer associations (DUFATANEMUNDA, ACEPE and ALUCOVIS) were trained on tomato trellising. Two planting densities for tomatoes (30cm x 80cm) and (40cm x 80cm) were tested against normal planting densities in DUFATANEMUNDA farmer association. Though the harvest in DUFATANEMUNDA association is scheduled for July, the combination of the two cultural practices is anticipated to result in yield increases.

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Table 6 below shows the situation of farmers associations training on several cultural practices:

Province	Training subject	Farmer association	Beneficiaries		
			Total	Male	Female
Mwaro	Trellising	Abazimyamuriro	17	4	13
Gitega	Planting densities for Tomato and Eggplant	Turwanyinzara	5	3	2
		Twiyungunganye	5	2	3
Kirundo	GAP	Twitezimbere	22	9	13
Bubanza	GAP	ACEPE	10	3	7
		Dufatanemunda	12	1	11
	Seedling production	Dufatanemunda	12	0	12
	Trellising	Dufatanemunda	4	0	4
	Planting densities	Dufatanemunda	15	0	15
Bujumbura Rural	GAP	Ivunumusase Tuduzikivi	6	4	2
		Twitezimbere	17	11	6
		IGANI	64	48	16
		Ubumwe	44	0	44
		Abakenyezi Twisununure	16	1	15
Cibitoke	GAP	ALUCOVIS	21	6	15
		DUFASHANYE	7	0	7
Total			**277**	**92**	**185**

The production data for ACEPE and DUFATANEMUNDA farmer associations are given in the table below, but the harvest is still going on for some of the crops:

Table 7: Production from grantees in Gihanga Commune, Bubanza Province

Association	Crop	Area (HA)	Yield (kg)	Comment
ACEPE	Amaranths	0.5	1250	Flooding
	Tomato	1	5,060	
	Cabbages	0.5	2000	Flooding
	Eggplant	0.7	8,450	
	Pepper	0	0	Low germination rate
	Onions	0.6		Still under cultivation
DUFATANEMUNDA	Pepper	1.5	596	Still harvesting
	Tomato	0.5	620	Still harvesting

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Solar Drying for fruits and vegetables

Some modifications were done to the mid-size prototype for food dehydration and calibration is on-going. The process has been tested successfully with tomatoes, but the prototype still needs to be modified in order to reduce the dehydration time and the risk of contamination by surrounding microorganisms. This is appropriate technology that is being adapted for areas where back up heating systems using light bulbs cannot be used due to the lack of electricity. As a result, drying time is delayed as the product recovers part of the lost humidity at night or during days of lesser solar radiation. However, the product tested is edible, has good color and we expect the first models to be demonstrated to the associations during the next quarter. Other fruits like bananas, pineapples and peppers will be tested during the fourth quarter as well.

A small size prototype is under construction and it will be easily transportable for training purposes in outlying areas like Kirundo and Cibitoke provinces where post harvest losses of fruits and vegetables are important (over 20%).

Seedling production

A seedling production mini-station was established in DUFATANEMUNDA farmers association in Gihanga commune, Bubanza province.

The seedling production kit was imported from USA, but it can also be sourced in Kenya Uganda and South Africa. The substrate was made of a mixture of local materials (60% rice bran, 30% soil and 10% sand).

The participants of the training on installation and sowing density were 12 DUFATANEMUNDA members, the ADC of Bubanza and BAP horticulture local team who will establish two similar mini-stations in Kirundo (TWITEZIMBERE association) and Muramvya (ABASANGIRAJAMBO association).

An inventory of required materials was made for the establishment of seedling production mini-stations in the two locations. Each mini-station seedling production capacity is 5000 plants per cycle and this activity will generate additional income to the association once the growers will see the difference of quality compared to

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their normal system. The impact is also expected in reduced growing cycles in the field, more vigorous plants, lower plant mortality rates in the field and thus higher yields.

Facilitation of specific inputs and training

***FRUITO**:* the grafting of passion fruit plants has started in Rutegama on June 28th and the training on grafting technique started on July 5th.

The participants in this training are five persons from FRUITO and ten members of GARUKIRAMATONGO farmers association which is supported by BAP in the dairy sector. Selection criteria for association members were their willingness, their age (less than thirty years old), their experience in plant and passion fruit production.

ATB: ATB has decided to stop the project and actions to request reimbursement of the funds, according to the partnership agreement, are in process.

DME: the seedling production by AGROBIOTECH (a local biotechnology laboratory) in partnership with the Faculty of Agronomy of the University of Burundi is on-going and plantation is scheduled for January 2011.

FERGA: It was not possible to source berry seeds from USA because they are very expensive (the lowest price found is at $4.99/cutting not including shipping to Burundi). Alternatives to grow other products are under discussion.

Expanding small farmer linkages with national and regional buyers

This activity could not be achieved during the current quarter as most of the emphasis was placed on supply-side activities. A trip to Rwanda for market intelligence is scheduled in august 2010.

Farmer associations training on Good Agronomic Practices (GAP), Soil Conservation Practices (SCP)

Farmers associations were trained by ADCs on GAP with the training material in Kirundi. The training was divided in many sessions (water quality, safety, Environment, chemicals and fertilizers, harvest and post harvest).

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Table 8: Training Sessions in GAP offered during Q3 by province and association

Province	Association	Date	Lieu	Nb d'invites	Participants			Thème	Observations
					Total	M	W		
Bubanza	ACEPE	12.04	Gihanga		10	3	7	Eau, hygiène, environnement	Les 2 autres thèmes (engrais et pesticides, transport et post-récolte) ont été développés a l'occasion des récoltés
	DUFATANEMUNDA	12.04	Gihanga	22	13	0	13	Eau, hygiène, environnement	
Cibitoke	DUFASHANYE	23.06	Ruhagarika	11	11	0	7	Eau, hygiène, environnement	
	ALUCOVIS	23.06	Cibitoke	68	21	6	15	Engrais et pesticides	
	ALUCOVIS	25.06	Cibitoke	26	19	3	16	Eau, hygiène, environnement	
Kirundo	TWITEZIMBERE	19.05	Busoni	25	21	9	12	Eau, hygiène, environnement	
Buja Rural	IGANI	08.06		40	40	28	12	Eau, hygiène, environnement	
	TWITEZIMBERE	17.05	Maramvya	17	10	5	5	Eau, hygiène, environnement	
	ABAKENYEZI TWISUNUNURE	21.04	Rubirizi	19	16	15	1	Eau, hygiène, environnement	
	UBUMWE	22.04	Rubirizi	53	36	0	36	Eau, hygiène, environnement	

Relocation of Muramvya vegetable market

The owner of the plot where the new market will be established approved the establishment of the vegetables market in April 2010. The nine farmers associations have decided to work together as a cooperative named ABASANGIRAJAMBO in order to avoid jalousie between the individual groups for the usage of the sale point. The members have agreed on the design to be adopted and their contribution in labor for the fulfillment of the project. They have also agreed to develop the standard management procedures of space and to organize different commissions to keep the place clean and running in order to attract customers.

This point of sale will have a parking lot for busses and small cars, individual sales booths of 1.5m x 2m to be leased out for a minimum price per month in exchange for access to space and operating water misters to keep the products fresh. Additionally, toilets and hand washing facilities with permanent water, paper and soap for hand-washing will be available, three rooms for storage of tables or chairs used by vendors, a washing station for fruits and vegetables in the back of the building, and an open pavilion where the clients can enjoy their drinks and where grilled meat can be sold are among the planned improvements.

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The use of toilet facilities will be charged a minimum cost (to be determined). This practice is intended to generate enough resources to keep the facilities clean and comfortable for travelers from and to the north who, based on our experience, have no other place to use toilet facilities in transit. Bugarama is at 8 kilometers from this market, but it has grown into a crowded area without any ordinances and comfort for travelers to get off their vehicles or use toilet facilities.

The rehabilitation proposal is being developed by the members of the cooperative with the support of the ADC of Muramvya province.

Monitoring and evaluation

Several monitoring and evaluation visits have been developed to monitor progress and expenses of the different associations. These reports have been submitted to BAPs management and the monitoring and evaluation specialist. More emphasis on tangible results has been requested and that will be the emphasis of further monitoring and evaluation trips as we enter into the last quarter of Year 3. As part of a self-evaluation process, a detailed activity plan has been developed for the remaining months of the year.

Planned Horticultural activities for Q 4,

- Introduction of small scale irrigation practices
- Seedling production
- Solar food dehydration
- Facilitation of specific inputs and training
- Relocation of Muramvya vegetables market
- Farmers associations training on GAP, SCP and IPM
- Wooden boxes extension for fruits and vegetables transport
- Adapting products to markets through customized Business Development Services
- Expanding small farmers linkages with national and private buyers
- Improving yields through easy-to apply cultural practices.

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Success story (Introduction of Wooden Box technology for the Transport of Fruits and Vegetables)

Burundi Agri-Business Program (BAP) has defined among the priorities of its horticulture value chain the improvement of the agricultural practices including transport and post-harvest activities. This is an essential precursor to putting competitive products on the market. The horticulture sector suffers from a lack of packaging material for fruits and vegetables. The most important post harvest losses are registered for tomatoes which are transported in baskets and dry banana leaves. According to tomato producers and transporters, the traditional transportation system is responsible for losses of between 20 and 50 % of the total production.

Fig.1 : Tomato transport using baskets

BAP has initiated the extension of the use of wooden boxes (cageots) for the transport of fruits and vegetables' as a replacement for the traditional baskets (panniers). See Fig.1.

Fig.2: Preparation of transportation in wooden boxes

The dimensions of the wooden box are standardized and it can carry a maximum of ten layers of tomatoes without damaging the quality of the product. Another major advantage of the wooden box is that the client can see and evaluate easily what s/he intends to buy.

The partner associations have quickly adopted the use of wooden boxes for tomato transport from the field to market for many reasons depending on the group of stakeholders.

Fig. 3 : Transporting wooden boxes by bicycle

<u>According to the cyclists</u>, it is easier to transport tomatoes in wooden boxes than in baskets because the boxes can be easily overlaid on both sides without damaging the product. See fig 3.
The boxes can be used many times and can be easily identified by the name of the owner. The quality of the product is maintained because there is no

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shock, no damage and no overheating. A car can carry more tomatoes by boxes than by baskets because the boxes can be stacked without damaging the product inside.

According to the wholesalers in the markets, the product is still fresh when it arrives at the market thanks to the ventilation.

The producers receive a better price for tomatoes transported in boxes than for tomatoes transported in the traditional baskets : 8,000 FBU per box vs 13,000 FBU per basket. Experience has shown that two boxes equal one traditional basket in terms of weight. This means farmers receive 16,000FBU for two boxes which are equivalent to one basket selling at 13,000FBU. Thus selling via box yields an additional revenue of 3,000FBU for the same quantity of tomatoes.

The box can be used many times while the banana leaves are used only once.

The products can be sorted by quality and differentiated for different markets yielding different prices.

Transport is more expensive with baskets than with boxes. Each basket is loaded for 300FBU and the dry banana leaves cost 200 FBU/basket, while the transport cost per panier is 2000 FBU from Gihanga to the Central Market in Bujumbura as a bicycle can only take 3 paniers. It costs the same amount 6000 FBU to transport a minimum of 6 boxes stacked like beer cases which translates to a maximum transport cost of 1000 FBU/box. However, with the boxes there is no labor fee or need to pay for the banana leaves, resulting in savings of 1500 FBU (3 baskets x 500 fbu/basket) per bicycle trip to the market.

The challenge with the boxes is that they take up the same space on a bicycle whether they are loaded or not whereas the baskets can be stacked together leaving space for transporting commercial goods from the market to the village. BAP, working with our farmer partners is developing a strategy which will subsidize the return trip to the village with the empty boxes, by having the transporters carry commercial goods or special orders on the return trip inside the boxes.

The use of boxes doesn't occasion rubbish like the use of baskets. Baskets leave banana leaves to be disposed and dirt from the leaves as well as the tomato sauce from crushed tomatoes damaged in transit stick to the "good tomatoes" which then need to be washed before being sold to consumers, or can act as detritus for rats, flies and other insects, creating a secondary health risk.

With boxes, the client can visually choose his preferred quality standard. Tomatoes stay clean and are not damaged in transit. Tomatoes in baskets are covered in banana leaves and negotiated sight unseen. Damage to

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tomatoes during transport in baskets is frequent (up to 20% loss) and often leads to wholesalers claiming a rebate of 500 FBU on the purchase price of the basket when the percentage of damaged tomatoes reaches a certain threshold.

A secondary impact of this activity concerns Joseph BUKURU, a carpenter in Gihanga commune of Bubanza province. He was contracted to manufacture 350 wooden boxes at a unit price of 10,000 FBU. This translates to a contract of 3.500.000 FBU for his workshop. To meet the terms of his contract M. Bukuru hired 4 young people as apprentices. He pays them 600 FBU/box. They can construct an average of 5 boxes per person per day- meaning he provided a month's worth employment for each of the four "apprentices" for which they earned 52.500 FBU/each. In this way the adoption of the box has contributed to temporarily reducing unemployment in his community. M. BUKURU calculates his breakeven point (cost of manufacture) to be 8.700 FBU/box, yielding a gross profit to him of 1300 FBU/box or 455.000 FBU on the order, a margin of 13%. The manufacturing of wooden boxes enables him to make a profit on the pieces of wood of lowest quality, leftovers from his principal business of furniture making, which he would have otherwise discarded to be used as fire wood.

