

## BURUNDI

### AGRO-PASTORAL PRODUCTIVITY AND MARKETS DEVELOPMENT

#### PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.: AB5579

<b>Project Name</b>	Agro-Pastoral Productivity and Markets Development Project
<b>Region</b>	AFRICA
<b>Sector</b>	General Agriculture (35%) and Livestock (15%); Irrigation and Infrastructure (30%); Agricultural marketing and trade (20%);
<b>Project ID</b>	P107343
<b>Borrower(s)</b>	Government of the Republic of Burundi
<b>Implementing Agency</b>	Ministry of Agriculture and Livestock
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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## I. COUNTRY AND SECTOR BACKGROUND

### A Country and sector issues

1. **Country context.** Burundi is small, landlocked, and densely populated with an estimated 8 million people.<sup>1</sup> With a growth rate averaging 3 percent, Burundi is expected to grow rapidly in the next 40 years. Nearly all social indicators deteriorated sharply as a result of the conflict that the country experienced in the 1990s. Burundi is currently one of the poorest countries in the world, with about 67 percent of its population living below the poverty line.<sup>2</sup> It ranks 174 out of 182 countries in the 2009 Human Development Index of the United Nations Development Program (UNDP). It is unlikely to achieve its 2015 Millennium Development Goals (MDGs).

2. The civil crisis and ethnic conflict of the 1990s tore apart Burundi's socio-economic and environmental fabric. Per capita income fell by almost 40 percent during the war, from US\$170 in 1993 to US\$120 in 2007. The gradual return of stability following the Arusha Peace Agreement in 2000 led to a slow economic recovery, with real GDP growth averaging 3 percent per year from 2001 to 2008. The social recovery is still fragile, punctuated by spells of internal violence and instability. In this generally poor investment climate, growth in GDP is barely sufficient to keep pace with population growth. Although the economy remains highly dependent on agriculture, the sector's performance is mixed and volatile. Ten years after the signing of the Arusha Peace Agreement, Burundi depends on food aid for approximately one-quarter of its domestic needs.

<sup>1</sup> See the Census of the Population and Habitat of 2008.

<sup>2</sup> Poverty is most acute in rural areas, where nine out of ten people live.

3. **Sector context and issues.** Burundi is a rural country. Agriculture accounts for 50 percent of GDP, with commercial agriculture making up more than 90 percent of the country's export earnings. Between 90 and 95 percent of the country's 1.2 million households are in the countryside. Rural Burundi is dominated by small family farms where traditional subsistence agriculture is practiced. The farming systems are dictated by weather cycles and organized around multiple crops to reduce risk. The low-yielding food crops and livestock products from these farms are used mainly for household consumption. Yields of major food crops have changed little over the past 40 years. A comparison of crop yields in Burundi with crop yields in other countries shows that Burundi's agriculture faces a productivity crisis. Expressed in cereal equivalents (CEs) to facilitate comparisons of nutritional value, food crop production in 2007 was only 62 percent of the pre-conflict level. From a per capita perspective, the decline is even more dramatic: Per capita crop production in 2007 was only 45 percent of the 1993 level. Not surprisingly, more than 70 percent of the population is food insecure, and Burundi has the world's second highest malnutrition rate. Judging from the difference between food demand and food supply,<sup>3</sup> the net national food deficit after food aid is estimated between 180,000 and 350,000 tons of cereal equivalents.<sup>4</sup>

4. Burundi's extremely high population density and dependence on agriculture constrain development options in the long run. Burundi has one of the highest population densities in sub-Saharan Africa (from 400 to 1,000 inhabitants per square kilometer), and its farms are only about 0.5–1.0 hectare. Given the continued sub-division and shortage of agricultural land, future growth in food crop production must come from intensification and productivity gains. Only more intensive and market-oriented agriculture will allow families an adequate livelihood from their small plots, abundant labor, and relatively ample irrigation water.

