

## 6. Country profile: Burundi



### 1. Development profile

Since Burundi achieved independence in 1963, it has suffered through 4 wars. The assassination of Burundi's first democratically elected President in October 1993 sparked a conflict between the Hutu and Tutsi ethnic groups which escalated into a civil war that lasted 12 years and devastated the country. At least 200,000 Burundians died, hundreds of thousands were displaced and according to the World Bank, "the recent war caused poverty to nearly double."<sup>1</sup> Reintegration of displaced people continues to be a challenge. A power-sharing agreement "between Tutsi-dominated government and the Hutu rebels in 2003 paved the way for a transition process that led to an integrated defence force, established a new constitution in 2005, and elected a majority Hutu government in 2005."<sup>2</sup>

An estimated 67 percent of Burundi's 8.1 million inhabitants live below the poverty line. This number increased from 35 percent in 1993 to 67 percent in 2006, with the rural poverty estimated to be twice that of urban areas.<sup>3</sup> Another concern is school enrolment, where only one in two children is enrolled in school. In 2005, the Government introduced free primary education but the school system has not been able to cope with the influx of students. Basic infrastructure is in disrepair and there are shortages of food, medicine and electricity. At 0.413, Burundi's Human Development Index is the lowest in East Africa, ranking and life expectancy is the second lowest in the region. Overall, Burundi is ranking 166 out of 169 countries, only Niger, Congo and Zimbabwe being worse off. The Government has made efforts to improve human conditions in the country, evidenced by recent increases in education expenditures, from 17.1 percent of the budget in 2007 to 22.6 percent in 2008.<sup>4</sup>

Landlocked Burundi has few natural resources. The economy is based on agriculture, which accounts for 35 percent of GDP and employs 90 percent of the population. The main exports are coffee and tea which total 90 percent of foreign exchange earnings. The Tutsi minority controls the coffee trade, which is vulnerable to external shocks.

Recent political stability has fostered an increase in aid flows and an increase in economic activity, but the global recession of 2008 amplified pre-existing sources of economic fragility. This was

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<sup>1</sup> *Country Brief: Burundi*. (2009, September). Retrieved from World Bank: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/BURUNDIEXTN/0,,menuPK:343761~pagePK:141132~piPK:141107~theSitePK:343751,00.html>

<sup>2</sup> *The World Factbook: Burundi*. (2010, April). Retrieved from United States Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/by.html>

<sup>3</sup> Ibid.

<sup>4</sup> *Countries :Burundi*. (2010, August). Retrieved from African Economic Outlook: <http://www.africaneconomicoutlook.org/en/countries/east-africa/burundi/>

instigated by a decrease of 28 percent from 1993 to 2006 in agricultural production, rising fuel prices, and the depreciation of the Burundi Franc, inflation rose from 8.3 percent in 2007 to 24.5 percent in 2008.<sup>5</sup> This marked increase, coupled with a decrease in economic opportunities, worsened the standard of living for the vulnerable population of Burundi. While the economy has grown at a rate of 3 percent since 2001, GDP per capita growth has stagnated. This is due to the extremely high population growth rate of 2.6 percent, which is among the highest in Sub Saharan Africa. Unemployment is of major concern due to an estimated 35 percent of the population being unemployed.<sup>6</sup>

Burundi has improved in certain areas covered in the Millennium Development Goals, like the life expectancy rate rising from 43 years in 2000 to 50 years in 2009, but it is still unlikely that the country will reach any of the goals by 2015. Burundi has lowered the under-five mortality by 20 percent from 2005 to 2009 due to free health services to children under the age of five and pregnant women. One problem with the free health care is that it is lacking essential medicine and qualified staff.<sup>7</sup>

Socioeconomic indicators <sup>8</sup>	
Population (millions)	8.1
GNI per capita, PPP (current USD)	\$380
GDP (current USD) (billions)	\$1.2
GDP composition by sector (%)	Agriculture - 35 Industry- 20 Services- 45
GDP growth rate (%)	4.5
% Below poverty line (%)	68
Inflation (%)	24.5
GINI index	33.3
Adult literacy rate (%)	59.3
Life expectancy (years)	50
Child dependency ratio	63.9
Elderly dependency ratio	4.7
HIV prevalence (%)	2
Overseas development aid per capita (current USD)	55
Net official development assistance 2005 (USD Millions)	365
2009 Human Development Index (HDI) ranking	174/182

<sup>5</sup> *Burundi: Poverty reduction strategy paper - Annual progress report*. (2009, March). Retrieved from International Monetary Fund:  
<http://www.imf.org/external/NP/prsp/prsp.asp>

<sup>6</sup> *Countries :Burundi*. African Economic Outlook:

<sup>7</sup> *Country Brief: Burundi*. World Bank.

