



House of Commons
International Development
Committee

The Closure of DFID's Bilateral Aid Programme in Burundi

Tenth Report of Session 2010–12

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**The Closure of DFID's
Bilateral Aid
Programme in Burundi**

Tenth Report of Session 2010–12

*Volume I: Report, together with formal
minutes, oral and written evidence*

*Additional written evidence is contained in
Volume II, available on the Committee website
at www.parliament.uk/lindcom*

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The International Development Committee

The International Development Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for International Development.

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The Reports of the Committee, the formal minutes relating to that report, oral evidence taken and some or all written evidence are available in a printed volume.

Additional written evidence may be published on the internet only.

Committee staff

The current staff of the Committee are David Harrison (Clerk), Marek Kubala (Second Clerk), Emily Harrisson (Committee Specialist), Anna Dickson (Committee Specialist), Chlöe Challender (Committee Specialist), Anita Fuki (Senior Committee Assistant), Vanessa Hallinan (Committee Assistant), Paul Hampson (Committee Support Assistant) and Nicholas Davies (Media Officer).

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Summary

The Department for International Development (DFID) has decided to close its bilateral aid programme in Burundi in 2012. Burundi is a fragile country which has experienced decades of civil war. It is one of the poorest countries in the world and is unlikely to meet most of the Millennium Development Goals.

DFID argues that:

- it will continue funding Burundi both through a regional programme Trade Mark East Africa (TMEA) and multilateral donors (the EU, the World Bank, African Development Bank) to which DFID is a major contributor;
- other donors will take over bilateral programmes which it has been funding; and
- the cost of the office in Burundi is too high in relation to the size of the programme.

We have heard these arguments. We have only been given restricted access to the paperwork which led to the decision to close the bilateral aid programme. This has made our task more difficult, but we believe that DFID should reinstate a bilateral aid programme to Burundi for the following reasons:

- The UK currently has bilateral programmes with all the countries in the Eastern Africa and Great Lakes Region—Kenya, Tanzania, Uganda, Rwanda, Burundi, DRC and South Sudan. The engagement of the UK continues to be critical throughout this region both in perception and reality. For the UK to discontinue its bilateral engagement with just one of those seven states (and that one of the most fragile) not only sends the wrong signals to that country, it also removes DFID's expertise from a country where it is highly valued at a critical time.
- TMEA promises to be an excellent programme. Indeed, it has already helped to increase Burundi's collection of tax revenues. However the infrastructure programmes it supports are likely to be of greater use to countries which are now free of conflict and have made more progress in economic development than Burundi.
- There are funding gaps in many sectors in Burundi. It will not be fully clear until the donor conference in the autumn whether other donors will take DFID's place. There is particular concern amongst donors that DFID will not be continuing its work on justice or governance.
- There is a regional dimension to conflicts in the Great Lakes area and Burundi is particularly fragile. Instability in Burundi could undermine DFID's significant expenditure in Rwanda, the DRC and the rest of the Great Lakes region. We question the strategic coherence and the compatibility of the decision with DFID policy objectives in relation to fragile and conflict-affected states in greatly increasing UK bilateral aid to the region while closing DFID's Burundi programme.

- Closing the bilateral programme runs the risk that DFID will not have a 'seat at the donor table' and will therefore be unable to influence development policy in Burundi.
- It may send a message to other donors that Burundi is not a priority and lead to other donors reducing their commitment
- While understanding DFID's argument that the cost of the office in Burundi is too high in relation to the programme, it is not persuasive. It can be addressed by increasing the size of the programme—something which has happened in every other country in the region. A stronger argument would have been that bilateral aid cannot be spent effectively in Burundi but DFID does not make this argument.

If DFID does cease bilateral aid to Burundi, a responsible exit strategy is the least it can do. As part of the exit strategy, it will need to minimise the negative consequences. DFID should include in its response to our report clear plans indicating the future of the programmes it has supported. Burundi's per capita aid should not decrease as a result of DFID's decision. In addition, DFID must ensure that as by far the largest funder of TMEA the UK can be involved in donor discussions and decision-making.

Civil society organisations operating in Burundi will continue to be eligible for funds from DFID's Global Poverty Action Fund. DFID needs to make it clear to those organisations how they can access funding.

1 Introduction

1. In 2010 the Secretary of State for International Development, the Rt Hon Andrew Mitchell MP, set up a Bilateral Aid Review (BAR) to determine the allocation of UK bilateral aid. As a result of the BAR process, DFID decided to reduce the number of bilateral country programmes from 43 to 27. The bilateral aid programme in Burundi is to end in 2012.¹ The Secretary of State said that maximum value for money would be achieved by focusing on those countries with the greatest need and where UK aid could make the biggest difference.²

2. The decision to end the Burundi programme caused some consternation. Ismaila Mbengue of the UN Population Fund (UNFPA) informed us: ‘it has been a big surprise to us to know that the aid of the UK government for Burundi will end in 2012. We are writing to voice our concern about this decision’.³ According to DFID:

Burundi is a very poor, fragile country in transition from conflict to development. Decades of civil war, which ended in 2005, displaced over a million people (most of whom fled to Tanzania) and cost an estimated 300,000 lives. Located in the volatile Great Lakes region, it is in the bottom ten in the world for almost every economic and human development indicator.⁴

Burundi had a per capita income of just \$150 in 2009, with over 80% of the population living on less than \$1.25 a day, and ‘one of the highest population densities in the world’.⁵ It ranked 166th out of 169 in the UN’s 2010 Human Development Index⁶ and is unlikely to meet most of the Millennium Development Goals.⁷ DFID acknowledges that Burundi ‘faces a number of complex problems, including poor governance, corruption, instability, overpopulation, overreliance on agriculture, and a lack of infrastructure connecting it to regional or international networks’.⁸ Despite this the Secretary of State believed ‘we could spend the money better elsewhere’.⁹ The Parliamentary Under Secretary of State told us: ‘We cannot be everywhere. That means we cannot actually be everywhere in those countries that qualify, either on conflict, poverty or both.’¹⁰

3. DFID states that its ‘overall aim is to reduce poverty in poorer countries’. Its Business Plan for 2011–15 set out as one of the priorities to ‘strengthen governance and security in

1 BAR Results: Country Summaries 2011

2 HC Deb, 1 March 2011 col 167–69

3 Ev w23

4 Ev 37

5 Ev w1

6 UN International Human Development Indicators <http://hdrstats.undp.org/en/countries/profiles/BDI.html> The Human Development Index is a composite measure of life expectancy at birth, the adult literacy rate, gross education enrolment rate and GDP per capita.