5. Presently food and livestock raised largely for household consumption cannot generate enough resources to pay for the improved seed, implements, and chemicals needed for more intensive agriculture. Agriculture must orient itself toward markets, but the transition must be gradual owing to Burundi's very deep poverty, farmers' inexperience with new technologies, and the poorly developed markets.

6. The importance of food aid attests to Burundi's continuing food crisis and further emphasizes the need for a gradual transition to more commercial agriculture. Greater household food security and more resilient local markets will curb the episodes of violence that still plague the country.

7. Prospects for successful intensification are real and substantial, however. Current yields are extremely low compared to potential yields. The products that people demand, and to a modest degree already purchase on local markets, are largely the same ones that they produce:

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<sup>3</sup> Food demand is calculated as the consumption requirements of the national population, and food supply as domestic food production. Reliable data on food imports are lacking. It is assumed that the food deficit is partly covered through food imports. The remaining gap in consumption indicates that the population's nutritional status is still inadequate.

<sup>4</sup> Imports consist mainly of maize, beans, and rice from Uganda, Kenya, and Tanzania, as well as potatoes from Rwanda. Rice and wheat are imported from outside the region. The average deficit of animal protein is estimated at about 80 percent. Per capita consumption of milk and meat is three to four times behind the averages for the East African Community and sub-Saharan Africa. Meat products equivalent to about 20 percent of the population's consumption are imported from Tanzania, and a significant volume of milk is imported from Uganda.

bananas, rice and livestock products, particularly dairy. Improving production and gradually increasing the proportion marketed will require public investments that enhance productivity and provide better access to markets. Necessary changes in the short run include fostering the use of high-quality seed and fertilizer, improving livestock management practices, and tapping irrigation potential. In the medium and long run, research–extension linkages should be strengthened and producer associations should be promoted. Investments in infrastructure to ease market access, as well as market intelligence, are needed to meet the increasing domestic demand of urban centers and foster the competitiveness of Burundi’s agricultural value chains in East and Central Africa.

8. Cash crops accounts for almost all of the country’s export revenue. Coffee is produced by about 800,000 households and accounts for about 85 percent of export revenues. Tea is Burundi’s second-largest cash crop. It provides 12 percent of export earnings and is produced in four large provinces by over 50,000 smallholders. Horticulture has had some degree of development in the past. It has the potential for renewed expansion by catering to niche markets. Horticultural exports will help agricultural exports gain a needed degree of diversification. Ongoing and projected reforms in the coffee and tea sub-sectors, as well as the development of small entrepreneurs in the horticultural sub-sector, are vital to increase the contribution of export crops to growth. Success depends on increased productivity, an improved investment climate, and access to rural finance.

9. Poor market access confines farmers to subsistence agriculture. The prices that farmers receive for their products are generally low and erratic, for several reasons. Burundi’s marketing system is undeveloped. Storage facilities, especially for perishable food crops, are lacking, and local feeder roads connecting farmers to markets have deteriorated. Weak farmer organizations have limited bargaining power, and farmers have little information on prices and market opportunities. Farmers typically are forced to sell their products soon after the harvest, when prices are depressed, and at the local level, where prices are lower than in urban markets.

10. For some time, the World Bank has supported the Government of Burundi’s efforts to help small-scale farmers raise yields, improve food security, and increase revenues. The PRASAB<sup>5</sup> project, nearing completion, has been a first stage in this effort. Despite the complex and difficult post-conflict environment, PRASAB yielded positive outcomes<sup>6</sup> by providing matching grants for small productive investments at the community level. The project’s main intent was to restore subsistence agricultural production at the household level and to rebuild small public works at the community level. The proposed project will use the approach introduced by PRASAB to help households move modestly beyond the recovery of subsistence production and toward production for markets—largely but not exclusively local markets—by making those markets more accessible. By revitalizing local markets, the proposed project will strengthen food security and the resilience of the rural economy.

## **B. Rationale for Bank Involvement**

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<sup>5</sup> Projet de Réhabilitation et d’Appui au Secteur Agricole et de Gestion Durable des Terres du Burundi (Agriculture Rehabilitation and Support and Sustainable Land Management Project of Burundi).