<sup>8</sup> *Country data: Burundi*. (2009, March). Retrieved from World Bank; <http://data.worldbank.org/country/burundi>  
*Countries: Burundi*. (2009, March). Retrieved from United Nations Development Programme:  
<http://hdrstats.undp.org/en/countries/profiles/BDI.html>

## 2. Vulnerability analysis

### 2.1 External shocks

Burundi was already one of the poorest countries in the world and the financial crisis has worsened the situation there where for example inflation rates of 24 percent continue to plague the destitute.<sup>9</sup> As the global demand for coffee decreases, coffee exports, which account for over 65 percent of total exports (net exports are 11 percent of GDP), are at risk of declining.<sup>10</sup>

The agricultural sector is the most important sector when it comes to employment due to the fact that it counts for 90 percent of the total employment, but the sector is very vulnerable to external shocks, thereby making the people of Burundi very vulnerable. Another concern is the alarmingly high rates of deforestation that have contributed to widespread soil degradation.<sup>11</sup>

### 2.2 HIV/AIDS

The HIV prevalence estimate has fallen from 3.5 percent in 2001 to 2.0 percent in 2007 and is relatively low compared to the regional average.<sup>12</sup> The country has taken several measures to combat HIV/AIDS: awareness campaigns, condom distribution, better access to testing and increased access to ARVs for those that are infected.<sup>13</sup> But even though, the antiretroviral therapy coverage in 2007 was only 23 percent and an estimated 47,000 are currently in need of the treatment.<sup>14</sup>

### 2.3 Foreign aid and remittances

Foreign aid, which amounts to nearly half of Burundi's GDP, will suffer as international donors have less money to distribute in light of the 2008 economic crisis. A corruption scandal in 2007 resulted in a freeze in aid from bilateral donors but assistance has since resumed. Donor pledges have recently been made to support Burundi's poverty reduction strategy, which marks the shift from emergency aid to development assistance.<sup>15</sup> Remittances reportedly account for 0 percent of Burundi's GDP but unrecorded transfers may be significant.<sup>16</sup>

### 2.4 Political unrest

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<sup>9</sup> *Countries: Burundi*. (n.d.). Retrieved from World Food Program: <http://www.wfp.org/countries/burundi>

<sup>10</sup> *Country data: Burundi*. World Bank

<sup>11</sup> *Country Brief: Burundi*. World Bank.

<sup>12</sup> *Epidemiological Fact Sheet on HIV and AIDS: Burundi*. (2008, September). Retrieved from World Health Organization: [http://apps.who.int/globalatlas/predefinedReports/EFS2008/full/EFS2008\\_BI.pdf](http://apps.who.int/globalatlas/predefinedReports/EFS2008/full/EFS2008_BI.pdf)

<sup>13</sup> *Burundi: Poverty reduction strategy paper - Annual progress report*. (March 2009). Retrieved from International Monetary Fund: <http://www.imf.org/external/NP/prsp/prsp.asp>

<sup>14</sup> *Epidemiological Fact Sheet on HIV and AIDS: Burundi*. World Health Organization.

<sup>15</sup> *Burundi: Poverty reduction strategy paper - Annual progress report*. (March 2009). International Monetary Fund

<sup>16</sup> *Country data: Burundi*. World Bank

The civil war, which lasted from 1993 until 2005, devastated both the economy and the social fabric of the country: the percentage of people living under the poverty line doubled; per capita income fell by 40 percent; over 200,000 people died; and thousands more were displaced. A four year regional economic embargo during the war “devastated the economy, resulting in a ten-year period of economic decline.”<sup>17</sup>

