



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 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.

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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.

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

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

Oral evidence

Taken before the International Development Committee

on Tuesday 5 July 2011

Members present:

Malcolm Bruce (Chair)

Mr Sam Gyimah
Richard Harrington
Jeremy Lefroy

Mr Michael McCann
Anas Sarwar

Examination of Witnesses

Witnesses: **Archbishop Bernard Ntahoturi**, Anglican Archbishop of Burundi, and **Patrick Watt**, Director of Policy and Research, Save the Children, gave evidence.

Q1 Chair: Good morning and thank you for coming in. Welcome to the Committee. I made the mistake of having a short adjournment, which means that one or two colleagues have not quite made it back. I hope they will join us any minute, but we did not want to delay the session. Thank you very much indeed for coming in. Forgive the formality, but could you introduce yourselves for the record, starting with you, Archbishop?

The Archbishop of Burundi: I am the Most Reverend Bernard Ntahoturi, the Archbishop of the Anglican Church in Burundi, which has 1 million members. I thank you very much for this opportunity to address the Select Committee, because I am very much concerned with the situation in Burundi and the decision to withdraw from Burundi.

Patrick Watt: I am Patrick Watt; I am the Director of Policy and Research with Save the Children UK.

Q2 Chair: Archbishop, thank you very much for meeting with us when we were in Bujumbura; it was a very enjoyable meal and a very good discussion. Your contribution was very much appreciated by the members of the Committee. Now is the opportunity to put your views formally on the record in a public session. Perhaps we can start with that. Given the fact that Burundi has absolutely clear developmental needs, right across the spectrum by almost any criteria you care to select, why do you think the UK Government decided that it should bring the programme in Burundi to a close and, at the same time, increase the contribution it is making to all the neighbouring countries? I will ask the Archbishop first but then, Mr Watt, if you want, make your comments as well.

The Archbishop of Burundi: Thank you, Chairman. The question actually is at the core purpose of our visit, our meeting here. Why did DFID decide to close their participation, their programme, in Burundi, when we know that in the bilateral review there were three areas that led the decision of continuing the international assistance to different countries: they would be looking for impact and giving effort where the need is greatest; they would be assisting countries that are fragile or coming out of conflict; and they would be assisting poor countries wherever the need is and where those poor are living? Burundi, if you

look at it, meets all those three criteria. Be it in the Great Lakes region or in the East African Community, if you look at that map, Burundi is one of the poorest countries in those countries that make up that region. Burundi is also coming out of a 15-year war, because the first peace agreement after the negotiations in Arusha was signed in 2003 and implemented in 2005, but also the last rebel movement signed a peace agreement in 2007 that was implemented in 2009. That shows that Burundians need to benefit from the peace dividend, but peace is just two years old. We are still suffering from the impact and consequences of war.

Above that, Burundians, whenever they get peace, would like to share it with others. We are participating in peacebuilding in Somalia; we contributed peace forces. Burundi also is an example that has been able to join to have one defence force composed of the two fighting forces. Those examples show that Burundi has to be encouraged, but unfortunately I am worried. I am worried that the signs I am seeing here and there, the noises I am hearing from the mountains that are above Bujumbura city, what you heard and listened to when you visited Burundi—that people are not at peace. The signs that we see show that, if we are not careful, there might be another war in Burundi, because most of the young people who were demobilised do not have jobs. That is why I am saying that it is not the right time for DFID, which contributed a lot, to withdraw.

Secondly, at a time when Burundi is talking about setting up a truth and reconciliation committee or commission, we feel that we need the accompaniment of those people and organisations that accompanied Burundi in the Arusha negotiations to end the war. They should accompany them during this critical moment when peace is needed. We feel that the decision made by DFID is not consistent with the policies; it is also not sustainable when you look at the whole region. Burundi being left out would be like an aid orphan within the countries that surround and make the Great Lakes and also the East African Community. That is why we say: may they revisit that decision. Being here is really to emphasise that need.

Q3 Chair: Thank you very much for that. Mr Watt, in your evidence you kind of implied that you

accepted the decision and you made more recommendations about what happened next. Perhaps I can ask you: do you accept the decision? Do you believe DFID has done the right thing and why do you think they have done it?

Patrick Watt: Save the Children's view would be that DFID needs to be able to review and rationalise its aid programme from time to time, and needs to, in some cases, enter new countries and, in other cases, withdraw from other countries. We did take the view that it was difficult to see, on the basis of criterion of need and ability to use the aid well—because Burundi has scored fairly highly if you look at the DFID operational plan in terms of value-for-money criteria—it was difficult to see why Burundi was having British aid withdrawn. In many ways, it is an anomaly along with Niger, Gambia and Lesotho, the other three low-income countries where DFID, in the wake of the Bilateral Aid Review, is proposing to close its bilateral programmes.

DFID's response has been that it is not currently giving aid at a scale that makes sense, in terms of continuing the programmes. Of course that begs the question as to why the programmes in those countries, in Burundi and other low-income countries where aid is being stopped, are not being increased. You would have to guess in the case of Burundi that it is partly because Burundi does not have the historical and cultural ties to the UK that some other countries in the region do. Perhaps it is also to do with the fact that Burundi is not seen as a geopolitical priority by the UK Government. Those are guesses; we have not seen anything from the UK Government beyond what has already been said to the Committee by Mark Lowcock. Our view is that, if the UK aid programme is to stop for Burundi, it needs to be very carefully sequenced in terms of the exit strategy—it needs to be gradual—and the UK needs to be confident that the work that it is currently supporting in Burundi is continued by other development partners and by the Burundian Government.

Q4 Mr McCann: Good morning, Mr Watt. Good morning, Archbishop. You will be glad, Archbishop; the weather is just as balmy in London as it was when we met a couple of weeks ago in Burundi. Can I ask what engagement there was between DFID, the Government of Burundi and civil society organisations prior to the decision being taken to end the country programme? Could I put that question perhaps to Mr Watt first?

Patrick Watt: The Archbishop is probably better qualified to answer on that score, if I can defer to him.

The Archbishop of Burundi: We have been wondering how much engagement really took place during this review. If you look at the dates, you find that they came to Burundi; they engaged with an outgoing Government that had been there. If I call it as Mandela or the South African president described it, it was a soft-landing Government after the negotiations in Arusha, the first five years. That Government in 2009 was preparing for elections in 2010, and they had just finished negotiating with FNL, which was the last rebel movement. Personally, I feel that they did not have time to get deeper into the detail

and consequences of DFID withdrawing and closing its office in Burundi. That was also confirmed when I met the President's office—the President and the Vice President you met when you were in Burundi—who were concerned and would like to send a delegation to the UK to meet the Government here, so that they revisit and review that decision. That shows that the engagement was not total and not prepared on both sides. The door should be left open for more discussions and analysis of the consequences.

Q5 Mr McCann: If I can just be specific, there was an opportunity for both the Government of Burundi and civil society organisations to engage with DFID in relation to the process, prior to the decision being taken. That opportunity was given.

The Archbishop of Burundi: If I talk about the Anglican Church of Burundi, which is also a major player in development in Burundi, unless they came when I was not there, there was no engagement with the Church. I think it is also the same with other civil society organisations and NGOs in Burundi.

Patrick Watt: Maybe just to add to the Archbishop's remarks, what is very clear if you look at the DFID operational plan is that no attention is given to DFID's relationship with civil society. Civil society is, as you know, one of the implementing agencies with the DFID education programme in Burundi and with the governance programme. There is certainly no explicit recognition of what the implications are for Burundian civil society as a result of DFID's withdrawal.

Q6 Mr McCann: Was there any engagement with Save the Children prior to the decision being taken?

Patrick Watt: No.

Q7 Mr McCann: The final question, Chair, is: how well equipped do you feel the Government of Burundi is to cope with the bilateral programme ending?

The Archbishop of Burundi: As far as Burundians are concerned and also the Government of Burundi, there will be a void in development if the DFID programmes are withdrawn and if DFID is withdrawn. Our question is: who will replace DFID? All the other organisations have either their programmes or other bilateral organisations have their own programmes, and so who will replace DFID in education, health and justice, and in empowering the communities so that we have sustainable structures and communities to face the future, give hope for those young people and save the millions of people who were getting vaccines and so on? DFID withdrawing will leave a very big void and the consequences will be devastating. That is why we are saying: revisit. Revisit the decision and renegotiate the terms. Exit maybe, but renegotiate the terms of exit by scaling up.