<sup>6</sup> As evidenced by the beneficiary impact assessment in 2008.

11. The Bank will support the proposed project for two main reasons:
- (a) The Government of Burundi specifically requested the Bank to continue supporting agricultural intensification on hillsides (rainfed agriculture) and marshlands (irrigated agriculture) along with market development. The government's request is the result of a two-year close dialogue with the Bank, supported *inter alia* by the Bank-funded Sources of Rural Growth study.<sup>7</sup>
  - (b) Through the proposed project, and in collaboration with other development partners, the Bank will continue contributing to the policy dialogue, in particular with respect to the competitiveness of the coffee sub-sector.<sup>8</sup> The government has decided with the Bank and other partners on a common vision for agriculture as expressed in the National Agricultural Strategy (NAS) (Stratégie Agricole Nationale, SAN). This strategy is aligned with the Africa Action Plan (AAP) as well as the Comprehensive Africa Agriculture Development Program (CAADP), under which a compact was signed recently between the government and its development partners.<sup>9</sup> As the lead donor in the agricultural sector and co-chair of the national Agriculture Sector Working Group,<sup>10</sup> the Bank plays a crucial role in harmonizing approaches among the development partners. This coordination is critical to support Burundi's transition from a fragile state to a stable country grounded by a recovered economy. The proposed project is consistent with the CAADP compact and understood to contribute toward the implementation of the national strategy.

## II. PROJECT OBJECTIVE

12. The PDO is to increase small producers' productivity and market access for targeted value chains in the project area.

13. To achieve this objective, the proposed project will: (i) support agricultural technology transfer in targeted value chains and rehabilitate irrigation infrastructure to increase productivity, and (ii) strengthen the capacities of producers and their partners to link to the market by improving post-harvest infrastructure, market intelligence, and feeder roads. The selected value chains are those for which accessible markets exist and for which productivity gains can be

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<sup>7</sup> World Bank, "Breaking the Cycle: A Strategy for Conflict-Sensitive Rural Growth in Burundi," Working Paper no. 147, Washington, DC, May 2008. In the context of an overarching commitment to good governance, the study proposes reforms and investments targeted at improving state capacity and accountability and boosting the contribution of food and export crop production to growth. The study emphasizes the development of value chains and increased private sector involvement (see Annex 1).

<sup>8</sup> The government is currently reforming the coffee sub-sector. It is privatizing coffee washing facilities to enhance productivity and value-added. This action should increase farmers' share of the FOB price by making coffee exports more competitive, especially on the specialty coffee markets.

<sup>9</sup> The Comprehensive African Agricultural Development Program (CAADP) is the African Union program to increase the competitiveness of African agriculture. The development partners include the Common Market for Eastern and Southern Africa (COMESA), the New Partnership for Africa's Development (NEPAD), and the African Union, as well as civil society and the private sector.

<sup>10</sup> This coordination group includes all development partners, as well as government institutions, active in Burundi's agricultural sector.

achieved by adopting known technologies. The key indicators against which the PDO will be measured are: (a) average yield of commodities in targeted value chains (bananas, irrigated rice, coffee and milk) (in tons/ha or liters per cow respectively); and (b) the percentage of production of commodities in targeted value chains marketed by participating producers.

## DESCRIPTION

### Geographic scope, activities, and beneficiaries

14. **Geographic scope.** The project will cover the 10 rural provinces currently covered by PRASAB<sup>11</sup>, and subject to IDA's prior approval other coffee-producing provinces (where it will support the ongoing privatization of coffee-washing facilities).