7 Ev 27

8 Ibid

9 HC Deb, 1 March 2011, col 173

10 Q 69

fragile and conflict-affected countries'.¹¹ Since the decision to end DFID's bilateral aid programme in Burundi seemed to be at odds with DFID's primary objective of tackling poverty where the need is greatest and focusing increasingly on fragile and conflict-affected states, we decided to undertake an inquiry to evaluate the rationale of DFID's decision and its implications.

4. We received written submissions from a variety of sources including the Burundi Government, non-governmental organisations operating in Burundi, the churches in Burundi and TradeMark East Africa (TMEA).¹² We took oral evidence from the Parliamentary Under-Secretary of State for International Development, Stephen O'Brien MP; the Head of DFID Rwanda and Burundi, Elizabeth Carriere; the Anglican Archbishop of Burundi, Bernard Ntahoturi; and Save the Children UK. We also visited Burundi in June 2011 and spoke to Government representatives including the Second Vice President, other donors including the UN Special Representative, non-governmental organisations and civil society representatives. We are grateful to all those who provided oral and written evidence for their valuable contributions.

11 DFID's Annual Report and Accounts 2010–11, vol 1, p 12.

12 The work of TMEA is discussed in chapter 3

2 Development assistance to Burundi

Donor contributions to Burundi

5. Burundi is heavily dependent on aid; approximately 50% of the national budget is funded by external donors¹³ and aid constituted 43.9% of gross national income in 2010.¹⁴ Burundi receives £42.30 of Official Development Assistance (ODA) per capita. This is above the Great Lakes average of £33 per capita¹⁵ and £15.70 per capita¹⁶ in the Democratic Republic of Congo, but is significantly less than its neighbour Rwanda at £60 per capita.¹⁷

Table 1: Donor funding to Burundi (over £1 million) for 2010

Donor	2010 spend £m	Sectoral lead
African Development Bank	22.3	
Belgium	26.5	Education, Health
EU	69.1	Infrastructure, Macroeconomy
Finnish Development Cooperation Organisation (FIDA)	4.9	
France	6.5	
The Global Alliance for Vaccines and Immunization (GAVI)	2.0	
Germany	20.7	Water and sanitation
The <i>Global Fund</i> to Fight AIDS, TB and Malaria (GFATM)	14.5	
Japan	20.1	
Netherlands	20.7	Security
Norway	4.3	
Switzerland	3.0	
United Kingdom	13.7	Justice, Regional Integration
United Nations	49.6	Good governance, Reintegration (UNDP)
United States	29.5	Private sector
World Bank	66.4	Agriculture
TOTAL	374	

Source: DFID visit briefing, Table 11

13 Ev w10

14 United Nations, Human Development Report, 2010, page 205

15 Ev 29

16 The figure for DRC is slightly misleading in the context of the Great Lakes Region. Much of the population of the DRC lives away from the Great Lakes region. The amount per capita spent in the Great Lakes part of the DRC is accordingly likely to be considerably higher than £15.70.

17 United Nations, Human Development Report, 2010, page 205

6. There are relatively few donors in Burundi.¹⁸ DFID said that Burundi is 'a relative donor orphan in comparison to its neighbours and to the needs of a post-conflict fragile state.'¹⁹ The largest donors are the World Bank and the European Union (EU) which provided £66 million and £69 million respectively in 2010.²⁰ The third largest multilateral donor, the UN, focuses its efforts on assisting the Government of Burundi's efforts towards peace and security and in 2011 will be supporting the creation of a Truth and Reconciliation Commission and investigating human rights abuses.²¹

7. The largest bilateral donors are the US and Belgium, which provided £29.5 million and £26.5 million respectively in 2010. These are followed by the Netherlands, Germany and Japan, which each provided just over £20 million.²²

8. In 2010, the UK's bilateral aid contribution was £13.7 million, which represented 3.6% of all aid to Burundi.²³ The UK makes contributions to both the World Bank and the EU and almost 15% of EU funding and 14% of World Bank funding is also attributable to the UK. The Indicative DFID expenditure through TMEA and multilaterals in Burundi was as follows (figures in £ sterling).²⁴

Table 2: Indicative DFID spend through TMEA and multilaterals in Burundi for Calendar Year 2010 (£ sterling)

Calendar year	WB	EU	UN Peacebuilding Fund (PBF)	Total WB, EU & PBF	DFID Burundi bilateral spend on TMEA	Africa Regional Department spend on Office Burundais de Recettes (OBR)
2010	9.3	10.4	0.8	20.5	2.5	1

9. DFID started work in Burundi in 2002 in response to the humanitarian situation created by the civil war. The programme subsequently expanded and DFID's current work focuses mainly on education, health, access to justice and regional economic integration.²⁵ The UK takes the sectoral lead (co-ordinating the work of other donors) on justice and regional integration.²⁶

18 Ev 29

19 Ev 39

20 Ev 29

21 EurAc and FORSC V.II

22 Ev 33

23 Ev 28

24 Figures for multilaterals are indicative only, as the relevant statistical publications and databases have not yet been produced for 2010. Method of calculation and assumptions are shown in Ev 40 The table does not include UN spend, as it is currently not possible to estimate the UK share of this. However, the UN system (both integrated mission and agencies) provided £49.6m to Burundi in 2010. The UK's imputed share through multilaterals will therefore be higher than the £20.5m above.