Q8 Richard Harrington: Thank you, Archbishop, and it is nice to see you both here, gentlemen. I would like to press you on this, both of you, if possible. Archbishop, you said to us when we were in Burundi and you have said to us now many things about DFID's withdrawal. I understand exactly where you are coming from: we know about the poverty; we know it is a fragile state and all this kind of thing. We

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have seen it on the ground; we have learned a lot about it. I am trying to understand DFID's decision, how and why they took it. Obviously you just have to look at Burundi, but they have to look at projects all over the world. These are difficult decisions. No one could say that DFID is anti-foreign aid or foreign development. They perhaps take a difficult decision.

I would like to press you if I may, both of you. Try to be as objective as you can and really say to us what actual assessment has been made about the consequences of a withdrawal. I cannot believe that it is going to be that dramatic, because the amount of money that DFID was involved with, in the first place, was not the dramatic. I understand the psychological things, the morale, what other NGOs might think and what other parties might think, but in hard terms of what will actually be taken away financially, can you please try to give us your assessment of that, using your own headings that you said before—such as for example justice, education or whatever? Try to be a bit objective about it and say this money has gone; therefore, we will not have this. If you could do that, I would really appreciate it.

The Archbishop of Burundi: Thank you very much. The why—for us, you are wondering why DFID and the review took that decision when they know the regional situation and the situation in Burundi. £12 million in Burundi is a lot of money. The amount of money given to Burundi by UK standards was relatively small. For us, we are expecting it to be increased.

Q9 Richard Harrington: Sir, could you please try to answer the question? What will not be there from health? What will not be there from justice? What will not be there from education? We understand the greater issues. We do understand them and please don't think I am making light of those. In hard terms, could you tell me what will not be there for the population of Burundi in these sectors?

The Archbishop of Burundi: If I talk about education, that will be almost 70,000 students—children who will not be able to go to school. That would mean almost 45,000 women who were helped by the maternity services, who will not be assisted. That will mean that justice, in a country that has been at war, the police and others will not be accompanied and not be helped. That would mean that the empowering role almost entering the civil society, so that we have checks and balances on accountability on those who we have elected, will be ended.

Q10 Richard Harrington: You are telling me that, because of DFID's withdrawal of £4 million from the basket fund in education, suddenly 45,000 children will not be educated and no other body in the whole world, United Nations, IMF, World Bank and all the other NGOs there, nobody will step in to do it?

The Archbishop of Burundi: We have not got any signs that they will increase their envelope.

Q11 Richard Harrington: You are quite happy to say that, in your experience up to now, nobody will step in to educate them? £4 million will not be found by all of the other organisations operating in Burundi

and paying, from my memory, about 50% of the budget of the country. No other organisation will step in? You are happy for that to be the situation?

The Archbishop of Burundi: With the facts we have, the World Bank, the UN, the EU, the French, the Belgians and the Luxembourgers have never decided, have not told us, that they will take over from what DFID was doing.

Chair: Mr Harrington will no doubt ask the Minister the same question.

Richard Harrington: I will of course. That is why I was pressing you, because we have the Minister coming.

Q12 Mr Gyimah: While you are answering Richard's questions there, what I would like to know, in terms of the consequences of DFID's withdrawal, is whether you are aware of what engagement the Government has had with other multilateral and bilateral donors, some of whom have greater historical ties with Burundi. It is worth us probing the engagement DFID had with the Government before its withdrawal, but it would also be interesting to know what the Government has done in terms of engaging other donors to help address some of these issues.

The Archbishop of Burundi: We do appreciate the work DFID has done in Burundi and that is why we are saying they should really stay in Burundi, because they have been the lead agency, like a think tank with other agencies working in Burundi. The role that DFID has played is almost irreplaceable, as far as we are concerned, at this particular moment in Burundi's history, as it recovers from war.

Secondly, we do understand that DFID is encouraging TradeMark East Africa, but this is an East African programme, not necessarily a Burundian programme. When you are encouraging trade as a means of development, we say that is not enough, because trade needs other mechanisms to accompany it, so that we do not have an empty truck from Burundi going to import things from Kenya or other countries. We want that truck to go to Kenya full of goods from Burundi. That is why I was talking about accompanying them with productive measures and mechanisms.

Thirdly, we feel that multilateral activities and assistance do not really give the image of Britain's participation. We do not see Britain when you are working through the World Bank. It is the World Bank that negotiates. In a country that is recovering from war, we would like to see the number of donors increased rather than decreased. That is why we are advocating the presence, the role played by DFID, should increase, scale up. For the aid in the whole region to be effective, that scaling up would be needed.

Patrick Watt: To respond to the previous question as well, British aid to Burundi needs to be viewed not just in the context of the size of the DFID budget, in terms of which it is very small, but also in terms of the budget envelope in Burundi. UK aid in 2009 was equivalent to about 5% of domestic revenues in Burundi, so it is not an inconsequential sum of money for a country as poor and as small as Burundi is. That

context is really important when we talk about the significance of current DFID aid levels.

The Archbishop has talked about some of the specific impacts. Save the Children certainly has particular concerns about the health sector; it is an area where we are particularly focused internationally. The UK Government, as I am sure you know, has been supporting access to affordable medicines in Burundi, working with the health ministry, and has previously done important work in Burundi to remove user fees and other cost barriers that stand in the way of children getting access to essential healthcare. We would have a particular concern if that were to be discontinued because of the withdrawal of British aid. I did have an off-the-record conversation with a member of the DFID health team last week. My understanding is that DFID has been talking to the EU, for example, about the transition in the health programme. I am not sure that it has yet reached any firm conclusions. I think there have also been conversations with the Belgians and the United States. Again, I am not sure that any definitive conclusions have been reached in terms of whether certain activities currently being supported by DFID will be taken on by those other donors, but I know that those conversations have happened.

Q13 Anas Sarwar: Archbishop, it is a pleasure seeing you again after just a couple of weeks, and also, Mr Watt, thanks for coming in and seeing us. I want to follow up on some of Richard's questions but from a slightly different angle. One of the reasons that DFID has given for withdrawing support to Burundi is that they feel other donors will come in to fill that space that they will leave. Have you any assessment of who those likely donors will be?

The Archbishop of Burundi: We do not have facts, so we do not have news that there are new donors. The traditional ones that are there, the World Bank, France and Belgium, already have programmes that they are supporting. This means, as we said, that for these areas where DFID had knowledge, skills, competences and expertise, we do not have other people, other donors, who already are saying, "Yes, we shall take over from DFID." This means we will miss those activities, and the people who are benefiting from that assistance will miss that assistance.

Q14 Anas Sarwar: Archbishop, from your own evidence today and the conversations that we had with you when we were in Burundi and with other NGOs and representatives in Burundi, the converse argument was made to what DFID is giving. They felt the risk was that DFID leaving would send a message to other donors, and risk other donors holding back, pulling back and leaving too. How real do you think that risk is?

The Archbishop of Burundi: One of the consequences of DFID leaving is the message that will be received and also the action that might be taken by other donors—the domino effect. Here I would like to say that Sweden, as an example, has also withdrawn its aid, and other donors are thinking—we have some echoes that other donors might. We hope

that this domino effect may not be affecting other donors in Burundi. That is why we are saying that DFID withdrawing affects not only the international, but will give a wrong message within the region. When you look at the map of the Great Lakes region or Eastern Africa, only one small country is left out. Here, I would like to say, within the cultural and the historical context, if Burundi is joining East Africa, and East Africa is culturally, historically and traditionally connected to the UK, we give the wrong message that the integration we are looking for is not achieved by the withdrawal of DFID.

Q15 Anas Sarwar: You mentioned the message effect. DFID often uses the excuse or the example that, whenever they give support to a region, whether it is bilateral or multilateral support, or relief in disasters, one of the key benefits of DFID getting involved is that it encourages other countries to get involved as well. Funnily enough, they are using the opposite argument when it comes to Burundi. Developing that point a little bit, in your opinion, how much of the message is that what DFID is doing is vital; is absolutely 100% necessary; we cannot live without it? How much of it is also saying there is an important message, a moral message and a fundamental poverty-alleviation message, that symbolism is required from DFID to a certain extent in Burundi? How much of it, from your evidence today, is saying we need DFID to have a project in Burundi for an element of symbolism, so other countries stay there and expand their programmes? How much of it is saying DFID's programme is good but it could be better?