The money that Joseph BUKURU and his employees received from this contract assist them in paying their children's school fees, health care and food.

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BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
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Cross Cutting Components

Women's Leadership, Micro-Enterprise Development and Assistance to Producer Associations

Introduction

Activities during this reporting period focused primarily on capacity reinforcement for women leaders of rural producer associations. Four principle categories of activities were undertaken:

1. Training of women leaders in themes related to Institutional and Organizational Development
2. Training of trainers in literacy
3. Training leaders of beekeeping associations in Mwaro Province
4. Capacity Reinforcement for Women Entrepreneurs of AFAB, CAPAD and Team Travel Agency

In addition BAP facilitated the participation of women entrepreneurs at Trade Shows in Kenya, France and the United States as well as financing a group of 10 women entrepreneurs to an East African Conference for Women Entrepreneurs in Nairobi.

Results obtained include:

A total of 492 women leaders from 126 different associations in eight of ten provinces in the project zone received assistance in the form of capacity reinforcement for the creation, organization and management of their organizations.

One hundred thirty-eight women were trained as literacy trainers

Ninety nine leaders from 38 different associations were trained in beekeeping in the province of Mwaro.

Activities

Leaders of Women's Associations Receiving Capacity Reinforcement for the Creation and Management of their Associations

Themes developed during this reporting period included conception of legal statutes, roles and responsibilities of leadership posts in different association structures, inventory control, managing a petty cash box and calculating depreciation on durable goods. The table on the next page disaggregates the number of women leaders trained by province.

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In total 492 women leaders from 126 different Associations in eight provinces of project zone received training this quarter. In Bujumbura Rural training focused uniquely on functional literacy, while in Mwaro women leaders were trained in literacy and beekeeping.

Table 9: Number of Rural Women Leaders trained during Q3

Province	Number of Women Leaders Trained	Number of Assns
Bubanza	46	8
Cibatoke	58	3
Gitega	25	5
Kayanza	118	55
Kirundo	88	25
Muramvya	82	8
Muyinga	44	4
Ngozi	31	18
	492	126

Most women leaders received training in Producer Association Organization (280). This was also the session most widespread through the provinces. In second position came petty cash management. This was offered to 167 women leaders in four provinces. Capital depreciation was only taught to 43 women of five different associations in the province of Bubanza.

Table 10: Participants (pp) by Theme for Rural Women Leader's Training during Q3

Theme	Number of PP	Provinces	Observations
PO Organization	280	8	
Petty Cash Management	167	4	Bubanza, Cibatoke, Gitega, Kayanza
Inventory Control	59	2	Cibatoke, Kayanza
Simplified Accounting	50	3	Kirundo, Muyinga, Muramvya
Calculating Capital Depreciation	43	1	Bubanza

Training of Literacy Trainers

In order to create a mass of women leaders with the necessary tools to transparently manage their associations, BAP, in collaboration with the National Literacy Service trained literacy trainers in four provinces during this reporting period: Bubanza, Bujumbura Rural, Cibatoke, and Mwaro. During Q4 this training of trainers will be extended to at least to Muramvya and Gitega Provinces. The sessions lasted five days each and covered 29 different lessons. Certain women's associations sent men to be trained as literacy trainers because no women in their associations had the minimum educational level required for trainers. At the end of the sessions certificates of participation were distributed. The table below details the trainees by province and gender.

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Table 11: Literacy Trainers trained by Province, disaggregated by sex

Province	Men	Women	Total PP	% of Women trained as Literacy Trainers
Bubanza	3	30	33	90.9%
Bujumbura Rural	2	34	36	94.4%
Cibitoke	3	31	34	91.1%
Mwaro	2	33	35	94.3%
Total	**10**	**128**	**138**	**92.8%**

Literacy Centers Opened by Trainers

During this reporting period literacy centers were opened at 22 sites in the provinces of Bubanza (8), Bujumbura Rural (5) and Cibatoke (9). A total of 419 women are attending classes regularly.

Table 12: Literacy Centers opened by trainers for women leaders

Province	Name of the Association	Women participating in literacy training
Bubanza	Dufatanemunda I	9
	Garukirabakenyezi	4
	Garukirimpfuvyi	7
	Inyange	16
	Turibamwe I	10
	Twiyungunganye Bakenyezi	12
	Dukorerehamwe Twungurane Ubumenyi	10
	AEAOVVD	15
	S-total 1	**83**
Bujumbura Rural	Girumwete	36
	Ubumwe	16
	Abakutsakivi	43
	Bakenyezitwisununure	8
	Nkenyerakivi	45
	S-total 2	**148**
CIBITOKE	Duharaniramahoro	21
	Dushirehamwe	24
	Turerimpfuvyin'impfakazi	23
	Dukorerehamwe	26
	Akarangamico	30
	Imboneza	23
	Haraniribikorwa	7
	Rukundo/Twijukiriterambere	20
	Shaza	14
	S-total 3	**188**
	TOTAL = S1 +S2+S3	**419**

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To date BAP has furnished literacy centers in these three provinces opened by BAP trained literacy facilitators with the following supplies:

Province	Blackboards	Boxes of Chalk	Manuals for Literacy Trainers	Literacy Books for Students	Lots of 12 Visual Aids
Bubanza	8	14	33		33
Bujumbura Rural	4	8	36	108	36
Cibitoke	17	36	34	298	34
TOTAL	**29**	**58**	**103**	**406**	**103**

In addition Literacy Trainers in Mwaro province have received 35 Manuals for Literacy Trainers and 35 lots of Visual Aids. Information on training centers in Mwaro will be provided in the Q4 report as will updated figures for centers in Bubanza, Bujumbura Rural and Cibatoke.

Training of Beekeeping Association Leaders in Mwaro Province

There are a multitude of beekeeping associations in Mwaro Province. Beekeepers practice traditional beekeeping with rolled bark or straw covered hives placed in the branches of trees. Productivity is low and harvesting the honey destroys the hive and, potentially the colony. In total 95 participants, 42 men and 53 women representing a total of 31 associations were trained in two sites. Themes developed included:

- A History of Beekeeping
- Life cycle of the bee, birth of the queen, difference between workers and drones, hive placement, traditional vs modern hives, installing a hive and attracting a colony
- Swarming, its causes and how to defend against it; beekeepers, their role and equipment; replacing a queen
- Agronomic calendar for beekeeping, bee diseases and predators
- Bees and their relationship to plants and flowers- fertilization and pollination
- Melliferous plants, honey and its uses by man
- Nectar, pollen and beeswax; harvesting, conditioning and marketing
- Transplanting colonies from traditional to modern Kenyan Top Bar Hives (KTBH)

Each training group had the opportunity to visit a modern beekeeping enterprise. At the end of the training BAP provided each association represented with a kit containing: a modern hive; a pair of beekeeping gloves, a pair of boots, a beekeepers hat, smoker, and a wax knife.

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Two of the trained associations have already transplanted their populations from traditional to modern hives. One association had available to it over 100 KTBH but had never been trained in their utilization or in colony transfer.

The next step is for the trained leaders to train others in their associations and to assist those already in possession of modern hives in populating them through the transfer of colonies currently residing in traditional hives.

English Language Training

Twenty five members of AFAB and CAPAD continue with their English lessons. They have now attained levels varying from Upper Beginner to Upper Advanced. The training is designed to assist women entrepreneurs interested in undertaking commercial activities within the East African Community with their functional, commercial literacy.

Participation at Trade Fairs and Entrepreneurship Workshops

Federation of Women Entrepreneurs

BAP sponsored 10 women from AFAB to the East African Women Entrepreneurs Exchange Network (EAWEExN) Conference in Nairobi. Two of the ten are currently enrolled in the commercial English course noted in the previous section. Their improved capacity in English facilitated their active participation in this workshop. The main theme of the conference was "Building Synergistic Networks for Business, Trade and the Growth of Female Entrepreneurs". Sub-themes included:

1. Organizing networking among female SME for business growth and expansion
2. Access to financing for female SME
3. Access to Markets and Women SME in the Supply Chain
4. Integrating ICT into business
5. Moving from policy to implementation for results and growth and
6. The way forward for EAWEExN

The Burundian delegation gave presentations in the workshops 1, 2 and 5. Key points discussed included capacity reinforcement targeted to women entrepreneurs, access to credit, agriculture for improved food security, lobbying for a harmonization of policies relates to women led SME's and the determination of key sectors going forward. These were identified as agriculture, tourism, services, effective use of the media and mentoring young women entrepreneurs.

The sixth conference is planned for Burundi in 2011.

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Principal Activities for Q4

- Reinforcing the capacity of women leaders in rural associations in financial management, resource mobilization and entrepreneurship
- Training of Literacy Trainers in the Central and Northern Provinces of the Project Zone
- Literacy training for women leaders
- Capacity reinforcement for BAP field agents
- Evaluation of year 3 accomplishments and work planning for year 4

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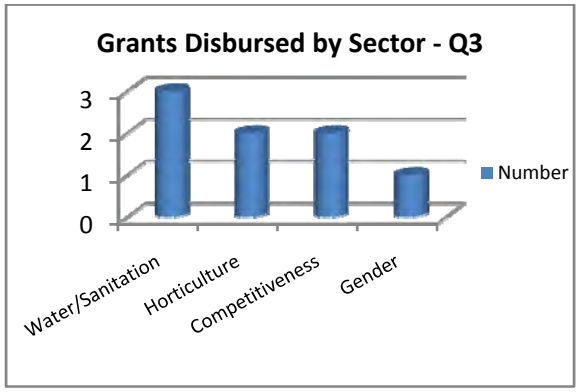
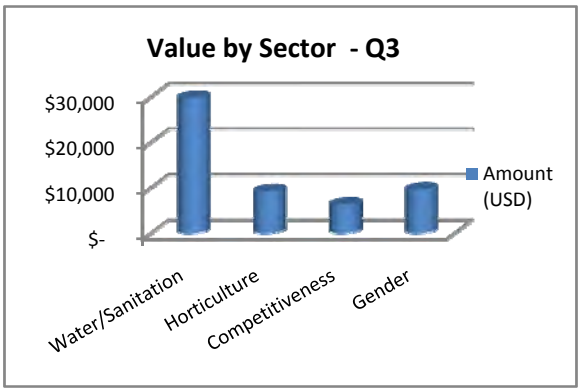
Grants and Financial Intermediation

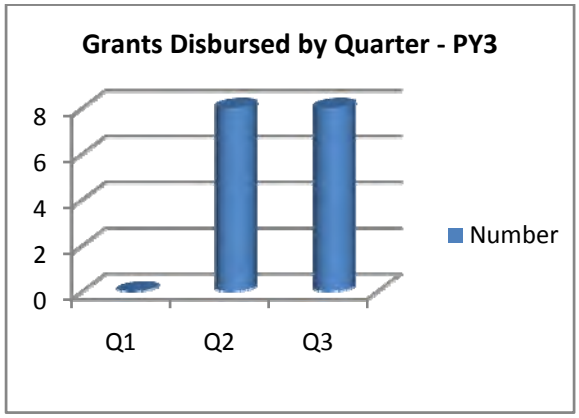
Introduction

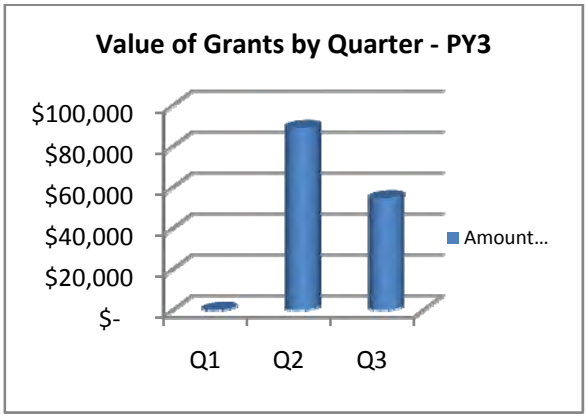
BAP has made steady progress this reporting period on providing technical assistance, evaluating and disbursing grant financing to BAP partners. Eight new grants were approved this quarter with 12 others currently under review. The total number of grants approved this quarter is the same as last quarter however the total grant value is slightly behind the previous quarter (see graphs below). BAP continues to be challenged by a lengthy review process both at the grant concept phase and the post award financial review. This has been due, largely, to the significant amount of accompaniment required of each dossier before it is acceptable for submission.

Graphs 1.0 - Approved Grants this Quarter









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Grants Approved this Quarter

Horticulture

In June, BAP approved two small grants totaling $9,144 to two associations in the province of Cibitoke. **DUFASHANYE**, a women's association composed of nine (9) members, manages a small produce stand on the BUJUMBURA-CIBITOKE road. The $4,160 grant financed the purchase of tomato, cabbage and watermelon seed, farming and irrigation equipment and a motorized pump. **ALUCOVIS**, a mixed association of 68 members in Cibitoke, requested $4,984 to purchase tomato and cabbage seed which they will sell at their local market.

Water and Sanitation

After receiving BAP technical assistance in business plan development and financial analysis, **WEBCOR Burundi** submitted three dossiers totaling $29,700 to construct wastewater treatment infrastructure and block latrines at three of their coffee washing stations in Kayanza and Ngozi Provinces (see Community Water section of this report for detail). These activities will reduce the amount of untreated wastewater that is emptied into the environment from the CWS as well as provide access to improved hygienic conditions for CWS workers and farmers.