### 3. Monitoring and evaluation

According to the March 2009 *Poverty Reduction Strategy Paper* (PRSP),

- In May 2007, donors committed 680 million USD over a three-year period towards a permanent monitoring and evaluation consultation framework.
- Burundi joined AFRISTAT in late 2006 and enacted the Statistics Act in September 2007.
- Several publications of statistics are to be made available—i.e. statistical yearbooks, monthly price index updates, and quarterly reports.
- Committees were set up at the national and local level to conduct M&E of the PRSP action plan but evaluation workshops held in 2008 determined the committees to be non-operational.<sup>18</sup>

### 4. Social assistance programmes overview

\*All currency conversions are based on 17 February 2010 rates:

- 1 BIF = 0.00080 USD
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.<sup>19</sup>

Programme #1: in-kind food transfer	Programme name	Food Distribution <sup>20</sup>
	Programme overview	<ul style="list-style-type: none"> <li>▪ World Food Programme project.</li> </ul>
	Programme objective	<ul style="list-style-type: none"> <li>▪ Food distribution programmes to the most vulnerable, food-insecure provinces in the northeast during the lean season (75 days a year).</li> </ul>
	Programme components	<ul style="list-style-type: none"> <li>▪ Refugees returning from Tanzania will receive a 6 month food package as they attempt to reintegrate.</li> <li>▪ Food for orphans, the handicapped, and the chronically ill will be provided at medical centres.</li> <li>▪ Anti-retroviral drugs to those with HIV/AIDS.</li> </ul>

<sup>17</sup> *Country Brief: Burundi*. World Bank:

<sup>18</sup> IMF. *Burundi: Poverty Reduction Strategy Paper - Annual progress report*. March 2009. <http://www.imf.org/external/NP/prsp/prsp.asp>

<sup>19</sup> *Currency Converter*. (n.d.). Retrieved from OANDA: <http://www.oanda.com/currency/converter/>

<sup>20</sup> Table drawn from *Protracted Relief and Recovery Operation: Burundi 10528.1* (2008, October). Retrieved from World Food Programme: <http://www.wfp.org/content/protracted-relief-and-recovery-operation-burundi-105281>

		<ul style="list-style-type: none"> <li>▪ A cash and voucher programme will commence in 2010.</li> <li>▪ School feeding will take place at 250 primary schools.</li> </ul>
	<b>Programme duration</b>	<ul style="list-style-type: none"> <li>▪ The programme is already under way. The programme will be handed over to the Burundi government at the end of 2010.</li> </ul>
	<b>Programme coverage</b>	<ul style="list-style-type: none"> <li>▪ The programme intends to reach 1 million beneficiaries, who are concentrated in six provinces in the north and northwest, each year.</li> </ul>
	<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ The total cost to WFP is 139,180,815 USD and direct support costs (non-food and non-equipment to be handed out) are 11,954,920 USD.</li> <li>▪ With the hope of 1 million people per year, cost per individual is about 127.22 USD.</li> <li>▪ The programme is already underway and fully funded. At the conclusion of the programme (Duration is January 1, 2009 – December 31, 2010), most facets are to be handed over to the Burundi government along with assessments of which parts should be continued.</li> <li>▪ The programme will have relatively low acquisition costs by getting 70% of food requirements regionally.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>▪ According to the International Poverty Centre for Inclusive Growth, Burundi is planning on creating a Social Protection Framework.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>▪ The “Promotion of sustainable and equitable growth” programme is run by the World Food Programme. The WFP will have general oversight and central coordination. It will rely heavily on “strategic partnerships with United Nations agencies and NGOs,” particularly in programme areas concerned with supporting “needy communities moving from relief to recovery and self-reliance.”</li> </ul>
	<b>Programme barriers</b>	<ul style="list-style-type: none"> <li>▪ The major obstacle that may stand in the way of this handover is the security issues that face the nation. Although recent peace talks have been successful, deep ethnic divisions still exist and the lack of resources often sparks violence.</li> <li>▪ The financial crisis is likely to curtail donor support over the next several years, as developed nations focus economic resources on their own domestic problems.</li> <li>▪ Burundi has very poor infrastructure and suffers from chronic corruption. This presents a challenge, not only to maintaining programmes after they are handed over to the government in 2010, but also to organisations attempting to provide aid.</li> </ul>