The Archbishop of Burundi: Bilateral assistance is morally right, and I would be very much interested to hear that, when DFID is withdrawing, at the same time DFID is encouraging other countries to join and help Burundi. The good example would be saying, yes, here there is work to be done; here there is something to be achieved; let's invite others to come. When you are withdrawing and, at the same time, encouraging others to increase their aid, this attitude or this approach may be self-defeating.

Q16 Anas Sarwar: We all in this Committee support the principle of the Bilateral Aid Review and making sure that we get value for money, transparency and making sure we are using every penny of UK taxpayers' money in an appropriate way. I just wonder, Archbishop, in your own thoughts, what do you feel are things we could have done or should have done better as part of our programme in Burundi? If we were to have a programme in Burundi continuing after this period, what should the priority and focus be on?

The Archbishop of Burundi: I think you should continue with the programmes that you have, even add more, if possible, with negotiation with the Government of Burundi.

Q17 Anas Sarwar: There are no flaws in the current programmes at all?

The Archbishop of Burundi: When the programmes are cut off, there is a void. That void will affect the

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wellbeing of the people. Secondly, what I would like to say is that, in order to encourage the trade approach, we need equal partners—players who have equal opportunities and strengths, if not on the same balance then at least players who could participate equally in that trade. That is why I say the choice of TradeMark is a very good initiative, but will fail when Burundi cannot get the same assistance—when Burundi is not supported as well as the other people engaged in that trade.

Q18 Anas Sarwar: Surely there is somewhere in the middle there, in terms of saying the current programme is perfect, we love it, want it to stay and continue as it is, which seems to be your position, and the position of DFID, which is that we do not need a programme at all—someone else will come in, so let's have no programme. Surely there is something in the middle that is a solution, is the answer, whether that is a larger programme or focusing on an individual area or one or two areas alone. Surely there is some middle ground there and, at the moment, I do not seem to be hearing any middle-ground suggestion. I do not know if you have one.

The Archbishop of Burundi: With the multilateral, I do not know if they are negotiating whether the contribution, say, to the World Bank of Britain will be earmarked to Burundi. When you put it in a common basket, sometimes it is no longer identifiable. That is why I am saying that we would really like to see the British presence, not only financially. We feel that, if you accompany what you have accompanied up to now, you will make the aid effectiveness more accomplished and achievable, so that we may have a sustainable community in Burundi.

Patrick Watt: If I could just add to that, there are two things that the UK can and should be doing on an ongoing basis, even if it withdraws. The first is to play a very active role, both through the European Union and in the World Bank to ensure that the multilateral assistance going to Burundi is effective and focused on the right priorities. Given that the UK is actually increasing aid through those channels at the global level and carries a lot of weight in both those institutions, I think that would be appropriate. Some sense from DFID of how the UK Government is going to actively engage in Burundi's development challenges through multilateral fora would be useful. The second and related point is about the need for the UK not to abandon its development diplomacy role, even if it does withdraw from a bilateral aid programme. The UK has played a very important role, for example around the peacebuilding commission in Burundi. That kind of role needs to be sustained, for at least two reasons—partly because Burundi's own development depends on what happens in the wider region. This is trade relations but also conflict and security. Also Burundi's own stability and prosperity would be very important in terms of the stability and prosperity of its neighbours, where the UK is continuing to invest bilateral aid. For both those reasons, the UK does need to both play an active role on the development diplomacy front and through multinational fora.

Q19 Mr Gyimah: Two quick questions, one of which you have already touched on, Mr Watt, and that is on the UK's presence. You have mentioned the diplomacy role, but you have also touched on the UK being active through multilateral fora. The question I have for you is in terms of the value of the UK's presence in Burundi. How much of it would you place on what you have just described, versus actively putting aid into Burundi? The second question, which is directed at the Archbishop, is in talking about the UK's involvement. Obviously one thing we have not mentioned is the OBR and what DFID has done in terms of the Revenue Authority, which has made a big difference. That will continue under TradeMark East Africa, and I would like to get your reaction to that point.

Patrick Watt: We have already spoken about the straightforward financial value of UK aid to Burundi and the symbolic value. The technical and advisory role that the UK can play is also very important. You talk about domestic resource mobilisation through TradeMark East Africa, and obviously that will be, in the long term, the way of sustainably reducing aid dependence in Burundi. It is really important that that continues and the UK commits to ongoing support for TradeMark East Africa activities in that area of domestic resource mobilisation.

The bottom line would be 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. I think for a country as poor and with as many unmet needs as Burundi, and as fragile in terms of conflict and governance, it would be extremely disturbing if we saw a reduction in overall aid flows as a result of the UK's withdrawal. That probably has to be at least a minimum test of whether UK withdrawal is advisable or is not.

Q20 Mr McCann: If you cut to the chase in terms of the Government's criteria for the bilateral aid programme, it focuses, when you take out all the waffle, on fragile states and poverty. Therefore, in understanding the decision that they have made in relation to Burundi, I am looking for one of two things. I am looking for a silver-bullet argument that completely stone dead says that is why we should not be there, or I am looking for the collective weight of other arguments that ultimately lead you to that same conclusion. In terms of TradeMark East Africa, can they fill the gap that DFID will leave when the bilateral programme ends, Archbishop?

The Archbishop of Burundi: I think this fits in with the honourable Sam's question on OBR and TradeMark. Everyone knows that, when you are trading, you have goods to give. It is a give-and-take exercise, so TradeMark cannot replace the programmes in education and health. In order to trade, we need a healthy, educated population that can produce. It is the same as OBR for revenue. They are increasing taxes, and what I see and feel in Burundi is that these increased taxes might expose us. People are not yet recovered. People are not producing enough to pay those taxes that are needed. People need to be helped and assisted in production, so that

they may pay taxes that would meet the OBR objectives.

OBR is an objective of reintegrating the tax system within the East African community. When Burundi is not able to produce at the same level, or at least relatively at the same level as Kenyans, Rwandans, Tanzanians or Ugandans, we find that we are going to Uganda to import, and they tax us twice. I say Burundians should be helped to produce so that we may pay taxes on the revenues that are from within. The OBR is good; it is making a systematic reorganisation of all our revenues. TradeMark is encouraging us that, unless we trade, we will not be able to develop, but there are fundamental mechanisms that should support those two streams, so that Burundi may be, on the same level, at least encouraged to produce as Kenyans and others are producing.

Patrick Watt: The support being provided through TradeMark East Africa is important. It is clear that trade within East Africa and reducing some of the barriers to trade are going to be really important in terms of the long-term development prospects for Burundi. There is a question about whether, with the UK withdrawing its bilateral aid, some of the complementary aid programmes that are needed to ensure that Burundi can take advantage of increased trade opportunities are in place: for example, some of the work that is needed around providing agricultural inputs for smallholder farmers, so that they can increase their yields and get goods to market; some of the work that perhaps is needed around social protection programmes to ensure that households are being given a buffer, so that they can actually withstand shocks.

Q21 Chair: Who is actually doing that at the moment?

Patrick Watt: I do not know. The question is: if the UK is withdrawing its aid programme, are efforts being made by the UK in a development diplomacy role, or by other donors through their bilateral programmes, to ensure that those complementary investments are being made? The concern is that, in the absence of those investments, the poorest Burundians will not be able to take advantage of increased trade opportunities.

Q22 Mr McCann: Would you agree with the statement that the work of TradeMark East Africa will be at best stifled, and at worst damaged, if it is not underpinned by programmes to increase better health, education and justice?

Patrick Watt: Yes, I think it is a very real risk.

Mr Gyimah: You cannot disagree with that statement. It is a statement of fact. It is impossible to disagree with that assertion.

Q23 Richard Harrington: I think this needs looking at. I would turn Mr McCann's statement here. I do not disagree with him. You could say that about this country. If you took away a certain trade thing, would it affect the other things? Of course it would. I would like to just ask you, on the other hand, given that TradeMark East Africa is looking after the OBR and

taking responsibility for the tax collection authority, and if what Mr Watt said becomes true—I am not saying it will, and he did not say there is clear evidence, but the soundings are that DFID is helping to find other donors to fit into the other slots that DFID had—would that then just leave a rump argument that it is a question that we should be a player? I would argue that we were a small player. Providing we contribute fully—and we are increasing our contribution to the World Bank, the IMF and the development fund of the EU—we can have just as much aid and just as much influence to improve people's lives. I would like to turn that question and ask for your comments on that please.

