Burundi:
Executive Summary

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IDEV conducts different types of evaluations to achieve its strategic objectives.
Executive Summary

This document is a summary of the main findings of the evaluation of the African Development Bank’s strategy in Burundi during the 2004–2015 period. The evaluation was initiated and carried out by the Bank’s Independent Development Evaluation (IDEV) Department.

Regarding methodology, the evaluation focused on 18 evaluation issues. Special attention was paid to Burundi’s context of fragility, factors of fragility, and the trend and reflection of such factors in Bank strategies. Fifteen completed projects were thoroughly analysed and were the subject of outcome evaluation reports. These projects sought to support the development of economic infrastructure, the strengthening of economic governance and social inclusion.

The evaluation was carried out within a difficult context marked by growing political and economic instability from the second quarter of 2015, impeding the fielding of a mission for data collection and making it difficult to analyse project outcomes and their sustainability. However, the fielding of a launching mission in April 2015 and the organization of a video conference workshop involving key stakeholders in November 2015 complemented documentary sources. However, the impact of the current situation on the achievements made so far and on their sustainability is still largely unknown and could be very negative.

From 2004 to 2015, cooperation between the AfDB and Burundi was characterized by the country’s fragility and post-crisis context. In 2004, fragility took a multidimensional form covering the political, economic, social and environmental spheres and fuelled by structural, cyclical and especially conflict-related factors. The more favourable institutional environment that prevailed at the beginning of the period under review subsequently deteriorated. This was clearly reflected in the Mo Ibrahim Index which showed a significant improvement in public governance between 2005 and 2010, followed by a slowdown, and even a deterioration in 2014. There are two distinct periods, namely the period following the first presidential election held on 2005 and the post-2010 presidential election period. Between 2005 and 2010, the country undertook to implement social and economic reforms and to strengthen the framework for the implementation of international assistance. Mechanisms were established for the coordination of assistance and dialogue between the Government and technical and financial partners. Progress was made in public finance management, and strategies were designed in various sectors (infrastructure, private sector development, education and health). However, it should be noted that despite this enabling environment, corruption lingered on. After 2010, the pace of reforms slowed down, strategies were not fully implemented, and coordination weakened.

The Bank is one of Burundi’s key partners. It played a significant role in reviving cooperation and normalizing relations with international partners, particularly by mobilizing the Second Pillar of the Fragile States Facility (FSF) so as to clear the arrears owed to the Bank, thus paving the way for the attainment of the decision point of the HIPC Initiative in August 2005 and the completion point in 2009. According to OECD data, the AfDB occupied the fourth position among the top donors (excluding the IMF) in terms of volume of assistance given to Burundi during the 2004–2015 period, far behind the World Bank Group (WB), the European Union (EU) and Belgium. However, the Bank’s weight increased with almost the same amounts of financing as Belgium or the EU at the end of the period under review, particularly in 2012–2013.

During the period under review, the AfDB focused its strategy on four Country Strategy Papers whose quality was considered satisfactory and which were largely aligned on the Bank’s priorities and overall strategies, particularly infrastructure development, regional integration, private sector development as well as governance. The successive strategies
were consistent with national (Poverty Reduction Strategy Paper [PRSP] I and II, and Burundi Vision 2025) and sector (particularly in the infrastructure and public finance management reform sectors) strategies which the AfDB also helped to develop. They were implemented during the period under review following a sequence adapted to the country’s context, development and various challenges to be addressed. They were based on in-depth analyses of the prevailing context, the situation of the key sectors as well as ongoing dynamics. These analyses clearly identified the main factors of fragility and the strategies directly or indirectly addressed some of these factors. However, the impact of these factors of fragility on economic and social dynamics and their numerous mutually reinforcing effects were underestimated. Interactions between the various factors of fragility, the more specific role of politics as well as weak capacity and the risks they posed to the effectiveness and sustainability of operations were not adequately reflected in the strategies.

Concerns about inclusive growth were taken into account, as well as the gender issue which is systematically mainstreamed into Country Strategy Papers. This has been more effective and more visible after the update of the Burundi Country Gender Profile in 2011. On the contrary, concerns about green growth were hardly addressed although the Bank adopted an integrated approach to sustainable development through “green and sustainable growth” objectives outlined in its new Ten-Year Strategy 2013–2022. The Bank is operating in the environmental sector though it is not an area for priority actions, and the sustainability of farms and resilience of infrastructure and communities to climate change constitute strategic issues in Burundi. Lastly, regional integration within the East African Community (EAC) has been a constant concern and is reflected in the weight of multinational projects in the portfolio. Nevertheless, though the Country Strategy Papers clearly indicate the importance to be accorded to this component, they say very little about the manner in which this goal will be pursued by the AfDB and the priorities to be implemented in the domain.