Promotion of Women Leadership

AFAB is a founding member association of the Eastern Africa Women's Exchange Network. AFAB represents Burundi in the 7-country member organization (Rwanda, Burundi, Ethiopia, Kenya, Uganda, Tanzania, DRC) which works to increase women's entrepreneurship and leadership in Eastern Africa. BAP grant funding in the amount of $9,530 supported 10 members to attend the 5th annual meeting of EAWEExN in Nairobi, Kenya from June 20-23. Each woman had a distinct role to play including participation in roundtable discussions, group and panel presentations, and representation at a Burundi exhibition table. Several of the women attending had previously received BAP sponsored English language training for female entrepreneurs in Q1 which was put to use as the meeting proceedings were conducted in English with no translation services provided.

Enterprise Competitiveness

BAP approved 2 grants in the amounts of $3,038 and $3,138 respectively to Lyse Kaneza, owner of BK Traders Coffee Export and Angel Ciza, President and owner of C&AB Green Coffee Export to attend the 22nd Annual Specialty Coffee Association of America Expo from April 15 to 18, 2010 in Anaheim, CA. Both entrepreneurs export Burundian green coffee to the regional and international specialty coffee market. BAP grant funding

facilitated these entrepreneur's connections with American coffee buyers, roasters, wholesalers and other actors to increase the competitiveness of their export businesses.

BAP Collaboration with Other Financial Partners

Interbank Burundi (IBB)

In April, Nayabisabo Dairy's credit dossier in the amount of 120 million Burundian francs (approx. $100,000 US) was finally financed by IBB under the DCA facility. We had mentioned approval of this dossier during the previous reporting period, but actual funds disbursement occurred during this quarter. Nayabisabo Dairy has already used the funds to purchase the milk processing equipment from China to set up a supply line of UHT milk to Bujumbura.

In June, TURAME Community Finance, a rural microfinance project of World Relief in Burundi, approached BAP for assistance in supporting a 200M Fbu credit application which they recently submitted to IBB's microfinance credit unit. Upon review of their application and business plan, BAP issued a positive opinion letter to IBB on their behalf.

Root Capital

BAP began working with SOGESTALS Kayanza and Kirundo-Muyinga in Q2 to prepare credit requests to Root Capital for financing of the 2010 – 2011 coffee campaign. Both dossiers were submitted in early April and Investment Officer Richard Tulyahikayo traveled from Nairobi to conduct due diligence from April 18-24. The dossier for SOGESTAL Kayanza was approved in June in the amount of $324,000 according to Root Capital's policy of financing 60% of an approved application.

Root Capital was not able to approve the credit request for SDL Kirundo-Muyinga due to the fact that only the interim Managing Director was available to sign the application.

Grants in Progress

The BAP Grants and Financial intermediation team is currently assisting 12 grantees that have submitted grant requests to the project valued at just under $290,000. 7 are from horticultural associations seeking investments in improved production technology and agricultural enterprise development and 3 from the Dairy sector request support in equipment investment for their dairy operations. The Ferme de Bukeye and Association GARUKIRAMATONGO have been working closely with BAP to install Milk Collection Centers (MCC) in Muramvya Province. The *Centrale Provinciale des Apiculteurs de GITEGA* (CEPAGI) and the *Centrale Communale des*

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Apiculteurs de GITEGA-BURAZA (CECAGI) have submitted grants for bee keeping and honey commercialization in Gitega Province.

Financial review of grant dossiers that have received their first cycle of disbursements is also taking a considerable amount of time and explanation as some grantees are not providing sufficient documentation for the use of grant funds.

Training of Community Development Agents (ADCs)

BAP has recently conducted a series of 2-day capacity reinforcement trainings for BAP ADC's (see Table 1) in an effort to ensure proper support to our clients. The themes of the training were:

- How to Identify the Needs of a Producer Organization
- Conducting a Feasibility Study for a Project or Activity
- Mobilizing Resources to Start a Project

Table 13. ADC Capacity Reinforcement Training

ADC	Intervention Area	Training Location	Training Date
E. NKURUNZIZA R. NZOSABIMANA	Gitega-Muramvya	Gitega	15-16 June, 2010
P. NYANDWI R. INASHAZA B. GAKOBWA D. HAKIZIMANA J.F. RWIHA A. NDIKURIYO	Kayanza-Ngozi-Kirundo-Muyinga	Ngozi	23-24 June, 2010
E. RWABINTARE B. BIZOZA P. NIBARUTA D. NTAGUZWA	Bujumbura Rural, Bubanza, Cibitoke, Mwaro	Cibitoke	Scheduled for July 2010

Constraints

- Continued late submissions of requested information and documentation from some grantees. This may also be due to a lack of understanding of BAP's requirements for grant submission.

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- ADC's have expressed continuing difficulty in convincing farmer groups to accept the terms of BAP's assistance and adhering to grant information requirements.

Principle activities to be undertaken in Q4

- Continue capacity reinforcement training to ADCs and follow up to assess impact on producer organization client dossiers.
- Continue follow up assistance on grants in progress with the goal of presenting 5 for submission
- Finalize financial analysis of grants in post award phase and close.

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Community Water

Introduction

During this quarter, BAP made significant strides in completing construction work under grant agreements signed during Q2, which are aimed at improving coffee farmer and CWS worker access to improved sanitation and hygiene facilities at partner coffee washing stations. Engineering firms were contracted for the rehabilitation of the four community water infrastructure sites- Kinyovu and Murima in Kayanza Province and Kigoganya and Kayenzi in Muyinga Province. The renovations are expected to take 2 ½ months to complete and should be operational, barring unforeseen circumstances by the end of the fiscal year. Finally, during this quarter BAP contracted a local NGO AVEDEC (l'Association Villageoise d'Entraide et de Développement Communautaire), to provide training in clean water use, water source protection, workplace and household hygiene and sanitation to the communities in the areas surrounding the assisted coffee washing stations and potable water construction sites.

Coffee Washing Station Sanitation Improvements

Construction activities include six block latrines and hand washing facilities at nine coffee washing stations in Kayanza Province (Buhorwa, Kinyovu, Ruhororo, Gahahe, Butegana) and Ngozi Province (Rutanga, Rwintare, Gitwa, Nkaka). By the end of this reporting period latrine construction has been completed at 6 of the 9 sites (67%) and hand washing stations are complete and operational at 2 sites (22%). The construction work to be done at the remaining 7 sites is relatively minor and involves installing the connective pipes and faucets to the water storage tanks. This activity will be paid out of the second disbursement of grant funding as soon as the financial review of phase 1 is complete. BAP estimates the work can be completed in the first two months of Q4.

Each set of block latrines has six ventilated stalls, three for men and three for women which are separated by a privacy wall. The capacity of each bloc should be sufficient to serve an average of 1,000 users per year for the next six years before needing to be emptied. Hand washing stations are simple structures consisting of a 500L tank with attached faucet head and connecting pipes to either spring water or collected rainwater, located next to the latrine blocs.

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Table 14. Completion Status of Sanitation and Hygiene Infrastructure Construction at June 30, 2010

		Construction Status			Estimated Beneficiaries Affected
Partner	**CWS**	**Block Latrines**	**Hand Washing Facility**	**Estimated Completion Date**	
SOGESTAL Kayanza	Buhorwa	100%	Ongoing	August 2010	1391
	Kinyovu	100%	Complete	Operational	1,250
Ubwiza bwi'Ikawa	Ruhororo	100%	Complete	Operational	743
SOGESTAL Ngozi	Rutanga	100%	Ongoing	August 2010	809
	Rwintare	100%	Ongoing	August 2010	501
	Gitwa	100%	Ongoing	August 2010	971
Total					**5,665**

In May of this year, BAP signed three new grant agreements with WEBCOR Burundi to pilot effluent control systems and improved sanitation infrastructures at three of their 13 coffee washing stations namely those at Gahahe and Butegana in Kayanza Province and Nkaka in Ngozi Province. The grant agreement financing and potential beneficiaries affected follow in table 2 below. Construction at the WEBCOR sites is moving quickly with estimated completion in mid to late August.

Table 15. WEBCOR Grant Agreement Financing at Pilot CWS

		Partner Contribution			Estimated Beneficiaries Affected
Partner	**CWS**	**Total Cost of Financing (FBU)**	**PAIR**	**WEBCOR**	
WEBCOR	Gahahe	25,054,652	12,100,603 (48.3%)	14,064,049 (51.7%)	2,498
	Nkaka	26,134,652	11,986,603 (45.9%)	13,068,049 (44.1%)	2,378
	Butegana	35,311,517	11,962,043 (33.9%)	23,349,474 (66.1%)	3,456
Total					**8,332**

Effluent Control Construction

Coffee washing stations use large volumes of water to process the harvested coffee cherry into the raw bean or parchment. Processing involves three primary steps: 1) depulping - which is the process of removing the outer pulp of the coffee cherry, 2) fermentation - which involves loosening or removing the mucilage or coating over the parchment, and 3) a final washing of the parchment with large volumes of fresh water.

The fermentation of the sugars in the mucilage lowers the pH level of the water so that it is high strength and very acidic. The digested mucilage also forms a thick floating crust on the fermented water. This highly charged, highly polluted water exits the coffee washing stations at all three steps and flows, unrestricted, down slope and enters surface water streams and irrigation ditches causing damage to the environment and some agricultural crops.

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BAP wastewater and sanitation construction activities are designed to mitigate the environmental effects of solid and liquid waste exiting the station. Depending on the topography of the CWS, construction activities employ the following basic design:

1. A rough filtration system using screens at the end of the diversion channel which carries the separated pulp to a storage pit. Water falls through a screen and is directed to filtration tanks for treatment.

2. A covered storage pit where the solid pulp is diverted for drying and composting. The dried solids can later be gathered and used as fertilizer for crops. An immediate result of separating the pulp from the wastewater is an almost complete elimination of the strong odor that emanated from the fermented water/pulp mixture.

3. A final filtration and wastewater neutralization system. A series of three to five reservoirs or cells each operating in parallel independent of one another, are lined with sand, gravel and limestone. As the sand begins to plug up, water is diverted to the next cell and so on. The crushed limestone, as the lower layer of the sand filtering system, reduces the acidity of the water to acceptable levels (approximately pH 7.0). As the water exits the cells, it streams down a series of aeration steps to reintroduce oxygen into the water. If enough land area is available, the oxygenated water is piped to a 14m x 7m prepared plot of land planted with Bamboo or other plant material that requires lots of water and an underground sand filtration system that further filters the water. If space is limited, successive rows of connecting channels are dug, down slope, from the treatment reservoirs where water runs or "percolates" and is finally emptied into the environment. Plants with roots that fix to any remaining pollutants are planted along the ridges of the channels as a final natural filter.

Wastewater treatment reservoirs

Natural filtering System with Bamboo shoots

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Table16: Construction of Effluent Control Systems at June 30, 2010

Identification		Status
Partner	**CWS**	
SOGESTAL Kayanza	Buhorwa	90% - treatment reservoirs and bamboo filtration field complete – piping incomplete
	Kinyovu	100% - complete. Bamboo field filtration used
Ubwiza bwi'Ikawa	Ruhororo	90% - treatment reservoirs and percolation channels complete. Some improvements needed
SOGESTAL Ngozi	Rutanga	90% - treatment reservoirs and percolation channels complete. Plants still to be planted along the ridges of the channels.
	Rwintare	100% - Percolation channels used
	Gitwa	100% - Percolation channels used
WEBCOR	Gahahe	50% - Excavation complete with construction of treatment reservoirs begun
	Nkaka	40% - Excavation for treatment reservoirs complete
	Butegana	40% - Excavation for treatment reservoirs complete

Community Water

In the previous quarter BAP engaged PAHAIR, a local civil engineering firm to design, develop and oversee the rehabilitation and construction of four dilapidated community water systems in Kayanza, and Muyinga Provinces. BAP is also partnering with Pathfinder International to rehabilitate a dilapidated drinking water system in Murima, commune of Kayanza Province, which serves the community's primary school, communal middle school, health center and business district. BAP and Pathfinder began discussion on the system's renovation needs in Q1 of this year but actual design and contract development experienced procedural delays. At the end of April, BAP published an RFA via the local media outlets (Le Renouveau Newspaper, Isanganiro Radio Station, Radio Television Nationale "RTN" and Radio Public Africaine) inviting local firms to bid on the projects. Fourteen (14) firms responded with seven (7) submitting bids for the reconstruction of the Kinyovu system, two for the rehabilitation of the Kigoganya system and five (5) for the rehabilitation and extension of the Kayenzi System. The Murima system was also advertized via RFA on May 18, 2010 with 4 local firms responding.

A summary of the selected firms, estimated construction costs and estimated beneficiaries affected are included in table 4 below. Contracts with each of the winning bidders have been drafted and will be signed in the first month of Q4 (July 2010). Each activity should take approximately 2 ½ to 3 months to complete. The rehabilitation of the Murima site is expected to be completed by the first week of August 2010. MOUs have been signed with the communities to ensure their participation which includes the collection, transformation and transport of local materials (sand, cut rock, gravel and clay), and digging trenches for placing the system's

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piping. On average, community contributions per system are valued at approximately 15 – 20% of the total cost of the project.