Patrick Watt: Could you repeat it?

Q24 Richard Harrington: I think it is accepted that TradeMark East Africa is looking after the revenue project—we actually saw it. From a management and financial point of view, it will remain just the same; it is just a different kind of supervisory office, one that has been, if you like, subcontracted. I am sorry to talk in business terms, but that is what it amounts to. If as you suspect, Mr Watt, and I have heard similar things, DFID is trying to find alternative donors to fill the other slots—and I am not making light of them but, for the purposes of this conversation, call them aid slots, donation slots—then it would seem to me that we are just left with the more subjective psychological view that DFID should be there because it is another player and DFID is an important thing, rather than any shortfall in actual money to help the deserving population of Burundi. Would you agree with that?

Patrick Watt: Provided DFID's withdrawal of its bilateral programme does not result in either a reduction in overall ODA to Burundi or the activities currently being supported by DFID being discontinued and DFID and the UK disengaging from the wider development diplomacy issues I talked about, then yes.

Richard Harrington: You would agree.

Patrick Watt: Yes.

Q25 Chair: I have to say we have not yet heard who is actually picking up the bill. We have not heard that from anybody.

The Archbishop of Burundi: That is where I would like to come in. We have not heard that willingness from DFID to play the role of saying, "For what we are doing in education, so-and-so is taking over." I personally would say that would be wonderful if DFID is doing that on Burundi's behalf, but I have not seen any Government that negotiates for another Government—

Richard Harrington: We shall be pressing the Minister on that. Don't worry.

The Archbishop of Burundi: If they could say, "Yes, we are now giving you Norway," or whatever.

Q26 Chair: Mr Watt, you said that DFID should not withdraw from its development diplomacy, as you put it, but a very powerful point was made to us, certainly by the Belgian and French Ambassadors, that if you do not have an aid programme, you do not have a seat at the table and, therefore, your ability to provide

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development diplomacy. I have to say, and he said he did not mind me quoting it, the British Ambassador to Burundi said his position was considerably undermined by not having an aid programme to engage over. Those are things that have been said to us. Do you accord with them?

Patrick Watt: I think that is obviously a risk. One of the reasons that African governments and developing country governments in general want to speak to DFID is because they are not just speaking to an aid agency; they are speaking to a ministry of the Government. For that reason, a bilateral aid programme with DFID is an important lever in being able to play that role.

Q27 Chair: A final question really, because we will obviously be talking to the Minister very shortly: if the Government maintains its decision, and the indications are it is robustly going to defend it, to close the programme, what arrangements can or should be made, apart from the obvious things you have already said to fill the gap, particularly for civil society organisations? In other words, how can they access alternative funding? Some of the evidence we have had suggests that there are some difficulties, both in timing and eligibility for that. What is the scope for civil society organisations to access funding that would enable them to take over some of the programmes that DFID is closing?

The Archbishop of Burundi: If DFID closes, for us we would like to see that they reopen, and that this willingness of the Burundi Government to send a delegation, for that delegation to be received to revisit that. The other alternative would be that the civil society and churches could access other alternative means of helping and assisting the people of Burundi. That could be a better way as well of continuing the connection between Britain and Burundi. I say that this is not new, because the presence of British people in Burundi dates from the 1930s, if I only talk about the Anglican Church of Burundi, where we had missionaries in health and education. That assistance has been there for quite a long time. We would like to see it being reinforced and re-encouraged, and being sustainable.

Q28 Chair: Can you comment on the point that has been put to us by you that access to some of these funds is either limited by eligibility or by time, in terms of what you can apply for?

The Archbishop of Burundi: The civil society in Burundi and the churches have been working with UK organisations and we have found that, on some of these alternatives, if you have the PPA programme you cannot access that other alternative funding. That is why we say that we have been limited by eligibility, and this could be opened and widened a bit. That could also help.

Q29 Chair: Some kind of change in the timescale and some modification would help, given that the Anglican Church in Burundi is a very significant provider.

Patrick Watt: My understanding is that the issues in Burundi, particularly for Burundian civil society, are around access to Global Poverty Action Fund money, and there are two windows—an innovation window and an impact window. For the innovation window, my understanding is the deadline has now closed; I think it was May. The impact window is, I think, the end of this month. As the Archbishop was saying, that money is not open to agencies already receiving PPA money either, so there are questions about how much of it would be accessible, either to international NGOs in Burundi or to Burundian civil society organisations. More broadly, speaking to your first question, a clearer transitional plan from DFID, setting out exactly how they are going to ensure that the work they are currently supporting does not fall between the cracks as a result of withdrawal, is going to be really important.

Chair: Extending the window, eligibility and timescale overall. What is clear to us is that you, Archbishop, have given us some very powerful arguments. Although Mr Harrington perfectly reasonably says that, where a closure is programmed, people are going to protest and people will put arguments up, you have identified, first of all, there are specific things DFID is doing, either as a major lead partner or uniquely, that may not continue. We do not have evidence that they will, which is a clear point.

A second very powerful point, which the Committee is very mindful of, is the whole regional strategy and the history of conflict in that region, of which Burundi has sadly been a very significant part. It seems to be somewhat illogical to increase the aid and support in every other country to which that conflict has extended and withdraw completely from the one that was most recently in conflict, is the most vulnerable and has most of the development-indicated deficit problems. I do not want you to reply to that, but I am saying that it is a fair summary, it seems to me, of the argument you have put to us strongly. Unless there is anything you wish to add, we are very clear about what your views are. I will give you a minute to do that, if you wish to.

I want to say, on behalf of the Committee, that we really appreciate your engagement with us, both when we were in Bujumbura and here. I may say also, from a personal point from the Chair, I respect your very deep knowledge of the workings of Burundian Government and society, which clearly has informed us, and your obvious passion and commitment to the needs of your people. We would like to thank you for expressing them so powerfully, and also you, Mr Watt, for the role that Save the Children plays in so many conflict-torn areas, and will continue to play, I am sure. Is there anything else you want to say? Thank you very much indeed.

The Archbishop of Burundi: Thank you.

Patrick Watt: Thanks.

Chair: Please feel free to sit in on the next session, if you wish to do so.

Examination of Witnesses

Witnesses: **Mr Stephen O'Brien MP**, Parliamentary Undersecretary of State, and **Elizabeth Carriere**, Head of Rwanda and Burundi, Department for International Development, gave evidence.

Q30 Chair: Good morning, Minister. Sorry for keeping you waiting a few minutes, but I hope you will understand we were just anxious to ensure that we completed the last session. Although we know who you both are, and it is good to see both of you again, perhaps for the record you would still introduce yourselves.

Mr O'Brien: Thank you very much indeed, Chairman, and good morning to you and the members of your Committee. I am obviously delighted to be accompanied by Elizabeth Carriere, who is the head of our DFID office based in Rwanda, and who also has responsibility for our operations in Burundi. I would also like to mention, by way of putting it on the record, my gratitude for the assistance we have also received from Dave Beer, who as you know is based in Bujumbura and has been integral in the preparation for this meeting.

Q31 Chair: Thank you for that. It is good to have you here and it is good to see Elizabeth here in London, having spent quite a few days with her in both Rwanda and Burundi, and her staff and Dave Beer. Thank you to them for all the arrangements they made on our behalf, even if sometimes the line of questioning might have been a little uncomfortable—and may be again. To get to the heart of the issue, the Government has announced its decision to close the Burundi country programme. The impression we got is that that almost predated the Bilateral Aid Review, in other words that the Government was considering ending the programme in any case. Can you confirm whether that is in fact the case?

Mr O'Brien: I can do that. I understood that maybe you would want a two-minute introduction.

Chair: 'Want' is not the right term. 'Accept' is the right term. A short statement is acceptable.

Mr O'Brien: If I may, Chairman, I will do that just to set the scene, but I will keep it brief. That may help put in context that first question. In 2002, DFID first responded to humanitarian needs in Burundi created by the civil war, and the focus then moved to building a peaceful and stable state, and the successful return of 500,000 refugees. These objectives were largely met when a second successive set of well-managed elections was held in 2010. From 2006, DFID's programming also targeted better education and health services, and increasing access to justice. This support helped to build over 120 classrooms and distribute 250,000 text books and 850,000 bed nets.