15. **Activities.** The project will focus initially on a limited number of value chains that are important for food and nutritional security and also have sufficient potential to respond to market opportunities. The project will cover two sets of value chains. The first-priority value chains are bananas, irrigated rice (and minor-season crops such as vegetables), milk, and coffee. The second-priority chains are cassava, potatoes, meat, fruit, and tea (Annex 4). As explained in greater detail later, the project will support a range of interventions all along the first-priority value chains and will support a few very specific interventions to improve productivity in second-priority chains. All of these crop and livestock activities contribute to smallholders' household food security, nutrition, and income. It is expected that some of these value chains will generate surpluses that can be sold locally and nationally (bananas, vegetables, and milk), whereas others will substitute for imports (rice and meat). The World Food Program in Burundi has confirmed that it will procure surplus food produced by the project to satisfy demand in food-deficit areas. As for coffee, it is an integral part of traditional farming systems in many parts of Burundi's highlands. It provides much-needed cash for smallholders and is a large source of employment. The value chains covered by the project could expand eventually, depending on farmers' needs and the potential of the new areas to be covered.

16. **Beneficiaries.** The project beneficiaries will be the producer organizations, associations, and cooperatives in the targeted value chains. The project will consider requests for matching grants for all production, post-harvest, processing, pre-market, and market activities along the first-priority value chains. The project will pay particular attention to the poor and to the most vulnerable social groups (such as the Batwa people and women), as in the PRASAB project.<sup>12</sup> A total of about 2,630 matching grants are expected to be awarded during project implementation, benefitting 90,000 households (about 550,000 people).

### Project components

17. The project will include three components to be implemented over a five-year period.

### Component 1: Support to agricultural productivity and access to markets (US\$30.08

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<sup>11</sup> Burundi has 16 rural provinces and 1 urban province corresponding to the capital city, Bujumbura.

<sup>12</sup> Data show that about 45 percent of the beneficiaries from PRASAB's interventions are women.

**million)**

18. Component 1 will promote the adoption of improved technology packages by beneficiaries through the implementation of productive sub-projects. These investments will cover specific stages of the targeted value chains (at the production, post-harvest, processing, and marketing stages) and watershed management and also focus on integrating activities across stages (sub-component 1.1). This component will also finance the attendant advisory support and training for professional associations/cooperatives in the value chains and capacity building for partner public institutions (sub-component 1.2).

***Sub-Component 1.1: Support to productive investments (US\$26.88 million)***

19. The sub-component will finance matching grants for productive investments (sub-projects) to be implemented at various stages of the value chains (primary collection, storage, processing, and marketing). The technology packages included in this sub-component would be for: (i) production (for example, improved seed and other inputs—including pesticides—and small equipment for marshland rehabilitation and water management); (ii) post-harvest activities (for example, improved storage and small-scale processing facilities, drying techniques, price and marketing information, small-scale packaging, and pasteurization units); and (iii) watershed management (for example, improved seed and seedlings for fodder plants and trees to control erosion).

***Sub-Component 1.2: Capacity building, institutional support, and facilitation of access to markets (US\$3.20 million)***

20. This sub-component will: (i) strengthen technical and organizational capacities along the entire value chain for first-priority commodities and (ii) remove specific technical and organizational constraints at key stages in value chains for second-priority commodities. Coordination and dialogue between actors in the value chains will improve through the establishment of professional institutions and support of partnerships between actors, including public–private partnerships.

21. This sub-component will finance the following activities: (i) building the capacity of producer organizations benefiting from sub-projects (such as producer groups, water user associations, and cooperatives) and supporting the organization of priority value chains to which these entities belong; this latter activity includes support for establishing a Market Information System (MIS) and (ii) building the capacity of public institutions supporting sub-project beneficiaries; these institutions will include, among others, the Institute of Agronomic Sciences of Burundi (ISABU) for development research and seed certification; the Ministry of Agriculture and Livestock (MINAGRIE) through the General Directorate of Agricultural Research and Extension (DGMAVA) for extension; the General Directorate of Planning of Agriculture and Livestock (DGPAAE) for agricultural information; the Provincial Directorates of Agriculture and Livestock (DPAEs) for monitoring and evaluation; the General Directorate of Livestock (DGE) for veterinary services, animal disease prevention, and pest control; and the Ministry of Trade for trade standards and fraud control.