Table 17 . Community Water System Construction

Winning Enterprise	Construction Type	Submission Budget (Fbu)	Community Participation Value (Fbu)	Total Estimated Cost of Project (Fbu)	Community Contribution Detail	Beneficiaries (est)
Entreprise de Construction et de Transport (ECTRA)	Construction of Community Drinking Water System - Kinyovu	48,203,443	8,506,490	56,709,933	Loads of: *Cut rock - 21 *Gravel - 12 *Sand: 14 Clay: 10 m³ Trenches dug: 6628 m	4,954 of which 2500 are students
Planning the Future Company (PFC)	Rehabilitation of Community Water Drinking System - Nyabikobe- Kigoganya (includes the rehabilitation of 4 spring sources in Commune Rusengo)	72,183,690	13,749,274	85,932,964	Loads of: *Cut rock - 22 *Gravel - 14 *Sand - 15 Clay - 10 m³ Trenches dug: 4195 m	6,380 including 5,000 students
Société d'Etudes et Construction Générales (SECOG)	Rehabilitation and Extension of Community Drinking Water System - Kayenzi - Kiguganya	69 038 200	12 183 212	81 221 412	Loads of *cut rock: 20 *Gravel: 8 *Sand: 12 Clay: 15 m³ Trenches dug: 6628 m	9,300 including 3,000 students
Atlas Consultancy	Rehabilitation of Community Drinking Water System - Murima	3 582 600	480 000	4 062 600	Loads of : *Cut rock – 2 *Gravier – 2 *Sand – 1 Clay: 10 m³	1,980 including 300 children under 5 years

Training in Water System Management, Sanitation and Hygiene

On April 15, 2010, BAP signed a fixed price contract with the local NGO AVEDEC (l'Association Villageoise d'Entraide et de Développement Communautaire), to provide training in clean water use, water source protection, workplace and household hygiene and sanitation to the communities in the areas surrounding the assisted coffee washing stations and potable water construction sites. Participants included community health agents, CWS managers and workers, coffee cooperative members, Hillside (collines) community leaders, potable water system users and members of the Communal Committee for Drinking Water System Users. AVEDEC

employed the PHAST (Participatory Hygiene and Sanitation Transformation) training method which utilizes group discussion, culturally accurate learning aides and hands on training.

Training began on May 11 and is scheduled to be completed during the first week of July 2010. The training sessions were divided into three primary modules:

1. Potable Water, Hygiene and Sanitation – for community health workers, CWS managers, workers and farmers.
2. Techniques in Water Systems Construction, Maintenance and Management - for community health workers and water use committee members.
3. PHAST training in Hygiene and Sanitation – community health agents, hillside leaders, leaders of cooperatives surrounding the 6 CWS.

A full list of participants will be reported in the next quarterly report.

Constraints

- Hygiene and sanitation training was delayed by three weeks due official provincial (province wide child vaccinations, protocol conflict with the provincial director for education and training) and national (communal elections) government activities, which took many of participants away from training.
- Work planning and execution has not been without problems from excessive rain destroying new construction (latrine wall at SDL Ngozi) to delays in receiving full participation from both the community and SDL management (Kinyovu).
- Partners are not showing understanding of BAP's financial management policies in submitting required documentation which is leading to delays in conducting the financial review and releasing subsequent payments.

Principle Activities to be undertaken in Q4

- Completion of sanitation and wastewater treatment construction work.
- Monitoring of the community water systems infrastructure work to ensure timely completion
- Completion of Hygiene and sanitation training and assessment of beneficiary impact by quarter end.

17 Rue de Coton, Quartier GATOKE, Commune de Rohéro
BP 1643 Bujumbura, Burundi
Tel +257.22.25.79.52
Fax +257.22.25.79.51

Burundi Business Incubator (BBIN)

Introduction

During the three months of operations from April 1 – June 30, 2010, the BBIN made very positive strides forward on all fronts. The organization finalized its statutes, elected its executive committee, and received its official approval by the Ministry of the interior. The project coordinator started work in April and the Incubator Director was hired and started work in June. A trip to Rwanda was organized to meet the two incubators in Rwanda and allow the Exco and the BAP BBI Coordinator to gain greater exposure to the concept of business incubators and a better visual understanding of what goes into them. The background analysis for the renovation requirements for the incubator, plus the ICT equipment and wiring was completed and is put out to tender. Considerable progress has been made on the operations manual. The preparation for the Soft Launch, scheduled for July 20, is underway. Based on assessment of the clients, a preliminary training course, focused on developing a Business Concept has been prepared, and will be delivered as a TOT in July. The draft Business Plan was completed.

While a heroic effort and tremendous progress has been made during these first 4.5 months and the incubator will be ready for launch as per USAID's request within the 6 month window, extensive work still remains to be done to get full understanding, buy-in, and ownership of the BBIN by the Exco and the Management team. This will be a priority over the next two quarters and will take significant time.

Establishment of the ASBL

The ASBL was officially created on April 6, 2010 when the founding members agreed to the statutes. The Executive Committee (Exco) was elected under the Presidency of Niyungeko Novat,

Finalization of the statutes

Development of the ROI (internal operating procedures)

The dossier was submitted to the Ministry of Internal Affairs for formal approval, which was received on June 30, 2010, dossier # 530/1015.

Staff Recruitment:

The BBIN hired the project coordinator, Mr. Frank Kagimbi, who started work in the middle of April.

The recruitment process for the BBIN managing director was undertaken with the Executive Committee. Following a competitive interview process, the Exco selected Mr. Pierre Claver Nduwumwami for the position of

Incubator Director on May 12th. He was submitted to USAID for approval on June 7th and approved by USAID on June 15, and started work on June 16.

Completion of the Business Plan

The initial draft business plan was submitted in draft in late may and a revised version submitted to USAID on June 17. The plan is very complete and shows the potential for developing a viable (sustainable) business incubator as long as the incubator manages its own rentals and is able to generate significant revenue from the trainings. Overall, the major sources of revenue for the center will be:

- commercial rentals – 61%
- Incubator services to clients – 20%
- Training – 12%
- Other sources - 7%

The Business Plan will be a living document, not just a document to gather dust on the shelf. It now needs to be translated into French and to serve as a major source of discussion with the Incubator management and the Exco. They will need to take ownership of the document.

Organization of the Operations manual

The full outline for an effective operations manual is attached in annex. Given that much of this needs to be prepared in conjunction with the local staff who will be managing the incubator to insure their appropriateness for the current situation, a shortened priority list of operating procedures to develop which will have the greatest impact on the start up of the incubator was established and completed.

Building renovations, equipment and IT plans

A temporary license agreement was completed in May and signed by USAID on May 28th to pass the rights to use the incubator to DAI in the name of the BBIN. This will allow DAI to move forward on the renovations of the incubator. It runs through August 31, 2010, before which time a permanent license will need to be in place.

In May, SQC completed their assessment of the state of the building and a draft budget was prepared to allow us to determine what to focus the repairs on. Following this a draft RFP was prepared and translated into French, which was issued at the end of June. Submissions are due on July 23 and should be adjudicated by August 1.

DAI completed the list of equipment for the Incubator at the end of April and started the process to get the IRM approval for the additional purchases to be made under the BAP project.

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Terms of reference to get the costs for the wiring the incubator were first submitted on June 5th and were adjudicated on June 15. The lowest priced bidder was not deemed able to implement the wiring as quoted, and the second bidder was very expensive, so a second round of bids were called for at the end of June, which will be adjudicated in July.

Training

For the drafting of the business plan, a call for expressions of interest by local trainers was put out and a large number of private trainers and training companies were identified for further use by the BBIN in the future.

The meetings with the IFC staff in Kigali also brought out some other very positive information on available training opportunities which could save the BBIN significant costs on development of high quality training courses. The IFC has developed two sets of toolkits, the SME Toolkit and the Business Edge which can be excellent entry points for developing broader based training for use by the Incubator as well as other trainers. The Business Edge, in particular, uses good adult based training modules, with lots of interaction, and can be scaled to fit the Burundian environment. With introductions from the IFC director in Kigali, the DAI team has started negotiating with the IFC to become their main Burundian partner for the introduction of these new training programs. We are in the process of completing this agreement.

One of the requirements that the IFC has is to place a staff member in Bujumbura. They have wanted to place someone here, but the conditions have not been right. With our interaction, they would accelerate this process because of the BBIN-IFC partnership, which will be of greater benefit to the country as a whole, plus provide the BBIN with a tie into the IFC.

Based on a preliminary analysis of the local market, it was determined that a necessary course for the potential candidates for the incubator would be focused on developing a business concept. Ms. Lavelle developed the initial course and trainers' manual, which were submitted for translation for the eventual delivery of the TOT and refinement of the course.

Trip to Rwanda

The trip to Rwanda was a very good activity for providing a foundation for the entire BBIN team, including three key Exco members, the BAP BBIN coordinator and the two expat consultants to see live incubators in action and gain a greater understanding of the variety of different models in operation. The two models visited were quite different. The TBIF, is part of the Kigali Institute of Science and Technology (KIST) and is a more traditional incubator with heavily subsidized operations. The second incubator, CBS, is a privately owned incubator that is being established in conjunction with and support from the IFC (see trip report).

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Finance and budget

A revised financial analysis was prepared and submitted to USAID for submission to the Dutch Embassy to release the next tranche. The project is still well within its budget.

Major Challenges going forward

The incubator development is on course, on budget, and within its projected timeframe. This has been primarily achieved with significant effort by the external consultants given all of the activities that needed to get completed within an extremely tight and rigid timeframe. But it has been achieved at a cost; there is not yet clear ownership of the work by the local partners – the BBIN Exco and the Staff. It is clear at this point that there will still need to be a huge amount of capacity building of the local staff, participatory workplanning, and close supervision of their activities. The workplan for the next quarter is extremely heavy and activities will need to be carefully prioritized and managed.

There will also need to be extensive capacity building of the Exco so that they can play their proper role of supporting and supervising the BBIN. This will need to be carefully scheduled with them and the time dedicated to it. It is imperative to get the Exco and the management team to take ownership of both the business plan and the operations manual.

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Major Activities for the upcoming quarter

- The soft launch, scheduled for July 20.
- Internal incubator management training for the project coordinator and the incubator director
- Training of trainers for the Business Concept course (one with trainers and one delivered by the local trainers)
- Development of marketing materials for the business incubator
- Visit by William Grant, Damian Guilleminault, and June Lavelle
- Training for the Exco on business incubator management principles and their role
- Preparation for the first commercially delivered business concept course (August 24-25).
- Return of Damian Guilleminault on August 29 for 5 weeks.
- Rehabilitation of the incubator
- Recruitment of the Deputy Director
- Procurement of additional furniture
- Rehabilitation and network wiring finished, incubator furnished
- Equipment delivered and installed
- Recruitment of the driver and secretary.
- Collection of overall market information and the development of the library for the BBIN.
- DAI IT wiring and network set up consultant for 2 weeks.
- First pre-incubation clients integrated into the incubator
- Exco training in the last week of September

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Monitoring and Evaluation

Activities

Conception of a template for documenting program success stories

In an effort to improve our database on quantitative and qualitative project impacts a template for the documenting of success stories was developed and shared with staff. One result of this effort appears in the this report.

Revision of Data Collection tools

In order to improve data collection from the field, two documents were revised. The first related to participants at Program sponsored training events and the second for the farmer leaders facilitating cascading training sessions on their hillsides. An explanatory memorandum accompanied both revised documents.

Recruitment of an M&E Assistant

Following the conclusion of a successful mentoring program with intern Jacques BUKURU is M&E, it was decided to reinforce this important project component through the recruitment of a full time M&E assistant. After a rigorous selection process Santiana Mugisha has joined our program in this position.

Data Base Entry

Decentralized information generated in the field as well as the activities of the component leaders and technical specialists were entered in the project data base for analysis. The database has been updated for 30 June 2010.

Evaluation of Progress toward USAID Strategic Indicators

A semi-annual evaluation of our accomplishments was developed and shared both internally and with the project COTR at USAID in order to solicit feedback which will enable us to respond more effectively to year end Data Quality Analysis review and annual reporting requirements. For project staff, this exercise enabled each component leader to visualize their progress during the first six months of the Project Year in order to reorient, re-tool or otherwise improve their performance during the second half of the fiscal year.

Mid –Year Evaluation of Progress made toward the accomplishment of Project Deliverables

An evaluation of our progress toward program deliverables was effected, shared and discussed with colleagues- especially the project component leaders and technical specialists.

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Monitoring of Horticultural Sector Grant Activity Execution

Four associations, two in Bubanza province and two in Cibatoké province, who benefitted from BAP small grants assistance for their horticultural activities, received three monitoring visits during this reporting period. These visits resulted in observations and recommendations to the association members, our field agents and horticultural staff. We note that the Chief of Party assisted in one monitoring visit. The DCOP assisted in a separate monitoring visit with horticultural staff. These reports are presented in Annex ____.

We note, however, that each of the four horticultural sector grantees has recruited a private extension agent using grants funds to assist them with targeted technical advice during the horticultural cycle covered by their grant agreements.