25 Ev 27

26 Ev 29-30

3 DFID's decision

10. In June 2010, as part of the Bilateral Aid Review process, DFID-Burundi made a submission to Ministers about the potential options for the future of the programme in Burundi.²⁷ There were three options: a significant scale up, moderate expansion or closure.²⁸ A DFID Director had already concluded in 2009 that the current programme was 'structurally inefficient with a small spend, overly wide scope and a staff-to-spend ratio which does not reflect economies of scale.'²⁹ The three options were assessed by DFID and a decision was made to end the programme in 2012 when the current framework expires.³⁰ We asked DFID for a copy of the June 2010 submission to Ministers. DFID informed us that the document would not be provided if requested under the Freedom of Information Act, but agreed to provide it to us in a redacted form, excluding certain advice to Ministers. Unfortunately, as a result of the redaction, details regarding the content of these three proposals and the predicted results were excluded and so we were unable to judge the merits of the options.³¹

11. In September 2010, DFID Burundi submitted its 'Bilateral Aid Review offer' to Ministers, which set out what could be delivered given that the office would close in 2012.³²

12. The Bilateral Aid Review published in March 2011 explained the rationale for the decision to close the Burundi office as follows:

In Burundi, a large scale up would have been required to show a significant impact and therefore demonstrate better value for money. Achieving this in the short term would have been difficult given capacity constraints in country. Better value for money and results could be delivered through our larger existing programmes. DFID's bilateral programme will close in 2012, but we will continue to support Burundi's integration into the East African Community from Rwanda and Kenya, as we believe this will be a critical factor in the country's medium term growth. All of DFID's regional integration work is managed by TradeMark East Africa (TMEA), which has established an office in Bujumbura.³³

13. DFID informed the Government of Burundi in November 2010 of their decision, but does not seem to have consulted the Government before then. We were told that the Government of Burundi supported DFID's focus on regional integration and that no

27 Q59

28 Ev 37

29 Ibid

30 Q58-59

31 DFID informed us that the details of the three proposals was classified as advice to ministers and therefore was confidential (Ev 36-37).

32 See DFID Burundi submission to BAR process

33 DFID's Bilateral Aid Review: Technical Report, March 2011, pp 6-7

significant objection was raised.³⁴ Subsequently the Government of Burundi has expressed disquiet over the closure of the bilateral programme.³⁵

14. Justifying the decision, the Minister told us that DFID's comparative advantage lay in supporting regional integration which offered 'the best opportunity for medium-term economic growth for Burundi'.³⁶ This would be done through TMEA, an initiative to promote regional integration through trade between Burundi, Kenya, Tanzania, Rwanda and Uganda. TMEA was created by DFID with joint funding from Belgium, Denmark and Sweden and will focus on reducing transport times, costs, eliminating trade barriers and integrating small markets.³⁷ DFID informed us that TMEA's total projected spending 2011-15 would be £193.79 million. Of this sum, expenditure in Burundi is expected to be £24.81million.³⁸ DFID believes that Burundi has significant potential to expand its export market and to experience 'an influx' of regional investment. However, DFID also acknowledged that given Burundi's current economic situation the country will 'need strong support to improve its business climate, improve governance, secure energy supplies and build links into regional transport networks'.³⁹ It should also be noted that if UK support for Burundi can largely be focused through TMEA, a similar argument could be applied to Rwanda.

34 Q73

35 Ev w24-26

36 Q71, Ev 28

37 TradeMark East Africa profile

38 Ev

39 Ev 27

4 The consequences of DFID's decision

15. DFID's decision to end its bilateral programme in Burundi will have wider consequences. It may have implications for development resulting from a loss of funding in particular sectors and will impact on other donors and the wider international community as well as on the effectiveness of DFID's own approach to the region.

Ending DFID's current programmes

16. The impact of DFID's decision to end its bilateral programme in Burundi is disputed. The Anglican Archbishop of Burundi said that 'DFID withdrawing will leave a very big void and the consequences will be devastating.'⁴⁰ On the other hand, the Minister said that DFID had 'got it all covered'⁴¹ and assured us that DFID had placed high importance on exiting from Burundi responsibly. He explained the transition arrangements:

As you know, DFID has a niche focus on improving drug distribution systems. The EU has specifically agreed to incorporate this into its new €25 million health programme beginning in 2012, when the DFID funding ends. [...] The bulk of DFID's education funding, which is £4 million, is through a joint donor basket fund with Belgium and France, which will continue after 2012. Belgium has recently committed an extra €23 million to the education sector. DFID also funds the refugee education trust to support returnees' integration into the education system. As most refugees have been successfully reintegrated, this work comes to an end in March 2012. The majority of funding for the justice sector is to an EU programme focusing on improved justice delivery at local level, and DFID funding is scheduled to finish in March 2012. Although the programme itself will continue, DFID also manages Swedish support to two NGO programmes. The first, on juvenile justice, will be included in a new €4 million Belgian programme. The second, on legal aid, is already an area of strong donor support and will put the Government in a better position to source legal aid in the future. The regional integration of the TMEA is the other element for continuation.⁴²

40 Q7

41 Q47

42 Q37

Table 3 sets out DFID's expenditure in different sectors.