Since 2009, DFID's model of support for Burundi has increasingly emphasised Burundi's economic growth through trade and integration into the East African Community. That is what Burundi now needs most to reduce poverty, and that is precisely what it is prioritising. Early successes include helping set up Burundi's first ever Revenue Authority, increasing forecast revenues for 2011 by £35 million—over three times DFID's annual support.

The BAR process forced us to make choices to ensure that the UK's worldwide aid programme delivers maximum impact for every pound spent, something

this Committee is particularly focused on. The decision to refocus support, and it is a refocusing of our support in Burundi, was balanced against those decisions about other bilateral programmes. The overall decision was to close 16 of the 43 bilateral country offices and to focus on our 27 major programmes, so we looked closely at how the UK in particular could support Burundi most effectively and efficiently. The current small programme supported by a full office, while it has had real impact in delivering its specified goals, was due to complete—this I think touches on the question you were asking—in March 2011 anyway. That is why we rolled the review of that into the Bilateral Aid Review.

It became clear, because of the small programme and yet a fully staffed office in particular, that that did not provide value for money as we looked forward to the way in which we needed to try to match our particular comparative advantage to the needs of Burundi. We thought about what DFID is particularly good at and what the Burundian Government itself was prioritising in its approach to poverty reduction, so we decided not to withdraw all support to Burundi—I really need to be very clear about that—but to refocus on Burundi's own priorities for becoming a strong partner in the EAC, and increasing economic growth through trade, investment and better revenue collection. I suspect that you will want to perhaps come on to how we intend to do that through TradeMark East Africa, so I will not take up more time of the Committee.

Q32 Chair: Thank you for that. I think it is fair to say that the Committee is entirely supportive of the Bilateral Aid Review and indeed the Multilateral Aid Review, and fully accepts the UK is a major contributor to the World Bank and the EU, and the UN for that matter, who are all players within Burundi. In that sense, we are of course continuing to fund it and, as you mentioned, TradeMark East Africa. The change obviously is that we would cease to be a bilateral donor.

The second part of the question was the options that were considered. The way it was put to us was that the programme, as it was administered, was disproportionately expensive for the amount of delivery, and therefore in that sense unsustainable. There were two options that were suggested to us. One was the option that has been selected, which was to end the programme. The other was to increase it, on the grounds that—and, Minister, you have given us quite a good catalogue of success and achievement—aid spent in Burundi was delivering results. There was a case for increasing that, especially as aid has been increased to every neighbouring country of Burundi. We got a very clear message from people that, to some extent, Burundi feels hurt that everywhere else is getting additional funding and the bilateral programme for Burundi is coming to an end. Were those the options?

Mr O'Brien: Very clearly, when we looked at the process of what was our best and most likely effective and efficient way of delivering support for Burundi—

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because like you we have no quarrel, far from it, with the idea that Burundi is a country that has a compelling case for aid—the question, as you rightly identify, was where our bilateral effort, if anything, was going to make the transformative differences that we wanted to see. As you know, Burundi is supported by a range of donors. It is relatively, notwithstanding its very real needs, well aided. It is getting 30% more per capita, at £42.30, than the Great Lakes average of £33 per capita. Our bilateral programme to Burundi was providing only 3.6%, which was at an average of £10 million annually. By far the largest donors were the World Bank and the EU. Those are both supported by DFID, with an approximate 15% attribution for each. As you know, the largest bilaterals are the US and Belgium.

We have to be very clear that there was nothing other than a very careful rational decision, which did not in any sense wish to either single out or, far from it, hurt either the Burundian Government or its people. The analysis has been that the best effort that we can make is to really push on helping trade and investment, and engaging Burundi's economy to participate in particularly inter-regional trade, but also to build on the infrastructure that is going to enable it to get its goods to market, particularly out through the Dar es Salaam port. We are doing that through TradeMark East Africa, which we are very committed to, both financially and in the belief that it is doing a very good job with very good plans, and is now much boosted by the tripartite summit, which we touched on a few days ago under a different context. The analysis became clear that our best effort, given that it was relatively well aided, there were other donors and they were more significant, was made through TradeMark East Africa, which we have made a very clear commitment to boost.

Chair: We will come back to that. I appreciate your answer, but it does raise a number of questions, which we will be taking up. I am going to bring in Sam Gyimah.

Q33 Mr Gyimah: Minister, the Archbishop of Burundi gave evidence just before you arrived, and the comment he made was that, from Burundi's perspective—and I am paraphrasing—it is good to increase the donor pool, in terms of the number of donors, but also the size of donations to the country. In that context, it would be interesting to get your perspective on this rational decision you made in terms of Burundi. Burundi scored highly on the needs-effectiveness index. Many other countries will continue to have DFID aid programmes, but DFID is withdrawing from Burundi, which scored in the first quartile, when you will be continuing to give aid to countries that scored in the third quartile. That seems inconsistent with DFID's focus on results. Given what Burundi would like to achieve, could you explain to us why you arrived at that decision, given Burundi's needs?

Mr O'Brien: The scoring within various quartiles is only a contributory factor in terms of what might help our decisions. Far from being alone, other countries that would score very similarly have also found that their bilateral programmes with us are being exited

responsibly, such as the Gambia and Lesotho. We also have other countries where our bilateral programmes are closing, such as Cameroon, Angola and Niger. Different scales, different populations, different profiles, different economic cycles, different background histories and stages of course, so each of them has to be looked on by their own individual circumstances and merits.

In terms of the need for aid to help Burundi not only stabilise but also now start building its economic and social wellbeing, there is no question about that; the question is where the best impact comes from. With the US and Belgium as by far the biggest bilateral donors, in contrast to where we would take the lead in Rwanda for instance, next door, there is a degree to which you have to really think about the burden-sharing, and who can and should take the lead. There is certainly a degree to which one is looking at various bilateral relationships. Equally, through the World Bank and EU, you have two of the world's largest donors very committed to Burundi, and indeed, as we may come on to, with plans to perpetuate that going forward.

Q34 Mr Gyimah: Was the decision to terminate the Burundi programme externally assessed and, if so, by whom?

Mr O'Brien: You will be aware and I hope welcome the fact that we have decided that we do not want to have lots of external consultants substituting for the decisions that we are elected to make. As ministers, particularly for the scale of our programme in Burundi, no, we did not have any kind of external moderation or so forth, but of course it will be—and is being, not least here—externally examined. In addition, we have the Independent Commission for Aid Impact, which may decide at some point to look within its work programme at this decision. We do not know, but that is a possibility.

This was a decision where, under the Bilateral Aid Review, under the parameters and terms of reference, we set forth on a very large scale of work, against a very clear and rigorous process. It was a very rigorous process, as I think you are well aware, of putting up various offers from country offices. Elizabeth Carriere and her colleagues here put up offers for Rwanda and Burundi, and it was up to us, as ministers, to look across the piece and decide where we could make the most impact with the resources that the UK taxpayer entrusts us with to enable these transformative differences towards achieving the MDGs.

Chair: If I may just say, Minister, we have not been able to establish who is picking up what DFID is leaving behind. You have indicated you are talking to the EU, but are they actually going to put extra money into Burundi to take up the programme? When we had the roundtable discussion with our bilateral donors, they were extremely disappointed with DFID's decision, said that they were not in a position to take up the extra funding and also felt that they would miss the presence of DFID at the table, because they felt that DFID had a contribution to make. I do not think I would be speaking out of turn to say that the French Ambassador was particularly tetchy, and said essentially what had happened was that the British had

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said, "Come on, Burundi is a Francophone country. We are pulling out. You pick it up." That did not go down too well. I do not know how true that is, but that was the point that was made. Was that in relation to that?

Q35 Anas Sarwar: On the point the Minister made about offers that came in from country offices, I just wondered if any recommendations came alongside the country office offers and what consideration was made of those recommendations. What were those recommendations, what considerations were made, and what were the pros and cons of each recommendation?

Mr O'Brien: I shall certainly answer that. Just to cover off the Chairman's point, I think it would be perhaps a little dangerous for me to speculate, given obviously I was not there at the time when the French Ambassador made his comments. I think we need to be somewhat careful about the idea that there is an overwhelming Francophone or Anglophone divide.