Observations

- Lead Farmers are most active in the Provinces of Kirundo and Muyinga
- Certain pilot washing stations are not receiving consistent assistance from BAP ADC. This is the case for Teka in the province of Muramvya. The case of Mugina in the province of Cibatoké differs in that though there has been regular consistent assistance by the ADC at the request of the SOGESTAL Mumirwa, both the washing station manager and farmer cooperative president have been unwilling to adopt improved technologies. The quality of their coffee is suffering as a consequence and the final sales price, and this the price received by the coffee growers in the draw zone will also suffer. The Station manager uses the excuse that this is a year of high production volume and that he cannot at the same time change his processes and manage the throughput of the station
- Women are very active in the horticulture sector and our grants in this area are directly benefitting women in associations. This should translate into increased economic power for women clients of our program in the near future.
- Our mid-term review has shown that the community water component is starting to increase the momentum of its activities and there is, this, a strong likelihood we will achieve our objectives in this sector by 30 September. The pilot effluent control systems installed at the coffee washing stations are producing impressive results. Our dairy component needs to accelerate its activities if we are to have two operational milk collection centers by 30 September. The grants and financial intermediation component is making slow but steady progress. The volume of grants flowing successfully through our system remains insufficient and, to date, the DCA facility has yet to gain momentum in lending to small and medium sized enterprises. The facility has resulted in only a few, large scale loans being given to known clients of the bank
- The program needs to increase its due diligence on grant requests and the frequency of monitoring of grant activities.

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Principle Activities Planned for Q4

- Measure project accomplishment toward indicators and deliverables
- Evaluate the Institutional and Organizational viability of our partner farmer associations
- Develop Case Studies on certain associations to document program success and impact
- Prepare for End of the Year Reporting, DQA and PY 4 Workplanning

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Conclusion

This third quarter of the third project year again found us pushing our envelope programmatically and geographically in the midst of some very complicated external operating environment issues related to the electoral campaign. Certain activities stand out, others are continuing to ramp up and we are beginning to see tangible impact from our interventions. There is exciting progress being made on the Burundi Business Incubator and we are grateful for the support received in this initiative from our founding members, the US and Dutch governments, USAID, the Burundian Authorities and our future private sector clients- as well as the time investments made by and knowledge shared by our consultants and local staff. In creating something totally new and innovative in the Burundian environment in a very compressed timeframe, there are exciting successes as well as frustrating, unexpected constraints to be overcome.

BAP believes that Burundi needs to create an enabling environment- politically, economically, socially, and legislatively to promote increased competition in the private sector. Choice, competition and knowledge (information) lead to an empowered negotiating position for producers and the suppliers of basic raw materials to supply chains.

In coffee in particular, we believe the GOB needs to continue its policies of liberalization and privatization and actively promote the replacing of "collection centers" with the installation of environmentally friendly, water conserving mini-washing stations to produce quality fully washed coffee rather than degraded, immature or over fermented "washed coffee". To achieve this, coffee sector actors, politicians, and financial institutions will need to be ready to innovate. Without assured financing, available at harvest, accessible and affordable to those needing capital, the cash rich private collectors (and their agents), willing to pay spot prices for coffee when the farmers need money most will continue to predominate. This will lead to a degradation of quality and negatively impact Burundi's reputation on the world market. Further it is time to answer the question of how the "*Part Resérvateur*" will be paid by farmers for the privatized washing stations. It is time to staff InterCafe; and it is time to move away from classic division of revenues via the "*Clé de Repartition*" but this will require increased transparency in the accounting processes of the sector, a better understanding of production and transaction costs, and a willingness to adopt a new way of doing business.

It is high time to focus heavily on improving productivity across the board, to adopt new productive technologies, proven productivity enhancing cultural practices, promote new alliances, look analytically at Burundi's competitive advantage in the East African Community, to capitalize on the opportunities integration presents and to improve Burundi's overall food security in the coming years.

BAP believes we are making inroads and contributing to creating a solid foundation for Burundi's long term private sector driven economic growth. There are many challenges ahead; but we are poised and ready to capitalize on our impacts to date in order to take a leadership role over the coming months and years.

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Tel +257.22.25.79.52
Fax +257.22.25.79.51

Annexes

1) Coffee Technologies by CWS
2) Grants Status
3) BBIN Kigali Trip Report
4) Monitoring of Horticultural Grants

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Fax +257.22.25.79.51

Annex 1-Improved Coffee Technologies Adopted by CWS

			Technology					
Numero	Proprietaire	Washing Station	Flotation and pre-reception conditioning	Simple Fermentation	Pyramidal Drying	Day Lot Traceability	Separate processing for cooperative coffee	Effluent Control System
1	Sog Kayanza	Buhorwa	x		x	x		x
2	Sog Kayanza	Butezi	x	x				
3	Sog Kayanza	**Bwayi**	x		x	x	x	
4	Sog Kayanza	Gacokwe	x	x	x	x		
5	Sog Kayanza	Gatare	x	x	x	x		
6	Sog Kayanza	Gitwenge	x	x	x	x		
7	Sog Kayanza	Karinzi	x	x	x	x		
8	Sog Kayanza	Kavumu	x	x				
9	Sog Kayanza	**Kinyovu**	x		x	x		x
10	Sog Kayanza	Kiririma	x	x				
11	Sog Kayanza	**Kiryama**	x	x	x	x		
12	Sog Kayanza	Muhanga	x	x				
13	Sog Kayanza	Mutsinda	x	x				
14	Sog Kayanza	Mutumba	x	x				
15	Sog Kayanza	Nyarurambi	x	x				
16	Sog Kayanza	Rama	x	x				
17	Sog Kayanza	Rubanga	x	x				
18	Sog Kayanza	Rugoza	x	x				
19	Sog Kayanza	Ruhinga	x	x				
20	Sog Kirimiro	**Butemba**	x	x	x	x		
21	Sog Kirimiro	Gasave	x	x	x			
22	Sog Kirimiro	**Kibuye**	x	x	x	x		
23	Sog Kirimiro	**Mahonda**	x	x	x	x		
24	Sog Kirimiro	Mwurire	x	x	x			
25	Sog Kirimiro	**Teka**	x	x	x	x		
26	Sog Kirundo-Muyinga	**Buhimba**	x	x	x	x		
27	Sog Kirundo-Muyinga	Burengo	x	x				
28	Sog Kirundo-Muyinga	Butihinda	x	x				
29	Sog Kirundo-Muyinga	**Gasura**	x	x	x	x		
30	Sog Kirundo-Muyinga	Giheta	x	x				
31	Sog Kirundo-Muyinga	Gihororo	x	x				
32	Sog Kirundo-Muyinga	Gikingo	x	x	x	x		
33	Sog Kirundo-Muyinga	Gishambusha	x	x				
34	Sog Kirundo-Muyinga	Gitega	x	x				
35	Sog Kirundo-Muyinga	Gitobe	x	x				
36	Sog Kirundo-Muyinga	Gitwenzi	x	x				
37	Sog Kirundo-Muyinga	**Kagombe**	x	x	x	x		
38	Sog Kirundo-Muyinga	Kaguhu	x	x				
39	Sog Kirundo-Muyinga	Kigobe	x	x				
40	Sog Kirundo-Muyinga	Kinyangurube	x	x				

Numero	Proprietaire	Washing Station	Flotation and pre-reception conditioning	Simple Fermentation	Pyramidal Drying	Day Lot Traceability	Separate processing for cooperative coffee	Effluent Control System
41	Sog Kirundo-Muyinga	Mbasi	x	x				
42	Sog Kirundo-Muyinga	**Murago**	x	x	x	x		
43	Sog Kirundo-Muyinga	Muramba	x	x				
44	Sog Kirundo-Muyinga	Murehe	x	x				
45	Sog Kirundo-Muyinga	Mutarishwa	x	x	x	x		
46	Sog Kirundo-Muyinga	Mwendo	x	x				
47	Sog Kirundo-Muyinga	Ndava	x	x				
48	Sog Kirundo-Muyinga	**Ngogomo**	x	x	x	x		
49	Sog Kirundo-Muyinga	**Nyamasaka**	x	x				
50	Sog Kirundo-Muyinga	Nyamaso	x	x				
51	Sog Kirundo-Muyinga	Nyange	x	x				
52	Sog Kirundo-Muyinga	**Rugerero**	x	x	x	x	x	
53	Sog Kirundo-Muyinga	Rusimbuko	x	x				
54	Sog Mumirwa	**Buhayira**	x	x	x			
55	Sog Mumirwa	**Mugina**						
56	Sog Mumirwa	**Murwi**	x	x	x			
57	Sog Mumirwa	**Ntamba**	x	x	x	x		
58	Sog Ngozi	**Gitwa**	x	x	x	x		x
59	Sog Ngozi	Mirango	x		x	x		
60	Sog Ngozi	**Rwintare**	x		x	x		
61	Sog Ngozi	**Murambi**	x	x	x	x		
62	Sog Ngozi	Mushonge	x		x	x		
63	Sog Ngozi	**Rugabo**	x	x	x	x		
64	Sog Ngozi	**Ruhama**	x	x	x	x		
65	Sog Ngozi	**Rutanga**	x	x	x	x		x
66	WEBCOR	**Butegana**	x	x		x	x	x
67	WEBCOR	Gahahe	x	x		x	x	x
68	WEBCOR	Gakenke	x	x		x	x	
69	WEBCOR	Kagoma	x	x		x	x	
70	WEBCOR	Kibingo	x	x		x	x	
71	WEBCOR	Kinyana	x	x		x		
72	WEBCOR	Masha	x	x		x		
73	WEBCOR	Nemba	x	x		x		
74	WEBCOR	Nkaka	x	x		x	x	x
75	WEBCOR	Nzove	x	x		x		
76	WEBCOR	Rubagabaga	x	x		x		
77	WEBCOR	Rugori	x	x		x	x	
78	WEBCOR	Yandaro	x	x		x		
79	CPC	**Buziraguhindwa**	x		x	x		
80	CODEMU	**Musema**	x	x	x	x	x	
81	CODENYA	**Nyarurama**	x	x	x	x	x	
82	Rohororo	**Ubwiza bw'ikawa**	x	x	x	x		x

Grants Approved

Water	N.	Requesting Organization	Date Received	Date Approved	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Awarded (Fbu)	Financing Awarded (USD)
	1	WEBCOR Burundi	28-Apr-10	21-May-10	SDL BUTEGANA	Trait E.U et assainissement	35,311,517	23,349,474	11,962,043	$ 9,855
	2	WEBCOR Burundi	28-Apr-10	21-May-10	SDL GAHAHE	Trait E.U et assainissement	25,054,652	13,068,049	11,986,603	$ 9,876
	3	WEBCOR Burundi	28-Apr-10	21-May-10	SDL NKAKA	Trait E.U et assainissement	26,134,652	14,034,049	12,100,603	$ 9,970
	3	**Total**					**86,500,821**	**50,451,572**	**36,049,249**	**$ 29,701**

HORT	N.	Requesting Organization	Date Received	Date Approved	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Awarded (Fbu)	Financing Awarded (USD)
	1	Association DUFASHANYE	12-Mar-10	07-Jun-10	Province CIBITOKE	Production des cultures maraichères	9,075,400	4,025,000	5,050,400	$ 4,160
	2	Association ALUCOVIS	12-Mar-10	07-Jun-10	Province CIBITOKE	Production des cultures maraichères	11,670,500	5,619,000	6,051,500	$ 4,984
	2	**Total**					**20,745,900**	**9,644,000**	**11,101,900**	**$ 9,144**

AGCI	N.	Requesting Organization	Date Received	Date Approved	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Awarded (Fbu)	Financing Awarded (USD)
Enterprise Competitveness	1	Lyse Kaneza - BK Traders Export	8-Apr-10	10-Apr-10	Aneheim, CA	Airfare and registration fees for participation in 22nd Annual Coffee Conference SCAA 15-18 April 2010	5,021,085	1,238,775	3,782,310	$ 3,038
	2	Angel CIZA - C&AB Export	8-Apr-10	10-Apr-10	Aneheim, CA	Airfare and registration fees for participation in 22nd Annual Coffee Conference SCAA 15-18 April 2010	5,270,085	1,301,025	3,969,060	$ 3,188
	2	**Total**					**10,291,170**	**2,539,800**	**7,751,370**	**$ 6,226**

Gender	N.	Requesting Organization	Date Received	Date Approved	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Awarded (Fbu)	Financing Awarded (USD)
Leadership Capacity Reinforcement	1	AFAB	14-Apr-10	18-Jun-10	Nairobi, Kenya	10 AFAB members to attend EAWEEXN Co	15,842,700	4,273,280	11,569,420	$ 9,530
	1	**Total**					**36,425,040**	**9,352,880**	**27,072,160**	**$ 9,530**

Grants Under Review

HORT	N.	Requesting Organization	Date Received	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Requested (Fbu)	Requested Financing in (USD)
	1	Association ABAZIMYAMURIRO	05-03-10	Province MWARO	Fruit and horticulture production	11,038,200	4,336,400	6,701,800	$ 5,522
	2	Association AGRED	05-03-10	Province MWARO	Fruit and horticulture production	8,665,800	2,979,500	5,686,300	$ 4,685
	3	Association TWIJUKIRIKAWA	28/04/2010	Province KAYANZA	Passion Fruit production	9,908,300	6,548,300	3,360,000	$ 2,768
	4	Association TWIYUNGUNGANYE	19/04/2010	Province KAYANZA	Passion Fruit production	8,877,970	4,029,300	4,848,670	$ 3,995
	5	Federation of Coffee Farmer Associations of KIRUNDO-MUYINGA	25/05/2010	Province KIRUNDO	Coffee Production	72,345,250	22,345,250	50,000,000	$ 41,196
	6	Projet de Développement Agro-pastorale et d'Arboriculture pour Protéger l'Environnement-PRODAPAPE	25/05/2010	Province KIRUNDO	Pineapple production	10,000,000	2,540,000	7,460,000	$ 6,146
	7	Confederation des Associations des Producteurs Agricoles pour le Developpement (CAPAD)	08-Jun-10	Province Cibitoke	Tomato concentrate production	178,520,400	135,693,600	34,689,600	$ 35,689.00
	7	**Subtotal**				**299,355,920**	**178,472,350**	**112,746,370**	**100,001**