Table 3: Sectoral split across DFID Burundi programme

	Education	Health	Social Protection	Water & Sanitation	Governance	Economic Growth	Humanitarian	Total
2004/05	0	0	0	0	1.4	0	4.1	5.6
2005/06	1.6	3.0	0	0	1.5	0	5.0	11.2
2006/07	0	1.0	2.6	0	1.1	0	3.4	8.2
2007/08	0.1	1.3	0.6	0	0.7	0	1.4	4.1
2008/09	1.6	3.4	1.5	0.4	1.4	0	0.8	9.1
2009/10	3.0	4.4	1.1	0.4	1.8	0	2.1	12.9
2010/11 (forecast)	2.6	2.3	1.0	0.4	1.0	3.2	0.4	11.0
2011/12 (forecast)	3.0	1.8	0	0	0.8	4.0	0	9.6
Total	11.8	17.4	6.9	1.2	8.9	7.2	18.0	71.4

Source: DFID (Ev 34, Annex 4)

The main work which DFID has undertaken and the future of these programmes following DFID's withdrawal is outlined below. The Minister also told us 'The idea that there is a reduced volume of aid I do not think is proven'.⁴³

Health

17. DFID has focused on improving drug distribution systems, including providing emergency drugs to restock the central pharmacy, building the pharmacy's capacity to acquire competitively priced drugs and providing technical assistance to design a more effective distribution system. This work has proved effective—the proportion of health centres suffering from lack of stock has declined from 55% in 2010 to 42% in 2011. The EU has specifically agreed to incorporate this work in its new €25 million health sector programme which will begin in 2012.⁴⁴

Education

18. DFID is providing £4 million of a total of £16 million to a 'basket fund' jointly funded with France, Belgium and Luxembourg. By 2012, DFID says the fund will have 'supported the construction of 288 school rooms and provision of 2.2 million schoolbooks, enabling all primary schoolchildren to have a set of books in maths, Kirundi and French for the first time.' Although DFID will withdraw from the fund, the other donors remain committed to it.⁴⁵

19. DFID has also provided funds for other programmes. It has funded the purchase of textbooks and teacher training manuals. This programme will end. Finally, DFID has funded the Refugee Education Trust's programme to help reintegrate returnees from

43 Q 75

44 Q37, Ev 30

45 Ev 30, 35

Tanzania into Burundi's education system. This programme will also close.⁴⁶ The Minister told us that most refugees will have been successfully reintegrated by 2012.⁴⁷ In October 2011 DFID provided us with an update of the situation.

As of end August 2011, there were still over 67,000 Burundian refugees in Tanzania [...] The vast majority of refugees who have not yet come back are reluctant to do so [...] Refugees are currently being interviewed to determine who remains in need of international protection, and who doesn't and should be able to return. These interviews are expected to last until 22 November 2011 [...] Of the 67,000 refugees left in Tanzania, 38,000 are in one single camp. The camps are therefore not going to close by the end of December 2011 as expected. It is now likely that the 'deadline' for closure will be extended to December 2012, but this is not official yet (i.e. Tanzania has not yet communicated this officially to the local authorities).

20. The Minister also said that Belgium had recently committed an additional €22.8 million to the education sector up to 2013 and would continue using the education basket fund.⁴⁸ France would be making a decision about its future funding arrangements in September 2012 and education was expected to be its main focus.⁴⁹

Orphans and vulnerable children

21. Between 2006 and 2010 DFID provided £6.5 million to support Burundi's National Policy in support of orphans and vulnerable children (OVCs). DFID worked through international NGOs to reduce the impact of HIV/AIDS, violence and poverty on OVCs. By mid-June 2010 the programme had provided care to 34,000 OVCs and funding ended.⁵⁰

Accountability

22. DFID supported the NGO PANOS to increase the media's ability to hold the Government to account. We were told that the work with the media had ended in March 2011 but a new joint donor programme between France, Belgium and Germany was being introduced soon.⁵¹ DFID also funds a pilot project to increase accountability of the state school system. Following the end of funding in March 2012 as scheduled, DFID will have set up a framework which the Government of Burundi can use to continue the initiative.⁵²

Regional economic integration

23. Since 2009, DFID has increasingly focused on Burundi's trade and integration into the East African Community.⁵³ In particular, it has established TMEA. A key part of its work in

46 Ev 30

47 Q37

48 Q37, Ev 35

49 Ev 35; We have not been advised of the outcomes of this decision

50 Information supplied by DFID during the Committee visit

51 Ibid

52 Ev 35-36

53 Q31

this area has been the provision of policy and financial support for the creation of the Office Burundais de Recettes (OBR), which has centralised all revenue collection in Burundi into one institution for the first time.

24. As a result, in the period between its creation in July 2010 and April 2011 there was a 33% increase in collection of government revenue.⁵⁴ OBR is expected to generate an additional USD \$80–100 million for 2011.⁵⁵ We were told that in addition to increasing domestic revenue the OBR had reduced the incidence of fraud. DFID told us that the OBR was important for ‘building accountability with the population and reducing dependency on the international community.’⁵⁶ DFID funding for the OBR through TMEA will continue until at least 2015.⁵⁷

Governance and justice

25. DFID is the lead donor in justice and runs a joint £7.7 million governance programme with the Swedish International Development Agency (SIDA), of which £3.2 million came from DFID.⁵⁸ The joint programme contributes £1.6 million to an EU programme aimed at improving local justice delivery. DFID funding is scheduled to finish in March 2012. DFID says this has given ‘55 local courts the means to work effectively, build capacity of magistrates and monitor the quality of judicial decisions’ which will increase the proportion of decisions enforced by 25%, thereby making the justice system fairer for two million Burundians.⁵⁹ The EU will continue the local justice delivery work until December 2012.⁶⁰

26. DFID, SIDA and Belgium also supported a programme to improve access to justice through strengthening the Ministry of Justice. This programme was closed early as it was shown to be underperforming. DFID manages SIDA funding for two additional programmes—one on juvenile justice through the NGO Terre Des Hommes and one on legal aid through Avocats Sans Frontieres. Belgium is scoping a new four year €4 million institutional support programme which will include work on juvenile justice and take over from the support currently managed by Terre Des Hommes.⁶¹ The legal aid programme is closing as scheduled. As DFID withdraws, a new lead donor on justice will need to be identified.⁶²

27. Witnesses were particularly concerned about the impact of DFID’s withdrawal on the justice sector. The UN Security Council named Burundi as a post-conflict country where institution-building in the area of justice is critical for stability.⁶³ The EU ambassador told