Programme# 2: social insurance	Programme name	Old Age, Disability and Survivors <sup>21</sup>
	Programme components	<ul style="list-style-type: none"> <li>▪ <b>Old-age benefits:</b> The pension is equal to 30% of the insured's average monthly earnings in the last 3 or 5 years (whichever amount is greater) plus 2% of average monthly earnings for each 12-month period of coverage exceeding 180 months. <ul style="list-style-type: none"> <li>○ Benefits are adjusted according to changes in the cost of living, depending on the financial resources of the system.</li> </ul> </li> <li>▪ <b>Old-age settlement:</b> A lump sum is paid equal to the insured's average monthly earnings in the last 3 or 5 years (whichever amount is greater) multiplied by the number of 12-month periods of contributions.</li> <li>▪ <b>Disability pension:</b> pension is equal to 30% of the insured's average monthly earnings in the last 3 or 5 years (whichever amount is greater) plus 2% of average monthly earnings for each 12-month period of coverage exceeding 180 months. <ul style="list-style-type: none"> <li>○ Constant-attendance supplement: 50% of the disability pension is paid.</li> <li>○ Benefits are adjusted according to changes in the cost of living if the award is permanent or the insured is aged 60 or older, depending on the financial resources of the system.</li> </ul> </li> <li>▪ <b>Survivor Pension:</b> The widow(er)'s pension is equal to 50% of the deceased's pension.</li> <li>▪ <b>Orphan's pension:</b> Each eligible orphan receives 25% of the deceased's pension; 40% for each full orphan.</li> <li>▪ <b>Dependent parent and grandparent's pension:</b> Each dependent parent or grandparent receives 25% of the deceased's pension.</li> <li>▪ <b>Survivor settlement:</b> A lump sum is paid equal to a percentage of the old-age pension the deceased would have received at the pensionable age.</li> </ul>
	Programme coverage	<ul style="list-style-type: none"> <li>▪ Salaried workers covered by the labour code, military personnel, and contract workers from the civil service and public utility commission.</li> <li>▪ Self-employed people are excluded.</li> </ul>
	Beneficiary determination process	<ul style="list-style-type: none"> <li>▪ <b>Old-age pension:</b> Age 60 with 15 years of coverage, retirement not necessary.</li> <li>▪ <b>Old-age settlement:</b> Age 60 who do not meet qualifying conditions for pension.</li> <li>▪ <b>Disability pension:</b> Insured is assessed with a loss of physical or mental capacity of at least 66.7% and has at least 3 years of coverage, including 6 months of contributions in the last 12 months. <ul style="list-style-type: none"> <li>○ Constant-attendance supplement: Paid if the insured requires the constant attendance of others to perform daily functions.</li> </ul> </li> <li>▪ <b>Survivor pension:</b> Paid to eligible survivors if the deceased qualified for a pension, was a pensioner, or had at least 180 months of coverage at the time of death. <ul style="list-style-type: none"> <li>○ Eligible survivors are the widow(er); unmarried orphans younger than age 16 (age 18 if an apprentice, age 21 if a student, no age limit if</li> </ul> </li> </ul>

<sup>21</sup>Table text from *Social Security Programs Throughout the World: Africa 2009*. (2009, August). Retrieved from United States Government, Social Security Administration: <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2008-2009/africa/index.html>

		disabled); and parents in the absence of a surviving spouse and children.
	Finance	<ul style="list-style-type: none"> <li>▪ <b>Survivor settlement:</b> Paid to eligible survivors if the deceased did not meet the qualifying conditions for a pension.</li> <li>▪ <b>Insured person:</b> 2.6% of monthly earnings; 3.8% if arduous work.</li> <li>▪ <b>Voluntary contributors:</b> 6.5% of monthly earnings.</li> <li>▪ <b>Employer:</b> 3.9% of monthly payroll; 5.7% of monthly payroll on behalf of employees in arduous work.</li> </ul>
	Legal framework	▪ Current law passed in 2002.
	Administrative framework	<ul style="list-style-type: none"> <li>▪ Ministry of Labour and Social Security provides general supervision.</li> <li>▪ Managed by a tripartite board and a director, the National Social Security Institute administers the program.</li> </ul>

Programme# 3: social insurance	Programme name	<b>Sickness and Maternity<sup>22</sup></b>
	Programme components	<ul style="list-style-type: none"> <li>▪ The labour code (1993) requires employers to pay 66.7% of wages for sick leave for up to 3 months each calendar year and to provide medical care for workers and their dependents.</li> <li>▪ The labour code (1993) requires employers to pay 50% of wages for maternity leave of up to 12 weeks (14 weeks in the event of complications arising from pregnancy or childbirth), including at least 6 weeks after childbirth, if the woman has at least 6 months of service during the year before the expected date of childbirth.</li> <li>▪ The 1984 provision established a medical assistance program to provide medical, surgical, maternity, hospitalisation, dental, and pharmaceutical services to the low-income population.</li> <li>▪ The 1980 law (health insurance) provides for medical benefits for civil servants and members of the armed forces.</li> </ul>
	Finance	▪ Employers.
	Legal framework	▪ Labour Code (1993).