Q36 Chair: He was refuting that. He was making the point, for example, that the French are paying for English language classes in Burundi.

Mr O'Brien: I am delighted to hear it. I daresay there are some education programmes that we are funding that provide French classes, not least in DRC, I happen to know. I think that what is important, going on to the offers that were made, I hope that you should, as Committee members, all have had a chance to see the offers that were put up to us. Certainly I was asked if that documentation should be produced, and I certainly said it should. If it has not been received by you yet, it will be, but I am sure it has been.

Richard Harrington: We have not seen it.

Mr O'Brien: It has been made available.

Chair: It has been.

Mr O'Brien: On the basis of the offers that were made, of course we asked for a range of offers. Part of the stress-testing of what would be the best impact is to ask for a range of possibilities of what could be put forward, just like it would be in any business or operational proposition. You would say: what about carrying on as we are? What if we did not do anything at all? Would if you were to increase the resources? What would you get out of it? It became clear we could not get the value-for-money answers on results if we just simply extended what we were doing, because a lot of what we had been supporting had already run its course, and the defined goals were being achieved. As you know, this was all due for review anyway by March 2011.

Secondly, there was the decision very clearly that to do nothing would equally be wrong. That is why we have repositioned the way we offer support to Burundi to do that primarily through the multilaterals and, above all—and this is an important point to make—not just the multilaterals but also the Africa Regional Department within DFID, which has the principal relationship with other regional bodies. TradeMark East Africa is operating under the EAC; President Pierre Nkurunziza is the current Chairman of the EAC. All of those things have led us to put our effort

behind TradeMark East Africa. That is through the Africa Regional Department, so there is a sort of quasi-bilateralism there, but it is region to region rather than country to country. We stress tested by looking at the options and it came out that this is the best way to be most effective, so far as the UK is concerned, in supporting what the Burundian Government wants to achieve, which is to really push on trade infrastructure and economic development.

Q37 Chair: Sorry, you have not answered my question as to who is picking up the bill.

Mr O'Brien: The bills at the moment are, particularly those where you are asking for the things that have not already come to a successful conclusion, firstly in health. 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. There is a dovetailing there.

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. I hope that does give you a rather specific answer to how the graduation of our bilateral specified programmes into continuing programmes is therefore being managed, as part of what we have taken very seriously as a responsible exit from a bilateral relationship strategy.

Q38 Mr McCann: In terms of the recommendations and options that were made from the country office, how much precisely would it have cost to make the Burundi office viable?

Mr O'Brien: That is not the way I analysed it. The way I saw it was because—

Q39 Mr McCann: Hold on a second, Minister. If you received options and recommendations from the country office, then each recommendation would have had alongside it the facts, figures and argument, and ultimately, whether or not they gave you a recommendation at the end, you would have been able to make a judgment on each of those options and arguments in terms of how you balanced them out against the other priorities that you had. Therefore, if you believe that the £12 million programme meant

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that the office was inefficient, there must become a point in the equation when a sum of money is put in and it becomes efficient. What was that sum?

Mr O'Brien: I fully understand the way you are reasoning and I wish it had been as simple as that. It was not, for the very clear reason that, as part of the decision-making process, it was very clear that our best effort was to help continue to boost what we were doing through TradeMark East Africa. They have their own office in Burundi, and therefore part of that calculation was whether it was value for money for us to continue with a fully staffed DFID office, which was going to be putting most of its emphasis through TradeMark East Africa, and at the same time for TradeMark East Africa also to have its local effort, which is represented by its office in Bujumbura, to which we are very much the principal donors. Therefore, already you could not just do a straight-line calculation; you had to look at where the crossover of value was being achieved, just as I would have done in my old business life.

Q40 Mr McCann: There was no recommendation from Elizabeth's office giving you a figure of how much it would take to upscale the office in order for it to become efficient. There was no recommendation.

Mr O'Brien: I will let Elizabeth answer that, of course, because part of the discussion we had in the review was to stress test what we were having to think through and to make sure we maintained a very clear rational anchor to value for money. Putting it glibly, it was to say what would be a double-or-quits strategy, just as you would in any kind of investment proposal. I do not recall that we actually got to the point where we would have said the office itself would have been justified, even if we doubled the money. What matters is what we would have achieved in terms of results in the country, for the people of Burundi, had we doubled the money. It became clear that, actually, we were better off putting most of our effort through the regional programme, rather than to look at these specified programmes.

Q41 Mr McCann: With the greatest respect, Minister, if you made a judgment that something was inefficient, you must also in that equation have to have made a judgment if something became efficient, otherwise what are you measuring it against?

Mr O'Brien: I suspect we are not going to find common ground on this, because everybody can have their own ways at looking at economic viability. What is clear to me is that, given what we had and what was forecast that was going to be best effect for us to be putting forward, the standalone office in Bujumbura was going to struggle to be viable in terms of an appropriate cost for delivery compared with what we were able to do through TradeMark East Africa. As I said, Elizabeth should also answer the question, because the double-or-quits type of shorthand indicated that a £20 million programme would be more likely to maintain it as viable, but then it would have to be £20 million that was needing a bilateral office, not a regional office, which would have been done by TradeMark East Africa, of which

we are the principal funders. You can see how the decision had to be very carefully considered.

Q42 Mr McCann: I recall our discussion in a restaurant in Rwanda about this subject, Elizabeth, but was there a recommendation from your office that said that, if you scale up by £x million, the office becomes efficient?

Elizabeth Carriere: We did not do an efficiency analysis. We did say what we could deliver without a deep consideration of what we would need in terms of staffing and other administrative costs if we had a £20 million double package rather than a single, but we did not do a deep analysis of whether the office would be efficient or not. We were looking at what it could deliver in terms of some areas, like malaria prevention and maternal mortality.

Q43 Mr McCann: If ministers made a decision that something was going to be inefficient, based on the size of the programme, goodness gracious, surely they have to give a judgment of when it becomes efficient. Surely that was always a judgment that was being made in terms of the recommendations coming from your office.

Elizabeth Carriere: Had we been given the instruction to look into it more deeply, we would have done that analysis.

Q44 Jeremy Lefroy: Just a couple of quick ones. Firstly on refugees, Minister, you said that the work with refugees would come to an end next year. As I understand it, there are still large numbers of refugees in Tanzania, who the Tanzanian Government wishes to return to Burundi very soon. I wonder if your analysis or your expectation that our work on refugees would finish by March next year included those refugees.

Mr O'Brien: That is the advice I have received, which is why the programme has been accelerated. Indeed, the conditions for those returnees and the necessary liaison between the Burundian Government and the Tanzanian Government, and of course one has to scenario plan to some degree to the extent that, if it does not complete by March 2012, the scale of it would be within manageable parameters, so that our programme would not be critical neither to the continuing returning numbers nor indeed to the prospect that that could happen.

I should just add that the point I was struggling to remember—I have just had a note that reminds me of the actual number—is that there are 38,000 refugees who are reluctant to return. It is on the advice of the UNHCR, which has said that they believe they can cope, given that reluctance. That is a different set of issues they have to tackle. If there is a reluctance, you have to test whether or not that is a permanent reluctance or one that can be overcome, and then you deal with it in much more ad hoc and therefore smaller numbers.

Q45 Jeremy Lefroy: I just want to explore a little bit this question about having a fully staffed office, as has been described, and having a bilateral programme. Now the two things do not necessarily seem to me to

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go entirely together. We have seen for instance that CIDA had a bilateral programme, but they operated it through us, and we have indeed operated bilateral programmes through other people. Therefore, it does not seem to me that there is a complete correlation between having a fully staffed office and the costs that that implies and having a bilateral programme, and the influence and effectiveness that that implies. Perhaps you would like to comment on that.

Mr O'Brien: Where one has a bilateral programme, one would normally expect to have people on the ground to both manage and deliver it, to ensure value for money, reporting, accountability and indeed transparency mechanisms, but it has not been absolutely the case. We were supporting a French programme in Niger without having an office in Niger, but that came to an end. As it happens, in that case the French did not step up to plate, and so that was an issue. When we had some issues with drought and then floods last year, it was through our humanitarian support that we went back into Niger, even when the French did not. These are not absolutely allied, as I think you indicate.