22. The project will help strengthen partnerships between these institutions and regional and international institutions commanding improved technologies, such as the Africa Rice Center<sup>13</sup> for rice, the International Institute of Tropical Agriculture (IITA) for root and tuber crops, the International Livestock Research Institute (ILRI) for livestock, and the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) for general crop research.

## **Component 2: Irrigation development and feeder road rehabilitation (US\$9.58 million)**

23. This component's objective is to improve basic infrastructure so that producers can increase the volume of agricultural production and improve their links to the market. This component aims at developing marshland irrigation and rehabilitating feeder roads, as well as establishing the systems needed to manage this infrastructure. Eligible infrastructure will include basic infrastructure for developing marshland irrigation, such as the development of the watersheds adjacent to the marshlands, as well as the tracks within marshlands and the feeder roads linking marshlands to the communal road network. Specific marshland areas will be selected based on technical and socio-economic studies focusing on (i) the basic soil and other characteristics of the marshland, (ii) the corresponding upstream watershed characteristics, (iii) the economic and financial viability of marshland production, and (iv) the environmental and social features of the area being developed. To the extent possible, all construction related to this component will be carried out through intensive labor techniques, thereby generating employment for local people.

### ***Sub-component 2.1: Irrigation development (US\$5.58 million)***

24. This sub-component's objective is to provide support to the government for the rehabilitation of marshland irrigation systems and for the protection and conservation of watersheds adjacent to those systems. This work will capitalize on approaches to small-scale irrigation developed by PRASAB and focus on existing intensive systems for growing rice in rotation with minor-season vegetables, pulses, and potatoes.

25. The rehabilitation of irrigated perimeters will cover roughly 2,500 hectares. Conservation and protection measures will be undertaken on the hills and slopes of the watershed surrounding the irrigated perimeters (five hectares of watershed for each hectare of perimeter rehabilitated, for a total of 12,500 hectares). Activities will include establishing water user associations (WUAs), building their capacity, and preparing management and maintenance programs for irrigation facilities and equipment. The sites to be rehabilitated will be selected based on: (i) their proximity to markets, (ii) a cost and quality evaluation, and (iii) interest expressed by WUAs in building the tertiary irrigation network and subsequently managing and maintaining it.

### ***Sub-component 2.2: Feeder road rehabilitation (US\$4.00 million)***

26. Investing in feeder roads and road connectivity will have a positive effect on agricultural productivity and outputs. Better road connectivity will increase production, reduce the costs of transporting goods and services, and raise the farm-gate price of crops. Under this sub-component, marshland production areas will be linked to communal roads by

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<sup>13</sup> Formerly the West Africa Rice Development Association (WARDA).

rehabilitating/upgrading interior tracks and access roads. About 100 kilometers of road will be rehabilitated. Roads will be selected on the basis of the following criteria: (i) they lead to marshland selected for rehabilitation or development, (ii) they connect to existing seasonal roads and/or markets, and (iii) they do not correspond to roads that are already being rehabilitated under programs financed by other partners, including IDA, the European Union (EU), Asian Development Bank (ADB), and IFAD. Design and implementation of this sub-component will be undertaken in close collaboration with the National Road Agency (Office des Routes), which is in charge of road sector planning and works supervision.

### **Component 3: Management and coordination of project activities (US\$5.54 million)**

27. This component will finance project coordination and management activities. It will cover the costs related to the equipment, staff salaries, and recurrent expenditures of the Project Coordination Unit (PCU) and Inter-Provincial Coordinating Units. In particular, this component will finance the operating cost of the financial management system and attendant staff training, including external audits as well as planning, programming, and budget preparation at the national and local levels. It will also finance monitoring and evaluation (M&E) activities. The Management Information System (MIS) currently in place at PRASAB will be used to collect baseline data and information on progress in project implementation. The PCU will pay particular attention to monitoring environmental and social impacts. It will develop the required tools and procedures and provide capacity building for actors involved in these activities. The PCU will handle the project's communications activities, including the dissemination of information related to project implementation.