54 Ev w1

55 Ibid

56 Ev 29

57 Ev 28

58 Information provided by DFID for Committee visit

59 Ibid

60 Ev 35

61 Ev 35

62 Ev 30

63 Ev 41

us that DFID's support for the justice system was crucial. We were told that people were imprisoned for years before trial or after they had served their sentence due to faulty paperwork. Avocats Sans Frontieres informed us that few rulings were implemented and people are not aware of their rights. They said DFID's role in the justice sector had been critical. Save the Children UK stressed that it was vitally important to ensure other bilateral donors kept up DFID's good work on the development of the justice sector.⁶⁴ The Anglican Archbishop told us that DFID's withdrawal would stall progress on access to justice, stop support to the police and damage the empowerment of civil society.⁶⁵

28. Others expressed concern that DFID's disengagement could threaten the results they had already achieved.⁶⁶ Adam Smith International told us that there was a risk that the 'broader governance, accountability and stabilisation reforms that could entrench revenue reforms will be neglected.' Improved revenue collection alone is insufficient; in order to alleviate poverty additional revenue needed to be spent effectively which required reforms to the public sector and public financial management. We were told that DFID's expertise in designing and implementing interlocking reform programmes would be missed in Burundi.⁶⁷ Another witness said that, given DFID's expertise in governance reforms, withdrawing was a serious loss to Burundi's development.⁶⁸

29. Many of DFID's existing programmes were scheduled to come to an end by March 2012 before the decision was made to close the bilateral programme. Where it is appropriate that programmes continue, DFID is trying to find other donors to take them over. Some donors have made firm commitments to take on the work that DFID has been doing; however, negotiations are still to be concluded for some of the programmes. It is not yet clear how much additional aid will be provided by other donors when DFID closes its programme and unclear how much of the £13.7 million provided by the UK in 2010 will be made up by other donors. There is particular concern that other donors will not continue DFID's work on justice and governance.

Relying on TMEA

30. The Minister stressed that the UK Government remained committed to Burundi and saw providing funding to TMEA as the most constructive way of providing support. Witnesses agreed that integration into the East African Community (EAC) was important for Burundi, as a landlocked country in need of better access to markets and transport links with the neighbouring countries.⁶⁹

31. However, many witnesses were concerned that improvements to trade would be insufficient if the economy did not become more productive.⁷⁰ The Archbishop said that Burundi was not an efficient agricultural producer. He feared that, without other

64 Ev 42

65 Q9

66 Ev w14

67 Ev w1

68 Ev w2

69 Ev 22

70 Q19, Ev w4

mechanisms to accompany TMEA, 'an empty truck from Burundi will be going to import things' from other countries and that Burundi would be left behind.⁷¹ Save the Children UK agreed that complementary aid programmes were needed to ensure that Burundi could 'take advantage of the increased trade opportunities',⁷² for example, improving agricultural productivity or providing agricultural inputs for smallholder farmers so that they could increase yields and get their goods to market. A USAID report from 2010 notes that:

Burundi remains one of the poorest countries in the world, constrained by the productivity of its agricultural sector [...] High—and growing—rural population densities have led to increased land scarcity, fragmentation and degradation, and these in turn have contributed to low levels of productivity in many parts of the sector that supports as much as 95% of the country's population.⁷³

We saw for ourselves the poor state of soil fertility and the lack of services to farmers on our visit to the Shombo community in Burundi. The Second Vice-President of Burundi said that without a UK bilateral programme Burundi would be less able to reap the benefits of TMEA.⁷⁴ Others echoed this view.⁷⁵ In Kenya, Rwanda, Tanzania and Uganda the TMEA programme is accompanied by a bilateral aid programme.

32. Moreover, trade alone is insufficient for development. There is also a need for basic improvements in health and education. Save the Children UK believed that there was a risk that TMEA's work would be 'at best stifled and at worst damaged' if it was not underpinned by programmes to improve access to healthcare, education and justice.⁷⁶

The impact of the decision on DFID's regional approach

33. Burundi is the poorest member of the East African Community and was the last to join in 2007.⁷⁷ However, it receives the least bilateral aid from the UK (see Table 4) and is the only member state that will no longer receive bilateral aid from the UK, despite the fact that it has the lowest gross national income (GNI) per capita and the highest prevalence of poverty.⁷⁸ In Burundi, 81.3% of people live on less than \$1.25 a day compared to 77% of the population in Rwanda and 60% in the DRC. In contrast to the £10 million allocated to Burundi bilaterally for 2011–12, DRC will receive £790 million over the CSR period.⁷⁹

34. It is widely believed that the Great Lakes region will only be stable if all the countries in the region are stable, as their politics are integrally linked.⁸⁰ The Government of Burundi

71 Q16, Q12

72 Q19

73 USAID Country Profile Burundi: <http://usaidlandtenure.net/usaidltpproducts/country-profiles/burundi>

74 See QQ74-75

75 Ev w14, w7

76 Q21

77 Ev w18

78 World Bank, Data Indicators <http://data.worldbank.org/indicator/NY.GNP.PCAP.CD>

79 Q68

80 Ev w2

told us that the decision to close the UK's bilateral aid programme in Burundi may weaken the stabilisation process of the entire region.⁸¹ There were 'significant cross-border, regional dynamics in the Great Lakes' and Burundi's stability and prosperity was key for the stability of its neighbours, especially the DRC and Rwanda, where the UK is continuing to invest large sums of bilateral aid. Christian Aid argued that in order to safeguard the UK's investment in the Great Lakes region it needed to maintain a bilateral programme in Burundi. The organisation stressed that DFID should continue to support 'Burundi's development, reconstruction and peace building efforts' to achieve a coherent regional approach.⁸² In contrast, the Minister told us

Stability is in all our interests, but I do not think the question of whether we have a bilateral relationship with Burundi, even though we do with Kenya, Uganda, Rwanda and Tanzania—that I accept—is the crucial component to that. It is far more important that we build on the things that are going to contribute to stability, which are giving the people of Burundi a real stake in their society, a real sense of opportunity, a relief from hopelessness as well as poverty, so that, whether it is through agricultural productivity, through infrastructure investment, they have access to some of the opportunities that the rest of us take for granted..⁸³

Moreover, Burundi is the least connected to key East African institutions, including the East African Legislative Assembly (EALA) (with members from Burundi, Kenya, Rwanda, Tanzania and Uganda). Burundi would need additional support to take advantage of its membership of EALA just as it would to benefit from TMEA.