DAIRY	N.	Requesting Organization	Date Received	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Requested (Fbu)	Requested Financing in (USD)
	1	Association GARUKIRAMATONGO	30/06/2010	Province MURAMVYA	Construction and equipment purchase of a milk collection center in Rutegama	102,817,465	25,739,900	77,077,565	$ 62,159
	2	Bukeye Dairy Farm	30/06/2010	Province MURAMVYA	Purchase of Equipment to start an MCC	192,268,000	76,180,000	116,088,000	$ 93,619
	4	Association pour la Promotion de l'Elevage Laitier (APEL)	10-Mar-10	Gitega	purchase of equipment and material for articial insemenation of cattle	15,728,750	4,740,000	10,988,750	$ 9,157
	3	**Subtotal**				**295,085,465**	**101,919,900**	**193,165,565**	**$ 155,778**

MSME	N.	Requesting Organization	Date Received	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Requested (Fbu)	Requested Financing in (USD)
	1	Centrale Provinciale des Apiculteurs de GITEGA(CEPAGI)	18/05/2010	Province GITEGA et commune BUGENDANA	Amélioration de la production apicole et sa commercialisation	35,243,800	9,179,800	26,064,000	$ 21,475
	2	Centrale Communale des apiculteurs de GITEGA-BURAZA (CECAGI)	18/05/2010	Province GITEGA, Commune BURAZA	Amélioration de la production apicole et sa commercialisation	22,924,000	9,163,000	13,761,000	$ 11,338
	2	**Subtotal**				**58,167,800**	**18,342,800**	**39,825,000**	**$ 32,813**

Grant Requests Rejected

Gender	N.	Requesting Organization	Date Received	Date Rejected	Project Location	Project Activity	Total Cost (Fbu)	Beneficiary Contribution (Fbu)	Financing Requested (Fbu)	Requested Financing in (USD)
	1	AFAB - Alice Remezo	14-04-10	01-05-10	Kigali, Rwanda	6th African Dairy Conference and Exhibition 19-21 May	1,654,800	480,000	1,174,800	$ 979
	2	Association des Femmes pour l'education et le bien-etre des Enfants Orphelins (AFEBEO)			Province Ngozi	launch a bread company to support orphaned children	23,222,300	20,000,000	10,000,000	$ 8,333
	2	**Subtotal**					**24,877,100**	**20,480,000**	**11,174,800**	**$ 9,312**

REUNION A LA SFI (IMMEUBLE SORAS) LE O6/MAI 2010 A 9H00

Les participants

Equipe DAI: Damian Guilleminault et René Frank KAGIMBI

Comité Exécutif: Novat NIYUNGEKO et Guillaume NKESHIMANA.

L'équipe BBIN a rencontré le Directeur des opérations auprès de la SFI, Mr Ignace Bacyaha .

Mr Ignace Bacyaha nous a présenté la méthodologie utilisé par la SFI pour la création de l'Incubateur au Rwanda et a suggéré que la même approche soit appliquée pour l'incubateur Burundais.

Les points essentiels de cette approche sont:

- Une étude devrait se faire au sein du marché burundais pour identifier les besoins plus ou moins exact des PMEs .Mr Bacyaha a été catégorique sur ce point.
- Dans le cas contraire, Mr Bacyaha pense que le model serait un projet d'approvisionnement et imposé sur le marché burundais.
- Pour lui, consulter le secteur privé serait d'une importance capitale.
- L'incubateur est non un lieu de débat, mais plutôt une solution.
- Le BBIN ne devrait pas être une ASBL, aussi bien que les membres fondateurs.

Mr Bacyaha a ensuite fourni une série d'information en rapport avec leur approche au Rwanda

- ✓ Une étude sérieuse a été menée sur le marché rwandais, pour identifier les besoins réels des PMEs.
- ✓ Tous les secteurs on été couverts.

- (Secteur public et Paraétatique) Une analyse institutionnelle a été faite pour identifier le lien possible avec le secteur privé afin de voir s'il ya lieu de soutenir ces PMEs. Cependant, il fut évident que quoi que des liens fussent pré- établis sur le marché rwandais, ceux ci n'étaient pas efficaces. (Tout le monde fait tout).
- Hôtellerie et tourisme : L'analyse a été faite, et a montré, que c'était un secteur en pleine croissance ou développement où les acteurs dans le secteur (Hôtel luxueux, importaient beaucoup à partir du Kenya et de Bruxelles, notamment les denrées alimentaires et produits cosmétiques.

La SFI a beaucoup contribué pour que les PMEs puissent avoir accès à ce marché à grande échelle.

Ex: Dans le secteur Agro-business : INYANGE, une société rwandaise produisant l'eau minérale, le jus et autres produits très sollicités par les Hôtels, a vu le jour.

- Banque et Assurance: Plus les PMEs se développent, plus le dit secteur en tire profit, car en reconnaissant la valeur de l'incubateur, elles pourraient être amenées à participer.
- Energie: Plus, les PMEs se développent, plus l'approvisionnement en eau et électricité s'accroit de par la consommation.
- Télécommunications : Le développement des PMEs engendre des bénéfices chez les opérateurs de ce secteur (MTN, RWANDATEL,…) car la demande et la consommation en téléphonie mobile par exemple, ainsi que l'internet, s'accroit.

Après un constat sur les défis rencontrés par les PMEs au Rwanda, la SFI a décidé de faciliter la création d'un centre qui pourrait répondre à leurs besoins, soit leur apportant des solutions.

CENTER FOR BUSINESS SOLUTION (CBS)

Au centre, les PMEs peuvent s'attendre à des facilitées telles que:

- Accès à la formation et information.

- Accès à l'appuie technique (Conseil).
- Accès au support et matériel du marketing.
- Accès au crédit en leur apportant une assistance quant au montage de l'idée (plan d'affaire).

C'est comme cela que CBS définit son concept d'incubateur, en se basant sur cette gamme de produits qu'il offre en plus de la possibilité de faire louer l'espace de travail ; **c'est l'INCUBATEUR.**

DEFI

Le plus grand défi était la durabilité de l'institution.

Une meilleure solution a été proposée: Pour ce qui est des programmes de formation, notamment le contenu, c'est à dire les cours en soi, l'investissement a été faite par des entreprises privées rwandaises, pendant que la SFI a fourni un support ou un appui technique en achetant des multiples droit de franchises. Le CBS est en mesure d'offrir une gamme de formation sur base des 2 principaux programmes à savoir le **SME TOOLKIT** et le **Business Edge.**

Le SME TOOLKIT étant un programme en ligne pendant que le BE est un cours où les participants interagissent le plus.

Tous les participants à ces programmes de formations payent pour la plupart 30%, pendant que les 70% sont payés soit par la SFI, soit par les grandes entreprises intéressées comme les banques et autres (ex: ACCESS BANK).

Les principales questions posées par le CE.

1. Par quel moyen la SFI pourrait-elle apporter un appui quelconque au BBIN?

La réponse était que, le BBIN pouvait adresser une demande officielle, tout en introduisant le model proposé, afin de solliciter un appui quelconque de leur part. Cependant, il a été précisé qu'il n y'avait pas de garantit dans la mesure où, une demande similaire qui leur avait été soumise de la part de deux banques burundaises notamment la BCB, avait connue un refus.

2. Par quel moyen les membres du comité exécutif pouvaient tirer profit des avantages du BBIN?

Une réponse très simple a été donnée : "Cela dépendrait du model de l'incubateur implanté"

REUNION A LA TBIF, O6 MAI 2010 A 14H20'

Les participants:

EQUIPE DAI: René Frank KAGIMBI, BILL WILLIAM GRANT & Damian Guilleminault

EQUIPE BBIN: Novat NIYUNGEKO, Guillaume NKESHIMANA & Dr Charles KABWIGIRI.

DEFINITION:

TBIF: Technology and Business Incubation facilities

CITT: Centre d'innovation ET de transfert de technologies

KIST: L'Institut des sciences ET de technologie de KIGALI.

Exemple sur les secteurs cibles :

- Electricité
- M écanique
- Agriculture
- Energie
- Biologie
- Mathématique,…

Les produits développés par TBIF et vendus par CITT dans le secteur publique sont tel que:

Four de pains, biogaz et les briques en terre.

A titre d'exemple les briques en terre sont spéciales dans le sens qu'elles sont constituées par 90% de terre et 10% de ciment. En procédant à la construction, le besoin en quantité de ciment est très minime.
La plupart de ces produits sont tous vendus dans les institutions publiques telles que, les prisons, les hôpitaux et les écoles.

APERCU SUR LE TBIF

TBIF a été Crée en 2004 sous KIST ET EST UN sous département de Ce dernier de par CITT.
Le but était de réduire le chaumage en créant d'emploi par le bais de la promotion de l'entreprenariat au Rwanda, vu que cela était un grand défi pour la jeunesse rwandaise.

Le secteur cible était beaucoup plus le domaine de la science et technologie, pendant que les personnes cibles était les jeunes lauréats de KIST.

Afin de pouvoir réaliser son objectif, TBIF a connu un concours des bailleurs tells que:

- NUFFIC: Pour la Construction de l'Immeuble.
- Le Gouvernement: Qui a fourni le terrain de construction, le mobilier ainsi que les salaires des employés.
- La Banque Mondiale: Appui en formation.
- BAD: Qui bientôt va leur fournir un financement pour la construction du nouvel immeuble pour extension.

Le centre a connu 2 défis majeurs

- La fixation du coût d'adhésion au centre en phase de pré-incubation et incubation. (A Combien, si non gratuitement?)
- La mentalité de la communauté rwandaise: Pour la plupart, l'entreprenariat est vue comme 2ème option, en cas de manque de travail fixe.

A la suite de ces 2 constats, le personnel a décidé de procéder au marketing et promotion de l'entreprenariat.

Le but était de les amener à penser au business lié à la technologie et manu facturation plutôt que le trading ou l'échange.

LE CONCEPT D'ENTREPRISE D'INCUBATEUR.

La première chose la plus importante à savoir c'est qu'un incubateur n'est pas un model à copier dans un pays. Il faut toujours prendre en considération les réalités économiques et politiques qui prévalent.

Un exemple comparatif ou poétique a été donné pour mieux comprendre le concept de l'incubateur.

Les lauréats qui veulent s'investir dans le monde des affaires sont comparables aux œufs, pour la simple raison que pour évoluer et progresser ils ont tous besoins des conditions favorables pour leur développement. Soit, un environnement fiable et viable.

Les œufs ont besoins d'une température adéquate, une protection,…

Pendant que les jeunes lauréats ont besoin des idées, du conseil, des fonds,…

N.B : *même* aux USA, 90% des sociétés naissantes échouent au courant des 5 premières années. Cependant, étant incubé, le risque d'abandon, de tomber, de fermer, diminue considérablement.

TBIF a identifié son client cible qui n'est autre que le jeune lauréat de KIST.

SERVICES OFFERT AU TBIF

- Connexion: (D'après le directeur de TBIF, la connexion est la clef de réussite dans le monde des affaires).
- Financement
- Formation
- Plan d'affaire: marketing, opération, finance et (l'assistance pour l'agrément de l'entreprise).
- Conseil: L'entrepreneur, doit être sûr d'aimer ce qu'il fait et qu'il éprouve de la passion.
- Information: Participations dans les ateliers organisés dans l'ensemble afin de collaborer pour éviter le plagiat des idées.

- Location d'un espace de travail: (sécurité, marketing pour question de visibilité) frais: 90,000FRW/MOIS
- Facilités: Accès à l'ordinateur, internet, photocopie, salle de réunion et la participation dans des conférences régionales et internationales.

EFFECTIF DES INCUBES

16: Actuellement

27: Lauréats

LA DURABILITE CHEZ TBIF

Non seulement, il utilise ses propres fonds car ayant des sources de revenue, mais aussi, il reçoit un soutien financier de la part de KIST.

Les revenues trimestrielles de TBIF peuvent aller jusqu'à 10,000USD.

50% des salaires sont payés par TBIF pendant que le reste, 50% provient du KIST et cela à grande majorité.

Les valeurs investis:

- ✓ NUFFIC:$100,000
- ✓ Gouvernement:$100,000
- ✓ INFODEV:$100,000

KIST DEVELOPMENT FUND

KDF a été crée sous l'initiative de KIST dans le cadre de la promotion d'entreprenariat pour couvrir, si non financer les activités des jeunes s'investissant dans le nouveau monde des affaires.

La totalité des fonds s'élèvent à $200,000 avec comme répartition égale des 2 bailleurs, à savoir le gouvernement, précisément le bureau du président qui a donné $100,000 ; pendant que le PNUD en a disponibilisé le reste, c'est à dire $100,000.

Le plafond considéré pour l'octroi de ces microcrédits est de $25,000 avec un taux d'intérêt de 12%.

Quelques critères de selection.

- Etre de nationalité Rwandaise
- Etre lauréats
- Prêt à s'investir
- Les projets en association, avec probabilité de travailler ensemble étant incubé, sont très encouragés.