## **III IMPLEMENTATION**

### **A. Partnership arrangements**

28. IFAD, the United States Agency for International Development (USAID), and the EU<sup>14</sup> already engage in agricultural productivity, diversification, and market linkage through projects under implementation or in preparation (Annex 2). Under the proposed project, the government will work closely with these development partners to ensure efficient and effective coordination, and, in some cases, scale up their interventions. The government will also explore the possibilities for commercial financial institutions<sup>15</sup> to finance project beneficiaries' activities. The project will (i) complement Bank projects<sup>16</sup> by providing complementary services to its beneficiaries and (ii) scale up PRASAB's achievements through small-scale productive investments. Through sub-projects, the project will support targeted initiatives and community associations' investments to revitalize the coffee sub-sector (see sub-component 1.1). The project

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<sup>14</sup> USAID is working on strengthening the dairy value chain for the local market, on horticulture, and on the coffee sub-sector (to enter niche and specialty coffee markets). IFAD intends to promote sub-projects to link small-scale and poor farmers to local markets. The EU is also involved in horticulture and coffee chain development, with a special focus on infrastructure development and rehabilitation.

<sup>15</sup> One of these institutions showed great interest in pursuing an approach attempted by USAID, in which USAID provided a guarantee fund to cover up to 50 percent of potential losses incurred.

<sup>16</sup> Financial and Private Sector Development Project (FPSD), Burundi Community and Social Development Project (PRADECS), Economic Reform Support Grant, Public Works and Urban Management Project, as well as Regional Transport Project and Regional Agricultural Productivity Project.



will also build on approaches used successfully under other donor-funded projects, such as Farmer Field Schools for extension of the work sponsored under the PARSE project<sup>17</sup> sponsored by the Food and Agriculture Organization (FAO) and IFAD, the multifunctional extension system program in the coffee value chain (USAID), or the community animal health workers program<sup>18</sup> (FAO/IFAD). Coherence of these various interventions is pursued through the Agricultural Sector Working Group.

## **B. Institutional and implementation arrangements**

29. Where possible, the project will use PRASAB's capacity built at the national, provincial, communal, and grassroots levels. MINAGRIE will have overall responsibility for project implementation in close coordination with the Ministry of Water, Environment, Territorial Development and Urbanism (MEEATU), Ministry of Decentralization and Communal Development (MDDC), and Ministry of Commerce, Industry, and Tourism (MINICOMT). Details are presented in Annex 6.

30. **Governance arrangements.** A Project Steering Committee (PSC) will guide and oversee project implementation. It will be headed by MINAGRIE, with membership composed of the ministers (and/or their representatives) of MINAGRIE, MEEATU, MDDC, MINICOMT, and other key ministries, as well as representatives of related agencies and the private/non-governmental sector.

31. **Implementation arrangements.** A Project Coordination Unit (PCU), reporting to MINAGRIE, will manage and coordinate all project activities. It will be headed by a Project Coordinator and staffed by a small management team of experienced technicians recruited on a competitive basis. The PCU will be responsible for the technical and financial implementation of project activities, including procurement, financial management, M&E, mitigation of potential negative social and environmental impacts, and communication about project implementation and results. The PCU will be represented in the provinces by three decentralized Inter-Provincial Coordination Units (IPCUs) in charge of field coordination, guidance, and supervision of project activities. Each IPCU will cover at least three provinces.

32. Component 1 will be implemented through two groups of actors: private operators and public institutions. Sub-component 1.1 will be executed through private service providers (PSPs) that will support the sub-project cycle and provide organizational support for first-priority value chains. PSP responsibilities will include: (i) sensitization campaigns (focused on sub-project beneficiaries) and sub-project identification, preparation, and selection, as well as subsequent technical follow-up and (ii) support for building capacity of project value chain institutions. The PSPs will be recruited on a competitive basis, and each will be responsible for project activities in a given province. These service providers will have the expertise and experience suitable for project implementation. The PSPs will work with producer organizations (POs) (for example, through participatory diagnostic meetings) to help them choose their priority investments and prepare sub-project plans and financing requests. They will collaborate closely with the provincial agriculture and livestock directorates (DPAEs). The latter will be fully informed of progress with project activities and given all pertinent data. Training and technical assistance will

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<sup>17</sup> Projet d'appui à la reconstruction du secteur de l'élevage (Livestock Sector Reconstruction Project).