35. We asked DFID to provide us with the figures for its bilateral funding to Burundi and the imputed amounts given by DFID through multilateral donors and TMEA to Burundi, DRC, Kenya, Rwanda, Tanzania and Uganda for the period 2011–15. It has provided the figures for bilateral aid and spending through TMEA (see Table 4), but does not yet have the information about multilateral spending for 2011–15.

81 Government of Burundi info 'Cooperation between Burundi and the United Kingdom'

82 Ev w9

83 Q77

Table 4: DFID funding to the Great Lakes region

Country	Comprehensive Spending review total 2011-15	Total projected DFID contribution through TMEA, 2011-15
Burundi	10	14
DR Congo	790	0
Kenya	510	37.25
Rwanda	330	15
Tanzania	643	22.6
Uganda	390	23.20
Great Lakes average	446	

Source: DFID, [Ev 31 & 47 Annex 1] This does not include regional funding.

Burundi: a special case

36. We understand that that there must be a fear that if the Government reverses its decision on bilateral aid to Burundi, pressure will build up to reinstate bilateral aid programmes in other countries. We do not believe this is the case. Burundi is a special case because of the powerful argument for maintaining a UK bilateral programme in an often unstable region.

Losing DFID's 'seat at the table'

37. Many witnesses thought that the UK's role in development and diplomacy was key.⁸⁴ TMEA confirmed that DFID was an influential donor in Burundi.⁸⁵ Save the Children said that the UK had played an important role with the peace-building commission, which needed to be sustained⁸⁶ and agreed that there was a risk that without a bilateral aid programme, DFID would not have a voice amongst other donors to Burundi and would have less influence on the Government of Burundi.⁸⁷ DFID said that its comparative advantage in Burundi as a donor was due to its in-country presence, ability to deliver results, flexibility, staff expertise, the UK's leverage as an EU Member State and its synergy with the Foreign and Commonwealth Office on political issues.⁸⁸ The Minister said that it was 'yet to be determined' whether DFID's support to TMEA would give DFID any influence with other donors since TMEA was a regional programme and not a specifically

84 Q18

85 Ev w22

86 Q18

87 Q25

88 Ev 39

Burundian one.⁸⁹ It is clear to us that the UK's diplomatic influence in Burundi would be diminished with the closure of the bilateral aid programme.

Impact of DFID's withdrawal on other donors

38. There are relatively few bilateral donors in Burundi. We met with representatives of the French, Belgian, Danish and German donor agencies in Bujumbura and the Swedish in Kigali. All expressed significant disquiet about DFID's decision to end its programme in Burundi.

39. There was concern that DFID's decision to end bilateral aid to Burundi could 'derail development efforts and encourage further de-prioritisation of the country by the donor community.'⁹⁰ On our visit other donors told us that DFID played a unique and important role and that they were not in a position to provide the extra funding.⁹¹ There were also worries that the UK's decision could lead to general donor fatigue and disengagement. Canada had already withdrawn and Sweden had announced its withdrawal. The Second Vice President of Burundi told us that there was no indication that other donors would increase their budgets. Save the Children UK said that it would be 'very worrisome if, as a result of the UK's withdrawal, we saw a net reduction in ODA going to Burundi.'⁹² The Minister told us 'the government of Burundi does not believe that other donors' decisions will be influenced by DFID's position'⁹³ and DFID noted that the World Bank, the EU and Belgium would all continue their funding to Burundi.⁹⁴

The timing of DFID's withdrawal

40. A recent UN report by the UN Special Representative noted the fragile nature of Burundi; it acknowledged that there was some progress in peace building and in meeting the MDGs but it was slow.⁹⁵ The UN Special Representative told us this was not surprising since there was still fighting in 2008 despite the signing of the Peace Accords in 2000. The Archbishop argued that peace in Burundi was under threat⁹⁶ and Revd Sledge from the Parish of Romsey observed that 'the spectre of civil unrest looms large.'⁹⁷ NGOs working in Burundi have pointed out that it is a post-conflict state facing serious risk of renewed conflict due to political factors and to 'economic stagnation and exclusion'.⁹⁸ DFID has

89 Q73

90 Ev w12

91 Q34

92 Q19

93 Q78

94 Information provided by DFID for our visit

95 UN Security Council, 'International Community Should Commit to Matching Burundi's Peace-Consolidation Efforts', 17 May 2011

96 Q2

97 Ev w21

98 Ev w16

acknowledged that this is a 'critical' time for Burundi.⁹⁹ The situation may be deteriorating. Reuters reported in September 2011 that:

Attacks against civilians, police and soldiers have increased in recent months. The authorities blame bandits for the attacks, but human rights organisations and some political parties said they bear the hallmarks of a new insurgency.¹⁰⁰

Many have said that it is too soon for DFID to withdraw from Burundi. The European Network for Central Africa said donor disengagement should not happen until Burundi has made more sustained progress on the Millennium Development Goals and consolidated governance reforms.¹⁰¹

99 Ev 29

100 Reuters, September 6 2011

101 Ev w14

5 Conclusion

DFID's decision to exit

41. DFID has admitted that Burundi has a 'compelling case for aid.'¹⁰² Burundi's development needs were very clear to us during our visit. Burundi ranked in the top quartile of the needs-effectiveness index of countries during the BAR, meaning that it was classified as a country where aid was likely to have a significant impact on poverty reduction.¹⁰³ Burundi also ranked above a number of other countries which will continue to have DFID bilateral aid programmes, some of which also have difficulties in governance and capacity.¹⁰⁴ DFID claims that as a result of the BAR it has refocused its programmes on countries 'where the need is greatest', on fragile and conflict-affected states and on the poor. Burundi fits all of these categories.

