



Economic and Social Council

Distr.: General
27 June 2005

Original: English

Substantive session of 2005

New York, 29 June-27 July 2005

Item 7 (h) of the provisional agenda*

**Coordination, programme and other questions: ad hoc
advisory groups on African countries emerging from conflict**

Report of the Economic and Social Council Ad Hoc Advisory Group on Burundi**

Summary

In response to Economic and Social Council resolution 2005/1, the present report provides highlights of the economic, social and humanitarian situation in Burundi and on international donor support to the country. It also describes how the Group has fulfilled its mandate and concludes that Burundi must receive continued support at this crossroads in the peace process and after the transition.

* E/2005/100.

** The report has been submitted late in order to reflect recent developments relating to the situation in Burundi.

I. Introduction

1. The present report is submitted pursuant to Economic and Social Council resolution 2005/1 of 1 March 2005 in which the Council requested the Ad Hoc Advisory Group on Burundi to continue to follow closely the humanitarian situation and economic and social conditions, to examine the transition from relief to development in Burundi and the way in which the international community supported the process, and to report to it, as appropriate, at its substantive session in 2005. The Council also decided to consider the reports¹ of the Group during its substantive session in 2005, and requested that the report of the Group to that session describe, inter alia, how the Group had fulfilled its mandate.

2. The present report focuses on developments since the oral report delivered by the chairman of the Group to the Council on 4 February 2005 (see E/2005/11). It thereafter describes the work carried out by the Group in order to fulfil the mandate entrusted to it by the Council, and presents views on future activities.

II. Highlights of the situation in Burundi

3. The Ad Hoc Advisory Group was very much encouraged by the successful conduct of the referendum on the post-transition Constitution on 28 February 2005 and by the strong support expressed for it by voters. The Constitution was promulgated on 18 March, and the electoral code and the communal law one month later, allowing the National Independent Electoral Commission to propose a new electoral calendar that was subsequently endorsed by the Regional Peace Initiative on Burundi. In accordance with that calendar, the date for municipal elections was June 3, to be followed by legislative and senatorial elections on 4 and 29 July respectively and finally the Presidential election on 19 August. The swearing-in of the President, planned for 26 August, would mark the end of the transition period.

4. Another positive development was the declaration on the meeting held in Dar-Es-Salaam (United Republic of Tanzania) on 15 May 2005 between the Transitional Government of Burundi, represented by Domitien Ndayizeye, President of the Republic of Burundi, and the Parti pour la libération du peuple hutu-Forces nationales de libération (Palipehutu-FNL), represented by Agathon Rwasa, President of the Party. In the declaration, the two parties declared a cessation of hostilities and decided to establish technical teams with a mandate to decide on the mechanisms of the permanent ceasefire between the two belligerents. However, one week after the meeting, violence resumed between the Burundian army and the FNL.

5. Progress in regard to the disarmament, demobilization and reintegration programme has been made. Since December 2004, the United Nations Operation in Burundi (ONUB) has disarmed and demobilized over 9,600 former combatants, including 3,000 child soldiers, from the Burundian armed forces and opposition political parties and movements. They are due to join the National Defence Force, the police force or return to civilian life. Although progress is real, it is recalled that the disarmament, demobilization and reintegration programme is scheduled to run for four years, with the objective of forming an initial 45,000-member National Defence Force, which would be gradually reduced to 25,000 troops. In this context, continued international support for security-sector reform remains critical. The

reduction of the amount of arms in circulation in Burundi (including an estimated 300,000 guns) is also a prerequisite for the sustained pacification of the country.

6. The return of refugees and internally displaced persons continues to be a key challenge, with 150,000 persons returning to their community of origin since 2004. The Office of the United Nations High Commissioner for Refugees (UNHCR) reports that since the beginning of 2005, 12,500 refugees returned from neighbouring Tanzania and a total of 150,000 are expected to return in the course of the year. In this context, strong international support for the “four Rs” (repatriation, reintegration, rehabilitation and reconstruction) remains vital.