La garantit est KIST lui même, étant donné qu'ils sont lauréats et nouveaux dans le monde des affaires, ce premier n''est pas requis par la banque, étant donné que même cette dernière agit comme agent intermédiaire entre le client et les bailleurs.

Les termes des crédits sont généralement pour une durée allant entre 3 ans et 5 ans.

LA DUREE DE L'INCUBATION

La durée est de 2 ans: 1ere année, les frais mensuels sont fixés à $150 (90,000FRW).

2eme année, les frais sont fixés à $200(120,000FRW).

Exemple d'une des sociétés incubé chez TBIF:INFINITI CONSULTANT COMPANY.

Cette une société consultante en matière de logiciel de finance, audit et comptabilité. Elle vient d'ailleurs de décrocher un marché au Burundi sous un

contrat de bailleur, pour installer un logiciel dans le dit secteur afin de mettre en réseau les bureaux communaux.

LES DEFIS RENCONTRES PAR LES INCUBES.

- Resources financières limités
- Le retard du payement de la part des clients
- La capacité opérationnelle limitée au sein du staff
- Intérêts bancaires trop élevés.

Une autre société incubée chez TBIF a 4 employés permanent avec 12 autres temporels appelés en cas de besoin. On les appelle des facilitateurs.

Le dit bureau de consultance opère dans les domaines tel que:

- Le montage des projets
- Etude et development
- Renforcement des capacités
- Communication pour les grandes compagnies
- Organisation des événements.

La raison pour laquelle, le dit bureau opère dans les domaines les plus variés, s'explique par la petite taille du marché. Ainsi donc, ils sont obligés de recourir à cette stratégie pour maximiser le profit.

En résumé, les services dont jouissent les incubés sont entre autres:

- L'espace de travail

- Facilitées
- Conseil
- Crédibilités, de par la visibilité. (Le fait qu'elles soient logées dans les bâtiments de KIST).

3 phases importantes sont à signaler au niveau de l'incubateur:

1) **PRE-INCUBATION**: A ce stade, le candidat ne maitrise pas ce qu'il fait ou ce qu'il veut faire .Il se cherche encore, raison pour laquelle le directeur l'appelle phase de recueillement de matière première. (Le Directeur analyse si le candidat est capable de définir son idée, de le vendre, de se connecter pour se créer un réseau, voir sil peut payer les frais mensuels mais surtout s'il a une bonne attitude.) C'est parmi les pré-incubés qu'on aura les incubés. (ex: parmi 9-10 pré-incubés, 2 d'entre eux seront éligibles pour passer à l'étape suivante).

2) **INCUBATION**: Le candidat a beaucoup plus besoin de conseil pour l'aider à développer son affaire car, étant en plein activités.

3) **POST-INCUBATION**: L'incubé a prouvé ses capacités en business, avec son chiffre d'affaire de par les marchés qu'il gagne et accomplis, il parvient à enregistrer les profits, et par conséquent devrait être prêt à voler de ses propres ailes et quitter la couveuse.

N.B: Chez TBIF, Le background universitaire est d'une importance capitale comme critère de présélection, afin de définir le lien entre l'idée et l'éducation.

REUNION CHEZ CBS, LE 07/MAI/2010 ,8H00-16H30.

Participants:

- BILL WILLIAM GRANT
- DAMIAN GUILLEMINAULT
- RENE FRANK KAGIMBI
- NOVAT NIYUNGEKO

- GUILLAUME NKESHIMANA
- DR CHARLES KABWIGIRI

Le centre a vu le jour, après l'étude effectuée par la SFI afin de promouvoir le secteur privé à travers les PMEs. L'entité est 100% privé.

CBS a été conçu pour apporter des solutions aux défis des PMEs tel que définis dans l'étude.

Opérant comme véritable partenaire de la SFI et comme affilié de MAXI-NET, CBS a été crée en 2009.

CBS agissant comme inter-liaison:

- L'incubateur et le développement des affaires
- Formation et renforcement des capacités
- Etude sur le marketing
- Accès aux finances
- Bureau virtuel

CBS a commencé avec un de ses produits comme facilitateur pour les entreprises ou investisseurs étrangers qui voulaient s'établir sur le marché rwandais. Cela a crée un besoin en service logistique et obtention qui plus tard évolua en service électronique pour finalement lancer un nouveau produit, la représentation des entreprises.

LA CONCEPTION POUR L'INCUBATEUR D'ENTREPRISE

L'incubateur d'entreprise est l'un de ses produits. L'idée est venue d'une société sud africaine opérant dans le secteur, RAIZCORP, après une petite visite et réunion faite entre les 3 représentants et dirigeants de RAIZORP, SFI et CBS.

Actuellement, CBS a 20 bureaux, dont on peut classer en 2 catégories:

1. Bureaux ouverts

2. Bureaux fermés.

Les services offers sont:

- ✓ Accès à l'information
- ✓ Conseil (coaching & Mentoring)
- ✓ La tenue de comptabilité
- ✓ Facilitées : Accès à l'ordinateur, imprimante, photocopies, scanner, salle de réunion,…)
- ✓ Marketing de petite taille: Publication, recueillement des informations,…

Parmi les catégories de bureau déjà mentionnés ci- haut, on peut encore les repartir en sous catégories à savoir:

- Bureaux physiques : Occupés par les clients permanents.
- Bureaux virtuels: Utilisés par la diaspora de passage, ou autre client de même type (un étranger) ainsi que le rwandais rentrant au pays. Généralement c'est pour une courte durée pendant leur passage sur KIGALI.

N.B: L'approche en formation est plus ou moins différente par rapport à ce qu'on connait chez l'Incubateur:

1. Analyse de besoin

2. Conçoit une solution adéquate

3. Veille à la mise en application et assure la qualité

4. Mesure l'impact.

LES OUTILS OFFERTS AU PMEs

SME TOOLKIT

Le SME toolkit est un produit en ligne qui couvre les domaines tel que la comptabilité et finance, technologie de l'information, plan d'affaire, marketing et vente, ressource humaine,…

Celui ci a été développé par IBM et vendu par la SFI chez Maxi-Net suite à un appel d'offre pour un montant de $500,000.

La licence coûte $40,000 et les frais annuels vont jusqu'à $12,000.

Cependant en cas de besoin pour les questions ou formations, CBS vous renvoi vers un autre outil appelé le **BUSINESS EDGE.**

BUSINESS EDGE

Le Business Edge, est un programme de la SFI qui a été conçu pour aider les PMEs à surmonter leurs défis en générale.

Le programme consiste essentiellement en une série de formation organisée couvrant principalement 5 domaines:

- Gestion des Ressources Humaines.
- Strategies des ventes et Marketing
- Comptabilité et Finance
- Gestion des Operations.
- Competences sur la productivité personnelle.

Les formateurs.

Grace à l'appel d'offre qui a été lancé par la SFI, pour formation des formateurs, certaines entreprises qui avaient soumissionnés ont été sélectionnés, notamment (KPS/KPMG, OPTIMUM, CBS et MAXI-NET) car remplissant les critères.

Les entreprises sélectionnées ont payés 30% du coût total, comme frais de participations, pendant que la SFI a couvert le reste du montant 70%.

L'identification des bénéficiaires et stratégie de marketing

L'identification des bénéficiaires potentiels ainsi que la promotion de ce produit se fait par les publications et sensibilisation à travers les medias et partenaires intéressés (banques et autres grandes entreprises).

Exemple : La banque Access après qu'elle ait suivie une présentation de la part des agents de CBS, elle a identifié parmi ses clients ceux qui pourraient suivre cette formation.

A cette étape, une fois que l'identification est faite, CBS fait participer les candidats potentiels au SME toolkit, qui fournit à son tour les modules. A la fin de cette séance, les participants remplissent un formulaire de questionnaire, qui permet à CBS de concevoir un programme adapté selon les défis et besoins identifiés de par l'analyse de ce questionnaire.

C'est ainsi que les consultants sont contactés, et commencent les préparations proprement dit.

Il est question à ce qu'ils adaptent le module selon les besoins identifiés, en le modifiant pour le meilleur impact. Cependant, pas pour plus de 25% au risque de s'éloigner du contenu.

LA FORMATION (EN 3 ETAPES)

1) **Planification**: Les consultants se mettent ensembles pour travailler sur le contenu, l'adapter et le modifier en cas de besoin.

2) **Formation** : D'une façon générale, la formation en soi dure 1 ,2 journées avec un effectif maximal de 25 personnes comme participants. Pendant la formation proprement dite, l'interaction, si non la participation active est très encouragée. 60% du temps consacré est prévu pour les échanges, le débat, le partage des expériences,….

   Notez que la disposition elle même, dans la salle, favorise cette interaction.

3) **Le suivi**: Après la formation, une modalité de suivi est prévue pour s'assurer et mesurer l'impact auprès des bénéficiaires.

Un rapport électronique est soumis auprès de la SFI.

N.B: Dans chaque session de formation, un représentant de la SFI doit être présent pour le control de qualité. Signalons que, parmi les 40 formateurs, 4 d'entre eux se sont vus retirés la licence de formateur, justement pour le non respect des normes.

La franchise du BE coute $2,000/an

Bref aperçu sur la différence entre les 2 outils.

SME TOOLKIT	BUSINESS EDGE
En ligne: Basé sur l'ordinateur	**Formation en soi: Notion de classe**
Le participant a besoin d'un ordinateur ou la clef USB pour avoir accès a cet outil	**Un matériel didactique est donné:** • **Diapositives imprimés** • **Guides du participants** • **L'ordre des activités prévues**

Le payment

30% sont payés par les participants pendant que 70% sont payés par l'entreprise (ex: ACCESS BANK)

LA POLITIQUE D'INCUBATEUR CHEZ RAIZCORP.

L'incubé, reçoit de multiples avantages et facilitées de par les services offerts par l'incubateur (CBS), en contre parti, il doit prévoir l'option d'actionnariat à concurrence de 30% pour CBS.

Le rôle principal de CBS sera de :

- Promouvoir et développer l'affaire (l'entreprise d'incubateur)

- Conseil (Mentoring & coaching)

N.B La SFI vient d'acheter une franchise à RAIZCORP d'une valeur de $110,000 pour le secteur privé, dans le cadre des activités d'incubateur, par le biais de CBS afin que le secteur privé jouisse de ces actions dans CBS.

Pour ce qui est de l'espace de travail disponible, il ya 20 bureaux dont 7 occupés par les clients.

Le plus grand défi de CBS est toujours la mentalité rwandaise.

CBS a déjà formé 800 PMEs l'an dernier, mais cible 72,000 PMEs, opérationnels sur le marché rwandais.

LA STRUCTURE DU PRIX

Des 100% du prix comme frais de participations:

- ✓ 65% sont encaissés par le consultant formateur'
- ✓ 35% vont chez CBS :
  - o 15% pour les taxes
  - o 20% retenus comme commission

Comme déjà mentionné ci-haut, les franchisés sont:

- ✓ MAXI-NET
- ✓ CBS
- ✓ KPS

- ✓ OPTIMUM

  Cependant, seul MAXI-NET possède la franchise du SME TOOLKIT

  N.B:

  - La SFI est celle qui a décidé que ca se passe ainsi.
  - Les prix sont standards.
  - Une sorte de partenariat est à noter, entre les 3 premières entreprises.

L'impression des participants

Le Comité exécutif a exprimé sa surprise de voir à quel point les 2 Incubateurs visités semblent différents.

A une extrémité au niveau du TBIF, qui est largement subventionné, entité pseudo publique, mais dont une certaine ressemblance s'observe au niveau du BBIN dans sa phase de création (Coopération Néerlandaise et USAID comme bailleur principaux)

Cependant, les avantages et bénéfices de l'incubateur n'étaient pas aussi évidents, aussi bien que les gens rencontrés ne semblaient pas avoir un concept ferme de l'incubateur, préférant continuer de faire plus ou moins le tout.

En revanche, CBS étant entièrement, une institution privée, quoique les coûts primaires pour la mise en place ont été assurés par la SFI, qui a joué un rôle primordial dans le développement du marché en leur donnant accès à de grandes institutions tel que (ACCESS BANK) et l'information sur le secteur privé.

Le Comité exécutif semble avoir été d'accord sur le principe de se positionner, pour l'incubateur Burundais, quelque part, entre les 2 entités.

L'approche de CBS quant à l'analyse et l'évaluation des besoins a été hautement appréciée par les membres.

Quoi qu'ils furent choqués par le coût de la formation ($200), malgré la subvention et sont tous d'accord qu'à ce prix, le burundais ne pourra pas être en mesure de le supporter.

Annex 4-Monitoring of Horticultural Grants

Rapport de la visite de suivi des projets de la chaine de valeur horticulture

Le programme pour la promotion de l'agro-industrie et des entreprises rurales (PAIR) a accordé des subventions à deux associations œuvrant dans le secteur horticole pour que ces dernières contribuent à l'augmentation de la production de ce secteur d'une part et à l'augmentation des revenus de ces associations d'autre part. Les deux associations sont ACEPE (Association des Cultivateurs et des Eleveurs pour la Protection de l'Environnement) et l'association Dufatanemunda I, associations composées majoritairement par des femmes.

Dans le cadre général du suivi des activités mises en œuvre sur terrain dans les différentes composantes du programme, une mission de suivi a été effectuée en date du 18 mai 2010 dans la commune de Gihanga de la province de Bubanza, sites des projets financés. La mission était composée de Benjamin Lentz, Directeur du programme et de Sylvestre Bigirimana, Responsable de suivi et évaluation. L'Agent de Développement Communautaire (ADC) du programme affecté dans la province de Bubanza s'est également joint à l'équipe.