42. DFID argues that the cost of the office in Burundi is too high in relation to the size of the programme, but, as the Minister acknowledged, having a bilateral programme does not necessitate having an office.¹⁰⁵ DFID has told us that supporting TMEA and hence improved regional integration is the most effective way the UK can help Burundi's development, but Burundi is less developed economically than the other TMEA members and needs greater support, particularly in agriculture, livelihoods and the private sector, to take advantage of the regional improvements offered by TMEA.

43. DFID is one of many donors which can contribute. The Minister has assured us that other donors will take over programmes which DFID has been funding. While other donors will cover most DFID programmes which were due to continue, there are funding gaps in many sectors in Burundi which need filling. We will not know whether other donors will replace DFID until later this year.

44. We recommend that DFID reconsider the decision to end bilateral aid to Burundi as we consider the decision to be inconsistent with DFID's stated priorities and to risk undermining DFID's significant investment in other countries in the Great Lakes region.

45. In order for Burundi to benefit from TMEA, the UK's work on regional integration needs to be underpinned by further investment in wider development progress. In particular, Burundi's productive capacity in agriculture must be significantly increased if its exports are to increase.

46. DFID makes a valuable contribution to development in Burundi. Most of DFID's existing programmes will be continued by other donors, where appropriate, but more needs to be done. As DFID did not supply us with the rationale for its decision, it is not clear to us why Ministers did not accept DFID Burundi's proposal to double the size of

102 Q32

103 DFID Bilateral Aid Review: Technical Report, Annex B, page 19

104 Ev 23

105 Q45

the programme in Burundi (to circa £20 million) and reduce administration costs. This would have addressed DFID's requirement for a viable office.

47. There is a regional dimension to the conflicts in the Great Lakes area and Burundi is particularly fragile. Instability in Burundi could undermine DFID's significant expenditure in Rwanda, the DRC and the rest of the Great Lakes region. DFID is providing over £2.5 billion to countries in the Great Lakes region between 2011 and 2015. We strongly question the strategic coherence of greatly increasing UK aid to the whole region while closing DFID's bilateral programme in Burundi. Moreover, when very considerable increases in bilateral aid are being provided to all the other countries in the region, the decision to end the bilateral aid programme to Burundi, the poorest country in the region, sends the wrong political signal and makes it look as if the UK is turning its back on the people of Burundi. The money for an effective and efficient bilateral programme in Burundi could be found by very small reductions in the increases in funding of the other countries in the region.

48. We recommend that DFID consider the following options for re-instating a bilateral aid programme in Burundi:

- scaling up the existing programme which would increase impact and have the benefit of greater economies of scale, and
- continuing a bilateral programme for Burundi supervised by the DFID office in Kigali.

A responsible exit strategy

49. Our strong recommendation is that DFID should maintain an effective and efficient bilateral programme in Burundi. If the Government reaffirms the decision to end the bilateral programme, it will need to do so responsibly.

50. According to International Alert, DFID's withdrawal will be strongly felt by civil society.¹⁰⁶ Given the high level of corruption in Burundi, supporting civil society organisations is especially important to improve transparency and accountability.¹⁰⁷ Witnesses have raised concerns about whether civil society organisations operating in Burundi will be able to access DFID funding.¹⁰⁸ They are eligible to access funds from DFID's Global Poverty Action Fund.¹⁰⁹ However, the Anglican Alliance was concerned that the application deadlines for the fund were tight. **DFID need to make it clear to civil society organisations operating in Burundi how they can access appropriate UK funding.**

106 Ev w17

107 Ev w10

108 Ev 21-24

109 Q84

51. Furthermore, should the Government decide to end its programme, it should:

- do everything necessary to minimise the impact;
- include in its response to this report clear plans indicating the work that DFID has been involved in to date, and the future of these programmes, including any shortfall in the amount of expenditure allocated to different sectors;
- ensure (through other funding streams if necessary) that Burundi's per capita aid should not decrease as a result of DFID's decision; and
- ensure that as a significant funder of TMEA, DFID can influence development in Burundi and be involved in donor discussions and decision-making.

52. Whether or not DFID closes its programme, it should be an active board member and advocate for Burundi in multilateral fora, in particular in the EU and World Bank. DFID should also encourage other donors to take a more active role in Burundi.

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Conclusions and recommendations

Governance and justice

1. Many of DFID's existing programmes were scheduled to come to an end by March 2012 before the decision was made to close the bilateral programme. Where it is appropriate that programmes continue, DFID is trying to find other donors to take them over. Some donors have made firm commitments to take on the work that DFID has been doing; however, negotiations are still to be concluded for some of the programmes. It is not yet clear how much additional aid will be provided by other donors when DFID closes its programme and unclear how much of the £13.7 million provided by the UK in 2010 will be made up by other donors. There is particular concern that other donors will not continue DFID's work on justice and governance. (Paragraph 29)