The strategy developed by the Bank resulted in a portfolio dominated by two priority sectors, namely the transport infrastructure pillar (48% of the portfolio) and the economic governance pillar (16%). At the same time, the Bank implemented operations in eight other sectors of which the main ones were the social sector (9%), energy (12%) and agriculture (6%). This relative dispersal of financing, which runs counter to the principle of selectivity, is partly due to the fact that many operations are multinational operations and the use of a wide variety of intervention mechanisms (9 funds and instruments in total). The total volume of Bank financing in Burundi during the 2004–2015 period amounted to UA 544 million, of which UA 237.6 million for 31 national operations (that is UA 7.66 million per project and about UA 20 million per annum on average), the rest (UA 306.4 million) for mainly multinational projects involving Burundi.

The combination of various methods of intervention seems to be justified by the stakes and their rationale was strengthened during the period under review. Specifically, the recourse to the FSF and its three pillars was very relevant and well adapted to the context of Burundi. Similarly, budget support operations and capacity building programmes directly targeting the establishment of a governance framework that is conducive to the implementation of the Growth and Poverty Reduction Strategy were fully justified in view of the stakes (the need to restore macroeconomic balances and re-establish a public finance management system that ensures fiscal discipline, the allocation of resources to the priorities of the strategy and the effective delivery of public services) and complied with the principles of engagement in fragile States. However, multinational operations, particularly those outside the scope of the two priority pillars, were not clearly aligned on the logic of intervention of successive Country Strategy Papers and did not show complementarity with the rest of the portfolio.

Overall, the effectiveness of Bank operations is moderately satisfactory. The achievement of outcomes in the infrastructure domain is satisfactory.
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However, the outcomes of the implementation of initial programmes in the social sector and particularly the governance sector, fell short of expectations. This is mainly due to difficulties in assessing initial conditions. The quality of projects at entry assessment suffered from lack of data and information on the situation of a country emerging from 10 years of civil war, and from over-ambition with respect to the management capacity of the country’s institutions and organizations.

Concerning budget support operations, institutional capacity was poorly reflected in programme design only during PARE III (2010) through the adoption of a programmatic approach comprising a limited number of measures and thrust areas, a clear sequence and a multi-tranche disbursement aligned on the budget schedule.

The outcomes of Bank operations are especially significant in terms of mobility and transport on main (National Road [RN] 3, 5, 13, 14 and 15) as well as secondary (related rural) roads, access to electricity in the town of Bujumbura and in some localities which benefited from a reintegration or employment programme (urban councils in Bujumbura, and the rural provinces of Ngozi, Gitega, Kayanza, Rutana, and Bururi) where the operations implemented, particularly through labour-intensive works, helped to generate 4.3 million man days of work, a third of which was performed by women, with a significant impact in terms of income distribution.

In the economic governance domain, several functions of the public finance management system were improved thanks to the Bank’s support operations (particularly the budget preparation process, the setting up of cash position management tools, the overhaul of the public procurement system, the establishment and operationalization of an internal control system and the Audit Office). These achievements helped to rehabilitate a decrepit system and operationalize its core functions. However, the quality of the public finance management system as a whole remains poor in view of Public Expenditure and Financial Accountability indicators.

Besides these outcomes which were clearly targeted by the six budget support programmes and the capacity building programmes implemented concurrently, the Bank also contributed to restoring and sustaining macroeconomic stability through the programmes implemented, the analytical works carried out and the policy dialogue initiated at various levels, to creating fiscal space for the implementation of a number of commitments made by the Government within national strategic frameworks (notably concerning demobilization, education and health) and to strengthening the institutional framework for the formulation and implementation of the Government’s national and sector strategies as well as development assistance.

The Bank played a very active role in promoting dialogue and monitoring infrastructure policies, particularly in the road sub-sector where the Bank significantly contributed to fostering close consultation between the main actors by financing an infrastructure action plan in 2009 which has been used as a framework for coordination. In the governance and public finance management domains, the Bank, together with the EU and the WB, is spearheading dialogue with the Government on the orientation of reforms and the implementation of the strategy. However, coordination has remained limited despite the progress observed in 2009–2010. It is also weakened by lack of technical capacity by ministerial entities and lack of coordination even within the authorities. Lastly, the Bank intensified dialogue with the Government on regional integration (since 2012, it has played a leading role in this domain) as well as on private sector development.

However, it is worth noting that Burundi failed to establish a dialogue and coordination framework for engaging in a strategic dialogue to systematically monitor the implementation of sector and national strategies, address the issue of resource allocation between and within sectors, and determine the budgetary implications of the policies implemented.

The progress made in key Bank thrust areas and the support provided in the budget and macroeconomic
domains contributed to the **gradual removal of some factors of fragility**, though the scope of this trend is more limited than initially expected. Human and institutional capacity for administrative and economic governance was strengthened; underemployment was reduced through various social infrastructure projects; equal access to services and resources has begun to improve through budget support operations which contributed to creating a fiscal space, making it possible to expand educational and health services; and conditions conducive to growth have improved. These findings should, however, be qualified: structural fragility factors remained entrenched at the end of the period under review and the fragility of the State, like that of society, have not fundamentally changed. In addition, the deterioration of the institutional and political environment in 2015 aggravated some factors of fragility which had been addressed through Bank interventions such as employment, access to services and resources, conditions conducive to growth, particularly macroeconomic stability and the business environment.