C'est l'association ACEPE qui a été visitée en premier lieu. Les membres de l'association étaient entrain de faire la récolte de la tomate et des aubergines. Le trésorier de l'association qui était sur place dans un premier temps et l'ADC ont expliqué que l'association en était au troisième tour de la récolte de la tomate. Pour cette culture, la superficie emblavée est celle qui était prévue dans la proposition de projet. La récolte semble bonne mais c'est quelque chose à confirmer après la récolte totale. Il se manifeste toutefois un problème au niveau du tuteurage car il a été constaté quelques tomates au stade de maturité qui sont au sol et qui commencent à pourrir.

Pour le lengalenga, la récolte avait déjà pris fin, les membres de l'association rencontrés sur place affirment qu'elle a été bonne. La superficie mise en valeur était visiblement inférieure à celle prévue car la parcelle prévue pour cette fin avait été inondée selon les explications fournies par les membres de l'association, l'encadreur agricole et l'ADC.

Pour l'aubergine, la superficie emblavée est globalement égale à celle prévue. La culture a un état végétatif satisfaisant et la récolte était en cours selon l'observation directe faite, elle est bonne et cela a été confirmé par les membres de l'association qui ont échangé avec la mission.

Les choux sont plantés sur une superficie inférieure à celle prévue et ont un état végétatif non satisfaisant. Il a été constaté des maladies comme la rouille et des pucerons sur cette culture ce qui dénote une faiblesse au niveau du traitement phytosanitaire. On remarque également des mauvaises herbes qui ont envahi le champ ce qui entraine une compétition au niveau des éléments nutritifs entre la culture et ces herbes. La production attendue n'est pas bonne à ce niveau.

Pour ce qui est de l'oignon, la mission a trouvé les membres de l'association entrain d'enlever les plants dans la pépinière. Selon les explications fournies par le président de l'association, le repiquage va avoir lieu au courant de cette semaine.

Un champ de choux mal entretenu

Caisses des tomates récoltées en cageots

Un champ de tomate bien tuteuré

Un panneau de l'association Dufatanemunda I

L'irrigation se fait avec une moto pompe achetée avec les subventions du programme. Le principal constat est que l'eau pompée arrive en grande quantité dans le champ alors qu'il n y a pas un système de drainage de l'eau dans tout le champ. En effet, il n y a pas de canal primaire, de canaux secondaires et des vannes permettant de réguler l'eau selon les besoins. En conséquence, les cultures horticoles ne donnent pas une production optimale étant donné la sensibilité de ces cultures à la quantité d'eau.

Un champ dont l'irrigation n'est pas bien mené

Par la suite, la mission a visité les champs de l'association Dufatanemunda I. Contrairement à la première association, les champs de cette association se trouvent sur trois sites différents. Le premier champ visité était un champ de tomate bien tuteuré avec des tomates mures de grand calibre. Visiblement, l'association aura une bonne production à ce niveau. En route vers le deuxième champ, la mission a été frappée par un panneau indiquant le projet en cours de réalisation par l'association en partenariat avec le programme PAIR. Le deuxième champ contenait des tomates qui avaient été repiquées, il y avait un mois et 10 jours. Leur état végétatif était globalement bon et il est temps de commencer le tuteurage. Il y avait également un champ de poivrons qui commençaient à pousser. Le troisième champ n'a pas été visité parce que la mission après avoir échangé avec l'agronome de l'association et l'ADC, a jugé qu'il n y avait pas d'éléments nouveaux à observer.

La deuxième étape a été la visite du matériel des deux associations en stock et la menuiserie qui fabrique les cageots vulgarisés par le programme pour améliorer les conditions de transport des fruits et légumes. La maison de stockage du matériel de l'association Dufatanemunda contenait quelques matériaux notamment des pulvérisateurs, des machettes, une balance, des houes et une motopompe achetés avec les subventions du programme. Selon l'encadreur agricole de l'association, certains outils de travail étaient chez les membres de l'association mais les décharges ne sont pas apparemment établies. Les produits phytosanitaires étaient tout près du matériel et accessibles aux enfants à voir la configuration du local de stockage. Dans le local de stockage de l'association ACEPE, quelques outils étaient là mais il y avait d'autres qui étaient entrain d'être utilisés dans le champ. Il a été constaté que les dépenses de la subvention reçue par l'association ACEPE et les entrées relatives à la vente de la production sont enregistrées dans un cahier.

A l'atelier de fabrication des cageots, la mission a trouvé une équipe entrain de les fabriquer. La quantité de cageots qui étaient en stock était importante. Le propriétaire de l'atelier a indiqué que depuis qu'il a cette commande, il a gagné un revenu substantiel lui permettant d'envoyer les enfants à l'école sans difficulté, d'acheter les habits pour lui et pour sa famille et d'autres besoins. En outre, il a pu engager 4 agents pour l'aider et ces derniers gagnent 2000 Fbu par jour. Seulement, il doute si ses revenus ne vont pas diminuer avec la fin de la commande. Cette dernière activité du programme a fait entendre à la mission que cela constitue les effets secondaires positifs du programme.

Durant le déroulement de la visite de terrain, la mission a prodigué des recommandations pour améliorer les activités actuelles et futures :

- Faire le tuteurage de la tomate au moment opportun pour éviter la perte de la production ;
- Améliorer le système d'irrigation des champs des cultures horticoles ;
- Pour chaque champ, installer une petite pancarte indiquant la date de semis et la variété en culture ;
- Pour l'association ACEPE, installer la pancarte indiquant le projet en cours de réalisation comme convenu dans la convention de collaboration ;
- Conserver les produits phytosanitaires et les insecticides hors de la portée des enfants ;
- Instaurer un système de décharge quand un membre de l'association prend un outil afin de mieux contrôler le mouvement de ce matériel ;

- Etablir un compte d'exploitation définit pour voir si les projets ont été finalement rentables ;
- Instaurer le classement de la documentation de l'association : les rapports des réunions et les différents outils de gestion de l'association ;
- Estimer le poids d'un cageot plein de tomates pour que la tomate soit vendue dans le cageot au lieu de la transposer dans le panier comme pratiqué aujourd'hui. A ce niveau aussi, il faudrait sensibiliser les acheteurs de la tomate sur l'importance du cageot dans le transport de la tomate ;
- Capitaliser les bonnes pratiques acquises dans ces deux projets et éviter les mauvaises pratiques rencontrées pour les prochains projets ;
- Continuer les séances de renforcement des capacités de ces organisations au niveau organisationnel et institutionnel ;
- Documenter les effets secondaires positifs du programme comme ce cas d'un menuisier qui fabrique les cageots lui permettant de subvenir à leurs besoins et de créer des emplois pour les autres ;

Rapport de la visite de suivi dans les associations ACEPE et Dufatanemunda I

Date: vendredi, le 28 mai 2010 ;

Lieu: Sites de travail des associations ACEPE et Dufanemunda I dans la commune de Gihanga, province de Bubanza ;

Déroulement de la visite de suivi

La visite de suivi a commencé au sein de l'association ACEPE. En utilisant l'observation directe comme méthode de collecte des données, il a été constaté les faits suivants :

- Les membres de l'association étaient en cours de la récolte de la tomate qui va bientôt prendre fin. Le champ était malheureusement envahi de beaucoup de mauvaises herbes ;
- La motopompe était entrain d'être utilisée pour faciliter l'irrigation d'un champ d'aubergines. Toutefois, l'eau ne circulait pas aisément d'une butte à une autre par suite d'un aménagement inadéquat ;
- La motopompe commence à manifester des fuites d'eau sur le tuyau de refoulement ;
- L'irrigation se fait à des heures tardives ce qui peut produire un échange de chaleur brutale et une brulure des plantes ;
- La pancarte indiquant le projet et ses partenaires n'est pas encore placé sur le site du projet ;

En faisant la discussion avec les membres de l'association qui était sur place, il a été compris que l'association tient des réunions de l'assemblée générale où ils échangent sur diverses informations concernant la vie de l'association. A titre illustratif, la subvention octroyée par PAIR a fait objet d'échange mais malheureusement, les 4 femmes et les 2 hommes rencontrés ne se rappellent pas du montant de la subvention. En échangeant avec le trésorier trouvé sur place, il a été constaté que les documents de gestion ne sont pas au complet (pas de PV de réunions, pas des documents de gestion avant la subvention) et en regardant les recettes déjà issues des ventes des champs subventionnés par PAIR et

inscrits dans le cahier, elles sont encore faibles et tous les membres de l'association rencontrés affirment qu'ils ont perdu pour trois principales raisons selon eux :

- Le retard dans l'exécution du projet ;
- Les pluies diluviennes qui ont entrainé l'inondation des champs
- La baisse des prix des produits récoltés (la tomate, l'amarante, les aubergines)

En plus, les discussions avec les membres de l'association nous ont révélé que les membres de l'association n'ont plus cotisé régulièrement depuis qu'ils ont eu la subvention et apparemment ils espèrent une autre subvention de la part du programme.

En analysant tous ces faits, l'association est constituée par des membres non homogènes où il y a d'une par des membres plus éclairés qui influencent probablement les décisions et un autre groupe de membres qui ne font que suivre. C'est aussi un problème de vision et de mentalité car les membres ne comprennent pas encore qu'on est plus dans l'urgence et que les fonds reçus doivent leur permettre d'être propulsés vers une étape plus importante de la vie de l'association.

La deuxième étape de la visite a été le suivi des activités de l'association Dufatanemunda I. Sur le premier site, la présidente de l'association en collaboration de quelques ouvriers, sarclait un champ de poivron et de tomate avec déjà deux ou trois feuilles à côté d'un champ de tomate à maturité où la première récolte a été déjà réalisée. Les prix de la première récolte étaient intéressants selon la présidente de l'association.

Ensemble avec la présidente de l'association, il a été par la suite visité un grand champ situé à peu près 2 km du premier site. La route conduisant vers ce deuxième site est difficilement praticable. Arrivé sur le site, il a été observé les faits importants suivants :

- La superficie emblavée est apparemment égale ou même légèrement supérieure à celle décrite dans le projet ;
- Une dizaine de femmes enthousiastes paillent le champ de tomates ;
- Un homme vêtu en imperméable de couleur jaune, avec des gans et un masque fait la pulvérisation des produits phytosanitaires sur la tomate ;
- L'eau d'irrigation passe d'une partie du champ vers une autre facilement et circule entre les buttes facilement dans le champ de tomate ;
- Les champs sont biens sarclés
- Un champ de poivrons où la récolte de n'a pas été bonne ;

- Un champ de choux avec un état végétatif plus au moins mauvais et les membres de l'association n'espèrent pas une récolte à ce niveau ;
- Des puits de conservation de l'eau ont été creusés à l'intérieur des champs et contiennent une quantité importante d'eau ;

En discutant avec les membres de l'association Dufatanemunda I, la récolte du poivron a été mauvaise à cause d'une grande quantité de pluie qui a inondé le champ. Pour le moment, les membres de l'association se demandent si elles ne peuvent pas remplacer le poivron par la tomate mais elles aimeraient l'autorisation et l'appui technique de PAIR à ce niveau.
Pour les choux, les membres de l'association ne trouvent pas d'explication à cette contre performance de la culture. Elles sont inquiètes sur les informations selon lesquelles, la SRDI va reconstruire les ouvrages hydrauliques et ferme l'eau qu'elles utilisent. A ce sujet, il a été recommandé à l'ADC de chercher plus d'informations y relatives afin d'informer l'association comme il faut. Les membres de l'association trouvent que les tuteurs sont chers et qu'on les vole de plus en plus.

Par après, il a été consulté les outils de gestion de l'association contenus dans un registre tenu par la trésorière. Les dépenses et les entrées sont régulièrement enregistrées avec détails sur le fonds des subventions accordées par le programme. Dans un autre registre, il y a les opérations effectuées depuis longtemps et sur les autres activités de l'association notamment la gestion de la décortiqueuse.

Avant la fin de la visite, le magasin de stockage a été visité et il a été constaté que les produits phytosanitaires et les engrais chimiques sont désormais loin de la portée des enfants. Les houes sont encore en stock et selon la présidente de l'association, elles attendent l'autorisation du programme pour que les membres de l'association puissent rentrer avec les houes chez elles étant donné que les champs sont éloignés du stock.

En définitif, l'association Dufatanemunda I semble plus organisée et peut faire un pas en avant si elle continue á bénéficier de l'appui technique. Il est tout de même pertinent de formuler quelques recommandations pour améliorer les activités en cours :

⇨ Inciter Dufatanemunda I de continuer à faire le tuteurage et le faire à temps ;

⇨ Donner le plus rapidement possible des conseils techniques et l'autorisation sur la culture à pratiquer (poivron ou tomate) afin qu'elle maximise le profit au cours de la saison culturale en cours ;

- Approfondir la question de la phytotechnie et de l'adaptabilité des choux dans la plaine de l'Imbo, dans un sol humide et argileux au regard des résultats pour les deux associations ;

- Chercher plus d'informations en rapport avec la gestion de l'eau dans le périmètre de la SRDI et informer la situation aux associations partenaires ;

- Former l'association sur la gestion des biens de l'association car la gestion des biens est en quelque sorte problématique (cas de la gestion des houes : production des décharges pour les membres qui rentrent avec, etc.)