7. Persistent food insecurity testifies to the profound vulnerability of the country, where more than half of the population lives in extreme poverty. Over the last six months, 600,000 people have faced severe food shortages in north-eastern provinces. The Government of Burundi imposed a special tax on the salary of Ministers and lawmakers and a lower one for civil servants in an effort to raise money to forestall famine. Although donors have come up with generous assistance, the needs are enormous and beyond the initial expectations. In May, the World Food Programme launched an appeal for full disbursements of pledges, without which food stocks would run out completely by September. Since food rations keep nearly a million farmers from resorting to eating their seeds during the planting season, the suspension of that assistance would endanger subsequent harvests. In addition, owing to drought and poor rains, this season the crop yield may not meet food security needs.

8. The health situation remains of concern. According to the Joint United Nations Programme on HIV/AIDS (UNAIDS), Burundi is among the 15 countries most affected by the disease, with 390,000 persons living with HIV/AIDS. A strategic HIV/AIDS plan is being implemented by the authorities with international support. Malaria is also widespread in the country.

9. Economic growth was estimated at about 5.3 per cent in 2004. Improvements in the security situation and progress made in the implementation of the financial and structural reform programme supported by the Poverty Reduction and Growth Facility arrangement contributed to that positive result. However, at the time of reporting, inflation had reached the high level of 20 per cent, which called for sound monetary and budgetary policies.

10. Economic governance remains weak and insufficient for developing public infrastructures, promoting rural development and diversifying economic activities and exports. As reported by the Group to the Council in its initial report (E/2004/11), sustained action in those fields is a prerequisite for poverty alleviation in the country. The agricultural sector employs 90 per cent of the population and represents more than half of the country's gross domestic product. Crops are mostly consumed domestically, tea and coffee being the only industrial ones. Coffee provides 80 per cent of the country's currency income.

III. International donor support to Burundi

11. Despite some positive developments, international donor support to Burundi remains insufficient to satisfy the enormous needs of the country and help it engage in a real recovery process. During the last round-table meeting in Brussels in

January 2004, donors pledged approximately 1 billion United States dollars for the period from 2004 to 2006. However, the realization of those pledges has been slow and below the original commitments, mainly owing to the unrealistic budget projections, poor absorption capacities of the Government and particularly the high level of uncertainty surrounding the political transition in the country. In the oral report delivered by the Chairman of the Group to the Council on 4 February 2005 (see E/2005/11), the Group stated that it had been the tendency of some donors to wait and see how the political process evolved. While understandable from certain standpoints, that position ignored the fact that improving living conditions of the population is a good way to demonstrate the value of the ongoing peace process and to sustain it.

12. The same observation can be made today. However, since the beginning of the year, the international community has been more forthcoming in supporting key steps in the peace process, namely the elections and the disarmament, demobilization and reintegration programme. Donors have contributed close to 16 million dollars to the trust fund set up by the United Nations Development Programme (UNDP) to support the elections² and ONUB continues to lend its technical and logistical support to the National Independent Electoral Commission of Burundi. The disarmament, demobilization and reintegration programme is financed through a grant under the multi-donor demobilization and reintegration programme, managed by the World Bank, and by the World Bank itself, with support of United Nations agencies.

13. As of 20 June 2005, contributions received in response to the Consolidated Appeal Process for 2005, launched in November 2004, amounted to close to 40 million dollars.³ A mid-year review indicates that an estimated 30 per cent of the Consolidated Appeal Process requirements have been received, which represents considerable progress compared to the flow of funds recorded in previous years; in 2004, funds received in response to appeals reached a similar level only at the end of the calendar year. The contributions are earmarked mostly for projects to support the return and reintegration of Burundian refugees and to ensure food security. The Office of the United Nations High Commissioner for Refugees (UNHCR), the Food and Agriculture Organization of the United Nations, the United Nations Children's Fund (UNICEF) and the Office for the Coordination of Humanitarian Affairs are the main recipients. Donors are expected to abide by the principles of good donorship for humanitarian assistance to Burundi to which they made commitments at the launch of the Consolidated Appeal Process in November 2003.