Programme# 4: social insurance	Programme name	<b>Work Injury<sup>23</sup></b>
	Programme components	<ul style="list-style-type: none"> <li>▪ <b>Temporary disability benefits:</b> The benefit is equal to 66.7% of the insured's average daily earnings up to a maximum. The benefit is paid from the 31st day after the disability began for the total period of incapacity for work, up to 6 months from the date of the accident.</li> <li>▪ <b>Permanent disability pension:</b> If the insured is assessed with a total disability, the pension is equal to 100% of the insured's average monthly earnings up to a maximum.</li> <li>▪ <b>Partial disability:</b> If the assessed degree of disability is at least 15%, a</li> </ul>

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

		<p>percentage of the full disability pension is paid according to the assessed degree of disability. If the assessed degree of disability is less than 15%, a lump sum of 3 years of pension is paid according to the assessed degree of disability.</p> <ul style="list-style-type: none"> <li>▪ <b>Workers' medical benefits:</b> Benefits include medical and surgical care, hospitalisation, laboratory services, medicines, dental care, transportation, physiotherapy, eyeglasses, and rehabilitation.</li> <li>▪ <b>Survivor pension:</b> The widow(er)'s pension is equal to 50% of the pension the deceased would have received if assessed with a permanent total disability.</li> <li>▪ <b>Orphan's pension:</b> Each orphan younger than age 16 (age 21 if a student, no age limit if disabled) receives 20% of the pension the deceased would have received if assessed with a permanent total disability; 40% for each full orphan.</li> <li>▪ <b>Dependent parent's and grandparent's pension:</b> Each dependent parent or grandparent receives 20% of the pension the deceased would have received if assessed with a permanent total disability.</li> <li>▪ <b>Funeral grant:</b> a lump sum of 30 times the deceased's average daily earnings.</li> </ul>
	Programme coverage	<ul style="list-style-type: none"> <li>▪ Salaried workers covered by the labour code, including agricultural workers, apprentices, trainees, and military and police personnel.</li> <li>▪ Exclusions: Self-employed persons.</li> </ul>
	Beneficiary determination process	<ul style="list-style-type: none"> <li>▪ There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>▪ Employer: 3% of covered monthly payroll.</li> </ul>
	Legal framework	<ul style="list-style-type: none"> <li>▪ Current law passed in 2002.</li> </ul>
	Administrative framework	<ul style="list-style-type: none"> <li>▪ Ministry of Labour and Social Security provides general supervision.</li> <li>▪ National Social Security Institute administers contributions and benefits.</li> <li>▪ Medical services are provided by the National Social Security Institute and public or approved private medical institutions.</li> </ul>

Programme# 5: social insurance	Programme name	Family Allowances <sup>24</sup>
	Programme components	<ul style="list-style-type: none"> <li>▪ Specified monthly benefits are paid for the wife and for each child. Benefits are reduced by 50% if the insured works less than 4 hours a day.</li> </ul>
	Programme coverage	<ul style="list-style-type: none"> <li>▪ Salaried workers covered by the labour code and apprentices.</li> <li>▪ Self-employed persons are excluded.</li> </ul>
	Beneficiary Determination process	<ul style="list-style-type: none"> <li>▪ The child must be unmarried and younger than age 16 (age 21 if a student or an apprentice, no age limit if disabled).</li> <li>▪ The wife must not be in paid employment. To receive the full benefit, the insured must work at least 4 hours a day.</li> </ul>

<sup>24</sup> Ibid.

	<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ Employer covers the total cost.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>▪ Current law passed in 1977.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>▪ Ministry of Labour and Social Security provides general supervision.</li> <li>▪ Employers pay the benefits directly to employees.</li> </ul>