<sup>18</sup> *Agents communautaires de santé animale* (ACSAs).

be provided to DPAEs so that they can deliver on their core public responsibilities, particularly their planning, monitoring, and evaluation activities in the rural sector. Sub-component 1.2 will be implemented through conventions established with public institutions, such as ISABU, CNTA<sup>19</sup>, IRAZ, INECN, and MINAGRIE and other ministries.

33. The matching grants under sub-component 1.1 for sub-projects developed by POs will be approved at the communal level for amounts below US\$15,000 and at the communal and provincial level for amounts from US\$15,000 to US\$50,000. For that purpose, the committees already established by PRASAB—the Communal Approval Committees (CACs) and the Provincial Approval Committees (PACs)—will be strengthened and their roles expanded, consistent with the government’s decentralization strategy. The committees will be composed of provincial government officials, and representatives of professional and non-governmental organizations (NGOs).

34. Component 2 will be implemented by private local contractors in close collaboration with POs. Technical studies will be prepared by private consultants in liaison with the PCU. These studies will be vetted by the General Directorate of Rural Works (DGAT) (for irrigation works) and MDDC (for rural roads) to ensure that they adhere to norms and regulations and are coherent with other irrigation investments and the communal road network. Work supervision will be entrusted to private consulting firms. Irrespective of the nature, scope, and size of the primary irrigation investments, beneficiaries will be responsible for constructing, operating, and maintaining the tertiary irrigation network as their contribution to project activities. Water management will be the responsibility of WUAs to be created following the construction of irrigation infrastructure.

## **C Sustainability**

35. The government is strongly committed to this project, which will consolidate PRASAB achievements and lay the foundation for increased commercialization in agriculture. As noted, the project was designed following two years of intensive consultations with all stakeholders as part of the Bank-financed Sources of Rural Growth study. To sustain the project’s benefits, the government is committed to:

- (a) Systematically engaging the private sector in market development and reinforcing the capacity of private operators. Task forces including the private sector have been established to lay out strategies and action plans as well as institutional development for the first-priority value chains covered by the project.
- (b) Using matching grants to start the process of intensification, and linking producers to relevant micro-finance institutions to finance continuation.

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<sup>19</sup> CNTA is the Centre National de Technologies Alimentaires (National Food Technology Center); IRAZ is the Institut de Recherche Agronomique et Zootechnique (Agronomic and Livestock Research Institute); INECN is the Institut National pour l’Environnement et la Conservation de la Nature (National Institute for Environment and Conservation of Nature).

- (c) Mainstreaming project implementation arrangements within MINAGRIE's services. MINAGRIE staff and agencies will be reinforced to ensure that implementation responsibility is transferred over upon project completion.
- (d) Monitoring the performance and sustainability of sub-projects based on their expected technical, economic, and financial viability to identify problems early.

#### **D. Lessons Learned from past Operations in the Country/Sector**

36. The proposed project draws on lessons learned from PRASAB. These lessons are highlighted in a Beneficiary Impact Assessment (April 2009) and a Gender Analysis and Comprehensive Social Impact Assessment (September 2009), among other documents. In spite of the difficult external environment in which it is being implemented, PRASAB's achievements have been notable (Box 1).