14. Important efforts have been made by United Nations agencies to strengthen synergies and maximize the impact of their activities. In April 2005, for the first time UNDP, the United Nations Population Fund (UNFPA) and UNICEF jointly signed cooperation agreements, for example, country programme action plans, with the authorities of Burundi for the period from 2005 to 2007. Activities will be carried out in such fields as governance, poverty alleviation, water and sanitation, reproductive health, HIV/AIDS and youth targeted programmes, for a total amount of 80 million dollars, that is 23 million dollars from the agencies' core resources and the rest to be mobilized from donors. In addition, UNDP and the Government of Burundi have launched the International Year of Microcredit and organized workshops on how to increase the role of microfinance to alleviate poverty and help reach the Millennium Development Goals.

15. Following the payment of debt arrears to the African Development Bank and the Bank's decision to resume operations in Burundi in October 2004, the African Development Fund and the Government of Burundi have signed four loans and granted agreements for a total amount of 36 million dollars. Three important operations have been financed: an Economic Reform and Governance Programme that will support the reform of the macroeconomic framework and the civil service, a multi-sector project for the socio-economic reinsertion of disadvantaged groups through labour-intensive works, capacity-building in the field of vocational training and sensitization on the protection of the environment and HIV/AIDS and a regional integration programme intended to improve the social, health and food situation of the populations of the Lake Tanganyika basin.

16. The World Bank has approved a 20 million-dollar grant to step up the fight against HIV/AIDS in the six countries of the Great Lakes region. The project will finance prevention, care and treatment programmes for a large number of refugees, migrant and transport workers, highly infected groups and others who move between the Great Lakes countries, with a strong emphasis on coordinating a regional, cross-border response to combating the disease.

17. The authorities of Burundi have been implementing the Interim Poverty Reduction Strategy Paper (I-PRSP) prepared in 2003. Officials of the World Bank and the International Monetary Fund (IMF) have stressed the tremendous efforts made to maintain relations with the country's creditors and performance under the Poverty Reduction and Growth Facility arrangement has been judged satisfactory by the IMF staff. Nonetheless, Burundi's external debt service remains unsustainably high, an assessment confirmed by a preliminary Debt Sustainability Analysis prepared by the IMF and the International Development Association. The completion of a full PRSP is therefore important to allow the country to benefit from the Enhanced Heavily Indebted Poor Countries Debt Initiative. UNDP, the World Bank, United Nations agencies and other development partners have supported a consultation process in all the communes and provinces of the country to ensure that the needs of the population are duly taken into account, including those of the poorest and the marginalized. It is expected that the full PRSP will be completed by September 2005, after which the country should reach the decision point for debt reduction as early as December 2005, an objective sought with determination by the Government. The Ad Hoc Advisory Group is of the view that the authorities of Burundi should be supported in those aspirations.

IV. Conclusions and recommendations

18. In its resolution 2005/1, the Council requested that the report of the Group describe, *inter alia*, how the Group had fulfilled its mandate. The Council also decided to consider the reports¹ of the Group during its substantive session in 2005. Since the reports are available to delegations, the present document will not elaborate on their content. However, to facilitate consideration of the matter, the major steps in the work of the Group since it first met in September 2003 are presented in the annex.

19. In its main report to the Council (E/2004/11), the Group, after reviewing the economic and humanitarian needs of the country and existing programmes of support, made recommendations on short- and medium-term support to the country

at a time when it was necessary to make every effort to sustain the peace process and improve the socio-economic living conditions of the population. The Group has been of the view that, at this critical juncture, international support contributes to convincing the people of Burundi of the value of peace and of the importance of engaging the country in the path towards recovery and development. Recommendations focused on four major themes: maintaining the momentum and consolidating the peace process, promoting stability, engaging in poverty alleviation and sustainable development and reinforcing international partnership.