The contribution of the outcomes of all projects to the achievement of the Bank’s objectives is limited regarding the sustainable stimulation of **economic growth and the reduction of poverty**: growth which peaked between 4% and 5%, falling below PRSP targets, remained inadequate to significantly increase per capita income. The prevalence of monetary poverty measured by the latest survey conducted in 2013–2014 remained very high, affecting 64.6% of the total population of Burundi, against 67.1% in 2006.

**The sustainability** of achievements and outcomes is a serious cause for concern in Burundi. The sustainability of the Bank’s operations is considered moderately satisfactory for economic and social infrastructure projects. This is due to the financial constraints inherent in maintaining and ensuring the upkeep of the facilities built at various levels of project implementation, though in some cases appropriate measures have been taken, and to institutional insecurity. Concerning governance support operations, sustainability is fragile due to lack of ownership of reforms by the Government and to a fragile macroeconomic, political and institutional environment. In addition, the current political instability poses a serious threat to the viability of all the investments made. Bank **effectiveness** is considered moderately unsatisfactory in the economic infrastructure sector and fairly satisfactory regarding the implementation of governance, reintegration and employment promotion projects. Recurrent implementation delays (excluding budget support programmes which were disbursed on time, thus ensuring the predictability of assistance) are partly due to poor quality at entry assessment of operations, resulting in adjustments, and the weak technical capacity of project implementation entities. However, the establishment of the Bank’s Field Office has had a positive effect.

The Bank’s objective is to ensure consistency with **national mechanisms and use national public finance management and procurement systems** as much as possible. These systems are, however, limited due to their fiduciary risks, despite the support provided by the Bank to improve them. Nevertheless, the Bank continued to provide budget support to Burundi throughout the evaluation period, which was not the case for all the donors involved in this process. In addition, it is continuing efforts to achieve a greater alignment and harmonization, despite the lingering weaknesses of national mechanisms. In 2013, the Bank initiated the use of national procurement procedures within the framework of local competitive bidding on a pilot basis.

The Bank has established cooperation mechanisms incorporating key **results-based management** aspects such as the systematic mainstreaming of a results-based framework for involvement in strategies as well as in most projects. Surveillance systems are considered satisfactory and their use intensified toward the end of the 2004–2015 period. However, the mainstreaming of some elements has not been fully satisfactory: the principles of involvement are not fully realistic and operational, lessons learned from previous operations as well
as conditions for ensuring sustainability are not systematically taken into account; sensitization and the competences of staff have not been entirely satisfactory.

The complementarities and synergies of Bank programmes were not fully exploited. Though operations have a specific and well-established logic that seeks to ensure coherence with other operations as well as ensure continuity with previous operations, potential complementarities/synergies are not systematically included in documents and are not exploited. This is the case with multinational and national projects in particular, but it is also visible in budget support programmes and other operations.

Lastly, though the Bank’s operations helped to secure additional financing in many sectors and enabled the Government to mobilize additional resources for its development, the Bank’s strategy is not intended to ensure the large-scale mobilization of resources to address overall or sector issues or replicate projects implemented on a larger scale.

The evaluation makes six recommendations:

1. More explicitly include regional integration and inclusive growth objectives in the strategy, and ensure that they are reflected in the portfolio of operations and mainstreamed into national policies.

2. Better mainstream environmental issues into strategies and operations in the context of infrastructure and agricultural projects, clearly gearing them towards the inclusion and strengthening of factors of resilience to climate change.

3. Continue to carry out analytical works to inform the formulation and implementation of policies and strategies by focusing on issues relating to inclusive growth, gender, vulnerability and the development of economic activities in order to promote the development of integrated markets within EAC.

4. Play a key and more active role in reviving dialogue on governance and public finance management as well as private sector development issues.

5. Continue to implement budget support operations while ensuring the economic and financial viability of the investments made and the policies implemented by the Government and coordinating (in particular) the investment projects financed with internal and external resources.

6. Support the establishment of a system to monitor and evaluate strategies and programmes implemented in the country.
About this Evaluation

This evaluation examines the African Development Bank’s assistance to Burundi over the 2004–2015 period as well as its contribution to the country’s development. It aims to draw lessons from past performance to improve the Bank’s future strategy and operations in Burundi. Between 2004 and 2015, the Bank financed national and multinational operations in Burundi that were worth over USD 745 million.

Four Country Strategy Papers guided the Bank’s actions over the period in review. The main focus of these strategies were infrastructure development, regional integration, private sector development and governance. The evaluation is based on data and information gathered from document reviews and a video conference workshop with key stakeholders.

Overall, this evaluation finds that the Bank aligned its interventions to meet the country’s development needs, more specifically on addressing the country’s factors of fragility. The Bank contributed to restoring macroeconomic stability and infrastructure development but these were set back due to the relapse of the institutional and political climate in 2015. The evaluation recommends that the Bank should focus its interventions on regional integration, inclusive growth, environmental concerns, vulnerability and the development of economic activities, informed by its analytical work, and that the Bank should continue to provide budget support to the government to invest in viable projects.