The issue for us here was, as the primary principal funder of TradeMark East Africa, which has their office in Burundi, because of the region-to-region bilateral relationship, that in itself can effectively be a proxy bilateral office for us. I believe you are right in your observation to have a bilateral programme does not therefore necessitate having an office. It is often the case, but it is not an absolute precondition. In our case, because the effort is to really push what the Burundian Government itself is wanting to push, which is the opportunity to increase trade, investment and the infrastructure to support that, we think coming through TradeMark East Africa is going to be the best way forward.

Q46 Mr Gyimah: A quick point of clarification, Mr Chairman. Going back to the point you made about who was picking up the bill, you read a series of numbers out to us. What I understand is that DFID's contribution in terms of budget assistance was about 5%. Do you have the figures to hand to say, in terms of who is picking up the bill, what percentage of the 5% that we give is currently being covered by other donors?

Mr O'Brien: 3.6% is what we were providing bilaterally. In terms of that, that is being picked up by a mixture of other bilateral donors, particularly the Belgians, who have recommitted and put in some additional funding.

Chair: For clarification, the 5% was contribution to government funding, and the 3.6% was our share of the total donor contributions. They are two different things.

Richard Harrington: The Archbishop actually said that the UK was 5% of the domestic revenues of Burundi. It was not to do with the actual amount of aid compared with the total aid spend or anything like that.

Q47 Mr Gyimah: The question I am trying to drive at is in terms of who is picking up the bill for what

we are leaving. Is it all covered? That is really the question I am trying to get to.

Mr O'Brien: We are pretty sure that we have got it all covered. Some of those discussions are still at a finalising point. That is why we have worked very hard to have what can be described as a responsible exit strategy, not least because it has quite a long tail. It is a mixture between multilaterals, be that the World Bank and the EU, and other bilaterals. The proportion by which it will be bilateral support into the revenue of the country as a whole may well change as a percentage, but I would be speculating if I tried to put a number on that. I cannot imagine it would be far out of the same order of magnitude that exists. If some is taken up by the World Bank or the EU, that would obviously change the character of the modality through which the money comes.

In broad terms, the volume of money as a percentage of Burundi's economy is not affected. In fact, we believe there is a great deal of additionality, not least from the success and gearing we have had from what has happened with the Burundian Revenue Authority, which we have been able to be instrumental in helping really increase revenues, to the point where, as I recall it, we now have an attribution of perhaps—I think it is fair to say—£20 million of the increased £35 million of revenues directly to the effort that has come from UK taxpayers in their support of Burundi. That gearing itself, which is way beyond what we have been putting in bilaterally, shows that to build on the back of that success, then to try to get into another geared effort through TradeMark East Africa, is why we have taken that rational decision, I would argue.

Chair: It sounds very efficient, I have to say, Minister.

Mr O'Brien: I was calculating it in an old businessman's way when I was being briefed the other day. I am afraid I did not use all sorts of complicated programmes. Just doing it from a normal business point of view, it was 20% internal rate of return, which is what a lot of people would give their eye teeth for.

Q48 Chair: What I meant is: if the programme is so efficient, why not keep it going?

Mr O'Brien: It is graduating. The profile of the programme is changing, and this is the point.

Q49 Richard Harrington: I know you have mentioned it before, but I would like you to confirm this, because we have taken evidence from the Archbishop; we met a lot of people in Burundi who criticised the decision of DFID to shut this office. I perfectly understand the reason for it; you have explained the rationale behind it. We cannot have offices everywhere and, it seems to me, following Michael McCann's question—I would like to confirm this—that the operation was subscale to run our own particular office there, and arrangements have been made through TradeMark and the other multilateral funds to cover the areas that we were in. Could I ask you to confirm, very briefly, that the Revenue Authority has clearly filled in—that gap is now being done clearly through TradeMark East Africa—and that the health, education and justice programmes are going to be filled in by the EU and other

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organisations? What the Archbishop said quite clearly, for example that 45,000 children will not be educated because of DFID's decision, is actually not true because arrangements have been made with the basket fund for continuing. That will not happen. Could I ask you to confirm this?

Mr O'Brien: I completely confirm the way you have just put that question, in all respects. I absolutely refute that 45,000 children or, indeed I would have thought, any children will not have an education as a result of our decision. On the contrary, I think we will both maintain the continuation and, through the additional monies that appear to be coming from others, more children are likely to be educated in Burundi than have hitherto had the opportunity.

Q50 Anas Sarwar: Minister, I just wanted to follow on from a couple of questions that Mr McCann asked you. Earlier on in the session I asked a question about what came forward from the Burundi office during the Bilateral Aid Review in terms of what recommendations were made, what offers were made and how you considered those recommendations. You pointed us towards a document that you provided entitled *Results Offer by DFID Burundi for the Financial Year 2011/12*. Is that the same document?

Mr O'Brien: I believe it will be. I was just turning it up from my file. That will be the document that was in response to the call we made to all our offices with current programmes to put up offers, and there were a number of pillars of thematic programming that we wanted to see them put up offers against. They did not necessarily elect to put up offers against all pillars, but that was the idea.

Q51 Anas Sarwar: Two things to follow that up: in one of the meetings that we had with staff members in Burundi, it was suggested that the document that was provided to you and other ministers gave three options: one was to withdraw the programme; one was to continue the programme in its current form; and the third option was to double the programme to £20 million plus. Is that this same document?

Mr O'Brien: Yes, which I think I did indicate earlier. I said it was a rather glib way of putting it for a very serious matter, but there was a stress test of double or quits so, when that offer was put up, that was precisely the sort of range that I wanted to see in order to understand what the opportunities and problems were.

Q52 Anas Sarwar: The first sentence, when they are completing the questions that are put forward, in the transcript says, "DFID Burundi is scheduled to close in March 2012; this offer therefore only covers financial year 2011/12, and does not include any new initiatives." Does that mean the decision was already made before the offer went in, because it is only considering 2011/12?

Mr O'Brien: No, the sequencing of this—and I am just trying to find the actual dates for you—was that, once it became clear that we did not think that there was the justification to maintain the office, then the recognition that the programmes that we had been engaged with were coming to a close by March 2012 meant that the office would close. Here we are; that is

the piece of paper I was looking for. You have 24 May 2010, the submission from the BAR team for a graduation of a number of countries, not including Burundi, like Vietnam, Iraq, Indonesia, Kosovo, Lesotho and Liberia. We then had the submission from the BAR team to ministers. I was particularly charged to look at Burundi, because of the issues we had about value for money and so forth. There was then the submission from Elizabeth Carriere and her colleagues, which is the document you are... I am just checking. That is the submission; you are looking at the submission, not the BAR offer. That is right.

Q53 Anas Sarwar: Sorry, this is the BAR offer or is not the BAR offer?

Mr O'Brien: I am not 100% sure what you are looking at.

Anas Sarwar: It is titled *DFID's Bilateral Aid Review: Results Offer by DFID Burundi for the Financial Year 2011/12*.

Mr O'Brien: I just want to be 100% sure we are talking about the right document here.

Elizabeth Carriere: Are you looking at the operational plan or the BAR offer?

Anas Sarwar: The one that is titled *DFID's Bilateral Aid Review: Results Offer by DFID Burundi for the Financial Year 2011/12*.

Mr O'Brien: Okay, it is the BAR offer.

Q54 Anas Sarwar: That is the BAR offer. If it is the BAR offer and the decision had not already been made to close programmes, why does the first sentence in that offer say, "DFID Burundi is scheduled to close in March 2012; this offer therefore only covers financial year 2011/12, and does not include any new initiatives"?

Mr O'Brien: The decision to close the offer, as I understand it, had been made and we needed to have the offer made to cover the outstanding—

Q55 Anas Sarwar: Made before the review process was complete. Is this after the review was complete, before the review was complete or during the review?

Mr O'Brien: The decision to close the office was not taken as a decision simply to close the office. There was a BAR offer that recognised that the office was due to close, and therefore one of the issues that had to be looked at was how you have a programme that is going to continue for the year until it closed or just over a year. As part of our consideration of the offer, of course, as I have tried to describe earlier, we went through a genuine process of looking at the range of options, whether it was nil, 10 or 20, if you like. Then it would become clear whether or not that decision would remain.

Q56 Anas Sarwar: This document does not look at that offer of what happens next, in the next phase of programmes. It clearly states in the first sentence in the actual report that that is the one thing it does not look at.