20. Those views have been pursued through an open and transparent process marked by a series of meetings with the national authorities, United Nations agencies and other development partners, a visit to Burundi in November 2003, the attendance of members of the Group at the Forum of Development Partners of Burundi, held in Brussels in January 2004 and by regular follow-up meetings with United Nations actors and the authorities of Burundi. The Ad Hoc Advisory Group has worked to foster an international partnership between Burundi and the international community and has promoted a comprehensive approach to peace and stability that encompasses economic and social recovery. Through those efforts, the Group has contributed to strengthening collaboration at three main levels: within the United Nations system in support of the country, between the United Nations system and the Bretton Woods institutions and at the intergovernmental level, between the Security Council and the Economic and Social Council.

21. Since the Group was established, the situation in Burundi has evolved greatly. A United Nations peacekeeping force has been established and the peace process has made good progress. In the post-transition period, donors should be more inclined to support the country and honour the commitments made at the Brussels forum. A donor round table will need to be organized with the support of the United Nations system to ensure that the newly elected Government is provided with the funding required to implement socio-economic recovery programmes. Research and experience in post-conflict countries show that half of the countries emerging from conflict return to violence within five years, and that an exceptional level of predictable financial support is necessary for close to 10 years to face the challenges associated with post-conflict recovery. Consistent and generous development aid will therefore be needed to prevent a potential return to war.

22. The Ad Hoc Advisory Group can play an important role in this phase. In its resolution 2004/59 of 23 July 2004 on the Assessment of the ad hoc advisory groups of the Economic and Social Council on African countries emerging from conflict, the Council commended the Groups for their advocacy role for “long-term international support to the countries concerned, particularly through their partnership approach aimed at establishing a shared understanding of the development challenges and providing recommendations towards concrete solutions, including a long-term development strategy, outlining the respective responsibilities of national authorities and international partners”. In the same resolution, the Groups were also urged to ensure their “early contribution to and participation in donor conferences on the countries concerned in order to maximize the impact of their advocacy work”.

23. Taking into account the Council’s guidance, the Ad Hoc Advisory Group recommends that it be permitted to continue its work in the months to come to cover the end of the transition period in Burundi and the new Government’s

inauguration. The Group could promote the round-table meeting with the country's development partners, including the Bretton Woods institutions. The Group would present its next report to the Council on the basis of its mandate at the substantive session for 2006. In that context, the Group could examine the possibility and the usefulness of undertaking a mission to Burundi in late 2005, using the funds allocated to it in 2004.

24. The Group welcomes the fact that the experience of the ad hoc advisory groups on African countries emerging from conflicts is taken into account in the broader context of ongoing discussions within the United Nations on how to help parties emerge from conflict and move towards recovery and development, including through the proposed peacebuilding commission.

25. Meanwhile, the Group urges the international community and donors to provide additional assistance to answer short- and medium-term needs in the context of the transition from relief to development to put the country on track for poverty alleviation and sustainable development, based on the priorities presented in the renewed Poverty Reduction Strategy Paper. It recalls the importance of financing fully the United Nations Consolidated Appeal for 2005.

26. Burundi has made major steps forward in the peace process. At this advanced stage, the national authorities and the international community must work together, in a spirit of partnership, to consolidate progress and engage the country in the path towards recovery and development. They should not allow for any failure at a time when the people of Burundi need concrete manifestations of international support. In the post-transition phase, supporting the new Government with commensurate means and resources will be critical to ensure that the peace process is irreversible.

Notes

¹ Previous reports of the Ad Hoc Advisory Group on Burundi are contained in E/2004/11, E/2004/98 and E/2005/11.

² Donors are: Belgium (\$1.3 million), the European Union (\$4 million), France (\$530,000), Japan (\$3 million), the Netherlands (\$1.8 million), Norway (\$1.2 million), Sweden (\$700,000), Switzerland (\$1 million) and the United Kingdom (\$980,000). UNDP has also provided \$1 million of its own resources in support of the elections. In kind contributions (electoral material) have been made by Denmark and South Africa.