##### **Box 1: Achievements of the Agriculture Rehabilitation and Support and Sustainable Land Management (PRASAB) Project**

- Yields increased for the major agricultural and livestock production activities in the project area: irrigated rice (from 2.5 to 4.8 tons per hectare), milk (from 1 to 6 liters per day per cow), and cassava (from 8 to 12 tons per hectare).
- Beneficiaries perceived a high positive impact (80–100 percent) on income generation, capacity building, and nutritional status.
- A legal framework for land management and environment was adopted, promulgated, and put into effect.
- The National Agricultural Strategy was prepared, adopted, and disseminated.
- Three thousand investment sub-projects have been approved, completed, and/or are being implemented; 45 percent of these sub-projects were for women beneficiaries.
- Marshlands (1,500 hectares) were rehabilitated and developed.
- Eight provincial master plans for land use were prepared and are being implemented.
- Sustainable land management practices (simple soil and water conservation technologies and cover crops) were adopted on 10,000 hectares of watershed. Community forests were established on 28,000 hectares with 56 million trees, mostly local species, introduced in farming systems.
- PRASAB reached large numbers of people: 75,000 rural households (375,000 people, including 170,000 women) benefited from production sub-projects and 140,000 households benefited from community development sub-projects.
- About 200,000 households of refugees and displaced persons benefited from the emergency support provided by the project for their reinsertion.

37. Several specific lessons from PRASAB were considered in designing the proposed project:

- (a) In a fragile state such as Burundi, grassroots organizations—particularly farmer groups and cooperatives that are adequately supported by service providers—can substantially improve their performance and achieve tangible results. The project will build on that approach and ensure adequate capacity building at the grassroots level;

- (b) Service provision by the private sector has proven more efficient than public sector service provision. The project will therefore rely on private service providers while continuing to reinforce the capacity of the government administration for those public services falling under its purview, such as planning, research and extension, sanitary control, and M&E. Whenever possible, private–public partnerships will be sought to mobilize the mix of expertise required.
- (c) PRASAB focused on improving on-farm productivity and recovering production, largely for own consumption. The relative success of PRASAB argues for giving attention to markets and market access at this stage.
- (d) PRASAB’s experience has revealed that, where farmer credit is limited or nonexistent—which is currently the case in Burundi—a well-targeted matching grant scheme is effective in assisting small-scale farmers to rebuild their assets and develop basic production activities. In this context, matching grants do not create unfair competition with weak or nonexistent micro-finance services. On the contrary, they help farmers establish the production base required to access these financial services where they exist.

#### **SAFEGUARD POLICIES (INCLUDING PUBLIC CONSULTATION)**

<b>Applicable Safeguard Policies</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
Environmental Assessment (OP/BP 4.01)	<b>X</b>		
Natural Habitats (OP/BP 4.04)		<b>X</b>	
Forests (OP/BP 4.36)		<b>X</b>	
Pest Management (OP 4.09)	<b>X</b>		
Cultural Property (OP/BP 4.11).		<b>X</b>	
Indigenous Peoples (OP/BP 4.10)	<b>X</b>		
Involuntary Resettlement (O/BP 4.12)	<b>X</b>		
Safety of Dams (OP/BP 4.37)	<b>X</b>		
Projects on International Waterways (OP/BP 7.50)	<b>X</b>		
Projects in Disputed Areas (OP/BP 7.60)		<b>X</b>	

38 Since the project has triggered six Bank Safeguard policies, namely Environmental Assessment (OP. 4.01), Pest Management (OP. 4.09), Involuntary Resettlement (OP 4.12), Indigenous Peoples (OP. 4.10), Safety of Dams (OP/BP 4.37) and International Waterways (OP/BP 7.50), the whole project has undergone an Environment and Social Impact Analysis (ESIA) that lead to the production of an Environmental and Social Management Framework (ESMF) including a sound Pest Management Plan (PMP) and a safety of dam analysis), a Resettlement Policy Framework (RPF) and an Indigenous Peoples Development Plan (IPDP) that includes a comprehensive Social Assessment (SA) study. During project implementation, the project will carry out participatory annual impact evaluation and beneficiary assessments. In

case RAP would be necessary, a review at implementation and two years after implementation will also be carried out. Mechanisms to monitor both environmental and social aspects will be established and further strengthened throughout project implementation. A yearly participatory impact monitoring and evaluation survey will be carried out on all sub-projects.

## FINANCING

Source:	(\$m.)
RECIPIENT	0.00
Beneficiaries	2.20
International Development Association (IDA)	43.00
Total	45.20

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