DFID's decision to exit

2. We recommend that DFID reconsider the decision to end bilateral aid to Burundi as we consider the decision to be inconsistent with DFID's stated priorities and to risk undermining DFID's significant investment in other countries in the Great Lakes region. (Paragraph 44)
3. In order for Burundi to benefit from TMEA, the UK's work on regional integration needs to be underpinned by further investment in wider development progress. In particular, Burundi's productive capacity in agriculture must be significantly increased if its exports are to increase. (Paragraph 45)
4. DFID makes a valuable contribution to development in Burundi. Most of DFID's existing programmes will be continued by other donors, where appropriate, but more needs to be done. As DFID did not supply us with the rationale for its decision, it is not clear to us why Ministers did not accept DFID Burundi's proposal to double the size of the programme in Burundi (to circa £20 million) and reduce administration costs. This would have addressed DFID's requirement for a viable office. (Paragraph 46)
5. There is a regional dimension to the conflicts in the Great Lakes area and Burundi is particularly fragile. Instability in Burundi could undermine DFID's significant expenditure in Rwanda, the DRC and the rest of the Great Lakes region. DFID is providing over £2.5 billion to countries in the Great Lakes region between 2011 and 2015. We strongly question the strategic coherence of greatly increasing UK aid to the whole region while closing DFID's bilateral programme in Burundi. Moreover, when very considerable increases in bilateral aid are being provided to all the other countries in the region, the decision to end the bilateral aid programme to Burundi, the poorest country in the region, sends the wrong political signal and makes it look as if the UK is turning its back on the people of Burundi. The money for an effective and efficient bilateral programme in Burundi could be found by very small reductions in the increases in funding of the other countries in the region. (Paragraph 47)

6. We recommend that DFID consider the following options for re-instating a bilateral aid programme in Burundi:
 - scaling up the existing programme which would increase impact and have the benefit of greater economies of scale, and
 - continuing a bilateral programme for Burundi supervised by the DFID office in Kigali. (Paragraph 48)

A responsible exit strategy

7. Our strong recommendation is that DFID should maintain an effective and efficient bilateral programme in Burundi. If the Government reaffirms the decision to end the bilateral programme, it will need to do so responsibly. (Paragraph 49)
8. DFID need to make it clear to civil society organisations operating in Burundi how they can access appropriate UK funding. (Paragraph 50)
9. Furthermore, should the Government decide to end its programme, it should:
 - do everything necessary to minimise the impact;
 - include in its response to this report clear plans indicating the work that DFID has been involved in to date, and the future of these programmes, including any shortfall in the amount of expenditure allocated to different sectors;
 - ensure (through other funding streams if necessary) that Burundi's per capita aid should not decrease as a result of DFID's decision; and
 - ensure that as a significant funder of TMEA, DFID can influence development in Burundi and be involved in donor discussions and decision-making. (Paragraph 51)
10. Whether or not DFID closes its programme, it should be an active board member and advocate for Burundi in multilateral fora, in particular in the EU and World Bank. DFID should also encourage other donors to take a more active role in Burundi. (Paragraph 52)

Formal Minutes

Thursday 20 October 2011

Members present:

Mr Malcolm Bruce, in the Chair

Hugh Bayley
Richard Burden
Richard Harrington
Pauline Latham

Mr Michael McCann
Alison McGovern
Anas Sarwar

Draft Report (*The Closure of DFID's Bilateral Aid Programme in Burundi*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 52 read and agreed to.

Summary agreed to.

Motion made, and Question put, That the Report be the Tenth Report of the Committee to the House.

The Committee divided.

Ayes 4

Noes 1

Richard Burden
Pauline Latham
Mr Michael McCann
Anas Sarwar

Richard Harrington

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for placing in the Library and Parliamentary Archives.

[Adjourned till Tuesday 25 October at 10.00 a.m.]

Witnesses

Tuesday 5 July 2011

Page

Archbishop Bernard Ntahoturi, Anglican Archbishop of Burundi, and
Patrick Watt, Director of Policy and Research, Save the Children Ev 1

Stephen O'Brien MP, Parliamentary Under-Secretary of State, and
Elizabeth Carriere, Head of Rwanda and Burundi, Department for
International Development Ev 8

List of printed written evidence

1	Anglican Alliance and Anglican Church of Burundi	Ev 21, 24
2	Department for International Development	Ev 25, 35, 36, 40, 44, 46, 49
3	Save the Children	Ev 40
4	Burundi Government	Ev 44

List of additional written evidence

(published in Volume II on the Committee's website www.parliament.uk/indcom)

1	Adam Smith International	Ev w1
2	Andrew Maclay of BDO	Ev w2
3	Christian Aid	Ev w6
4	European Network for Central Africa and FORSC	Ev w11
5	International Watch	Ev w16
6	Nigel Watt	Ev w18
7	Refugee Education Trust	Ev w19
8	Revd Tim Sledge, The Parish of Romsey	Ev w20
9	Revd William Challis	Ev w21
10	TradeMark East Africa (TMEA)	Ev w22
11	Ismaila Mbengue, Representative of UNFPA	Ev w23

List of unprinted evidence

The following written evidence has been reported to the House, but to save printing costs has not been printed and copies have been placed in the House of Commons Library, where they may be inspected by Members. Other copies are in the Parliamentary Archives (www.parliament.uk/archives), and are available to the public for inspection. Requests for inspection should be addressed to The Parliamentary Archives, Houses of Parliament, London SW1A 0PW (tel. 020 7219 3074; email archives@parliament.uk). Opening hours are from 9.30 am to 5.00 pm on Mondays to Fridays.

DFID

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List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2010–12

First Report	Appointment of the Chief Commissioner of the Independent Commission for Aid Impact	HC 551
Second Report	The 2010 Millennium Development Goals Review Summit	HC 534 (HC 959)
Third Report	Department For International Development Annual Report & Resource Accounts 2009–10	HC 605 (1043)
Fourth Report	The World Bank	HC 999 (1044)
Fifth Report	The Future of CDC	HC 607 (1045)
Sixth Report	Scrutiny of Arms Export Controls (2011): UK Strategic Export Controls Annual Report 2009, Quarterly Reports for 2010, licensing policy and review of export control legislation	HC 686
Seventh Report	The Humanitarian Response to the Pakistan Floods	HC 615 (1435)
Eighth Report	The Future of DFID's Programme in India	HC 616
Ninth Report	DFID's Role in Building Infrastructure in Developing Countries	HC 848