³ As of 20 June 2005, contributions had been received from: Belgium (\$1,650,000), Canada (\$2.1 million), European Commission Humanitarian Aid Office (\$10 million), Germany (\$1.3 million), Ireland (\$660,000), Italy (\$259,000), Japan (\$3.68 million), the Netherlands (\$4.4 million), Norway (\$79,000), Sweden (\$1 million), Switzerland (\$420,000), the United Kingdom (\$2.3 million) and the United States (\$10 million).

Annex

Activities of the Ad Hoc Advisory Group on Burundi

- In its resolution 2003/16 of 22 July 2003, the Council decided to establish the Ad Hoc Advisory Group on Burundi. In accordance with Council decision 2003/311 of 22 August 2003, the Group is composed of the Permanent Representatives to the United Nations of South Africa (Chairman), Belgium, Burundi, Ethiopia, France and Japan. The President of the Council and the Chairman of the Ad Hoc Working Group of the Security Council on Conflict Prevention and Resolution in Africa also take part in the work of the Advisory Group.
- The Group held a series of briefing sessions and meetings in New York with major United Nations and international interlocutors, including the Bretton Woods institutions, to discuss development support for Burundi. The Group also met the President of Burundi, Domitien Ndayizeye, in September 2003.
- The Group undertook a mission to Burundi from 19 to 26 November 2003, during which it met with government authorities, major socio-economic actors, United Nations entities active on the ground, the diplomatic community and other development partners.
- The President of the Economic and Social Council was invited to address the Security Council at a meeting on the situation in Burundi held on 4 December 2003. The Security Council also welcomed the work of the Group in a presidential statement of 22 December 2003 (S/PRST/2003/30).
- The Group was represented at the Forum of Development Partners of Burundi, held in Brussels on 13 and 14 January 2004. Participants in the Forum pledged \$1.032 billion of assistance to Burundi.
- On 11 February 2004, the Ad Hoc Advisory Group on Burundi submitted its report to the Council (E/2004/11). In this report, the Group underlines the various and interlinked challenges that the country is confronted with in embarking on the road from relief to development. It expresses its encouragement of the efforts made by Burundi to cope with these challenges and stresses that, in view of the considerable humanitarian, economic and social needs of the country, a strong partnership with the international community is required for these efforts to provide results. The Group makes recommendations for consideration by the Council on the following themes: (i) maintaining the momentum and consolidating the peace process, (ii) promoting stability, (iii) engaging in poverty alleviation and sustainable development and (iv) reinforcing international partnership.
- On 3 May 2004, the Council adopted resolution 2004/1, in which it took note with appreciation of the report of the Group and welcomed its recommendations.
- The Chairman of the Group presented an oral report to the Economic and Social Council on 21 July 2004 (see E/2004/98), in which he urged donors to disburse the promised funds pledged during the Forum of Development Partners of Burundi which took place in Brussels in January 2004. The Group considers that Burundi is at a crossroads and that the efforts made by the

Government and the people must be matched by strong international support in the framework of a true partnership.

- On the occasion of the general debate of the fifty-ninth session of the General Assembly, the President of the Republic of Burundi, Domitien Ndayizeye, visited the United Nations and also met with the Economic and Social Council Ad Hoc Advisory Group on 23 September 2004. The discussion focused on the challenges of materializing donor disbursements as well as on a possible follow-up mission to Burundi by the Ad Hoc Advisory Group.
 - The Ad Hoc Advisory Group met with the Joint Working Group on Transition Issues on 10 December 2004. At this event, the Joint Working Group presented its main conclusions, particularly as related to Burundi, and provided an update on the coordination and transition mechanisms implemented by the United Nations at the country level, including the impact of ONUB.
 - The Chairman of the Group presented an oral report to the Economic and Social Council on 4 February 2005 (E/2005/11) in which he stressed that despite some progress in international assistance, the Government and people of Burundi needed broader support from their development partners in order to sustain the peace process and engage in the transition from relief to development.
 - The Group held regular meetings with Carolyn McAskie, Special Representative of the Secretary-General and head of ONUB, when she came to New York.
-