Mr O'Brien: Maintaining an office, you are talking about?

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Q57 Anas Sarwar: Yes, or continuing an aid programme in Burundi.

Mr O'Brien: No, the question about whether or not an office exists is to do with what you need in order to deliver on what you decide as a programme.

Q58 Anas Sarwar: Absolutely, but what I am meaning is the whole purpose of the Bilateral Aid Review, Minister—as you will know better than me—is to reassess where we are having programmes, where we are expanding programmes, where we are no longer having programmes and what initiatives and new programmes we are likely to have. This document is the BAR offer that came in from the Burundi office to answer those questions, but the first line in that document says that it is not going to look at those new initiatives and new offers because it is already scheduled to close in March 2012, and therefore it is only going to consider financial year 2011/12.

Mr O'Brien: The question about Burundi, as against the other countries I read out just a moment ago, was because Burundi could have been included in that it was due to graduate by March 2012; we had not got a commitment beyond that. Therefore, while it was decided others were going to graduate and we did not even go through a BAR offer for those, what happened with Burundi was it was specifically to be addressed whether or not it was appropriate to make an offer, to then look at whether that should be for the continuation of its current programme or whether we wanted to continue it beyond that. The question of the office on the current programme—it is still current but it was then the current programme—was the measure against which we looked at whether it was viable. Those two were interlinked in that sense.

Q59 Anas Sarwar: Last question on this, Minister: the document that was referred to in the meeting we had in Burundi suggested that there were three options. One was to close the programme. One was to keep the programme as it was. The third one was to double the programme to £20 million plus. That is not this document.

Mr O'Brien: No, it is not.

Anas Sarwar: That must obviously be the BAR offer document then, the one that we have been trying to discuss and talk about. I think it would be helpful for the Committee to have that document, if you could publish that one, because that is the one that we have been referring to, and that is the one that you have claimed, up until now, is this document, which it most clearly is not, because this is only referring to financial year 2011/12.

Mr O'Brien: What I am going to do is I am going to ask, if I may through you, Chairman, if Elizabeth can just describe it, because she was on the receiving end of those requests. Clearly, as a Minister, I got documents that I was then having to take a view on and make a decision. Indeed, that was a collective decision. To make sure that we are not at any cross purposes, I think it would be helpful, with your permission, if Elizabeth could just describe what you also understood to be the BAR offer, the submission

and the processes by which the information flowed up to ministers, and we were able to then take a view.

Elizabeth Carriere: Thank you, Minister. I realise it is a bit confusing because of the sequence of events that happened.

Anas Sarwar: I think the confusion is on the other side, if I might say so respectfully.

Elizabeth Carriere: There was a submission about what to do with the Burundi programme prior to making BAR offers. BAR offers are only part of the whole BAR review process, when offices were instructed to send up what they thought they could deliver. The BAR process involved looking at DFID's footprint globally, which included looking at different offices, which ones were viable, where we would stay and where we might not. A submission was sent up that dealt with the Burundi DFID programme's continuation, as part of a review that was already ongoing and as part of the consideration in the whole BAR review, not just the BAR offer, of how Burundi fits into that. That is a submission; it is not actually the BAR offer. That submission was made in June 2010. Following that, there was a sequence of decisions that were made by ministers around the Burundi office as well as a number of other offices. When those decisions were made, in the Burundi office the decision was made not to continue with the programme the way it was, but rather to shift to a regional programme supporting regional integration.

Q60 Anas Sarwar: That is when this document was produced.

Elizabeth Carriere: And then after that, we were asked to submit what is called the BAR offer, which is, under those circumstances, this is what we could deliver. That is what the BAR offer is.

Anas Sarwar: That is perfectly acceptable. I think where the confusion has come from is we are not looking for the documents after the decision was made, with respect. We are looking for the documents before the decision was made and during the decision being made, because that is exactly what we are reviewing, investigating and having an inquiry on.

Richard Harrington: It is to understand the rationale for making the decision.

Q61 Anas Sarwar: Do you have any opposition to those documents being put before us?

Mr O'Brien: When the question came to me a couple of weeks ago now, we had been asked for I think the BAR offer document; I think that is how it was presented to me. I said, "I have no objections. On the contrary, I would like the Committee to have that document," and I hope it was provided in fairly short order after that. What you are asking for are the other documents that preceded the BAR offer formally.

Q62 Anas Sarwar: I think you will find that was probably what we were asking for.

Mr O'Brien: Okay, well then if there has been a confusion, it may be the terms of what was being asked for.

Q63 Anas Sarwar: Are you happy for us to have that information?

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Mr O'Brien: I can see no problem. Transparency is something that we are totally committed to and I do not have a problem with that.

Q64 Chair: You have used the expression a couple of times of Burundi graduating. That usually means you have achieved some kind of pass mark and moved on. Burundi is graduating as the poorest, most vulnerable, most exposed country in the region, so why did you make a decision to finish the programme anyway? You had already made that decision.

Mr O'Brien: The whole point I hope I have been trying to emphasise is that, in the same way as you obviously are not keen on the word "graduation", equally I do not think it is even remotely fair to use the word "finish". The bilateral element of a continuing programme and deep commitment to Burundi has been brought to a close, because what we had set out to achieve by the specified date, which was to support the increase of the efficiency and collection of taxes through the Burundian Revenue, and also to assist the returning refugees, had been completed. Therefore, as we looked forward to the programme and making sure what we could do UK-wise, with our comparable advantages, particularly given our established support for TradeMark East Africa, and given our commitment to wanting to help the Burundian Government do what it said it wanted as its priority, which is to increase trade, that is how we came to the conclusion that the best way forward was through TradeMark.

Chair: My point is I am still puzzled.

Mr O'Brien: It is graduation from the programmes we had.

Q65 Chair: The question I have then is: why was the objective more limited in Burundi than other areas? In other areas, we had much bigger ambitions. Perhaps we will come back to that. I am going to bring in Richard Harrington.

Mr O'Brien: That gets into the burden-sharing issues, where we cannot be everywhere and to the same scale all the time. There are other donors, not least Belgium, but equally you have seen the World Bank and EU, which are able to take up the gap. We can then put our emphasis on TradeMark East Africa.

Q66 Anas Sarwar: Minister, you said earlier that you had made, in your words, a careful rational decision. We as a Committee will be assessing whether there was a careful rational decision. I am yet to be convinced that we have heard a careful and rational argument for ending the programme. Just a few specific questions. If you take into account the region that we have just come back from, is Burundi a fragile state and at risk of acute conflict?

Mr O'Brien: Of course, Burundi remains a fragile state. Stabilisation remains very important to Burundi, but significant progress has been made. Not least, the 2010 elections have given us a great deal of hope that a new platform has been achieved for the future.

Q67 Anas Sarwar: Based on the region we were in and the country we visited, how does Burundi figure in terms of income per capita?

Mr O'Brien: We know that, on the index, it is about 166 out of 169, if I recall correctly, so the incomes by comparison to its immediate neighbours are lower.

Anas Sarwar: I will give you the figures, if you wish.

Mr O'Brien: I think the GNI per capita is \$160, if I am right. If we were to try to judge what DFID, on behalf of the UK taxpayer, should do purely by where countries happen to have a contiguous border, then we would not be in rational territory at all. What matters is where we have the ability to make changes and to deliver in partnership, in country. Clearly, we would be regarded as being the lead donor in Rwanda and we are. Clearly, we are a significant but not the lead donor in DRC. Through EAC, we are hoping TradeMark East Africa will really help boost what we do in Burundi.

Q68 Anas Sarwar: The income per capita figures are: Burundi, \$150; Rwanda, \$490; and DRC, \$160. In terms of those three countries, do you know how they compare in terms of percentage of the population who live in extreme poverty, at a level less than \$1.25 a day?

Mr O'Brien: I do not know the sums off by heart, but I can well imagine that Burundi's current situation would be worse than its neighbour Rwanda, of course.

Q69 Anas Sarwar: The figures are that, in DRC, 60% of the population live on less than \$1.25; Rwanda, 77% of the population live on less than \$1.25; and Burundi, 81.3% of the population are living on less than \$1.25. If the focus of the Bilateral Aid Review and DFID's priorities is fragile states, conflict states, the poorest people in the poorest countries and tackling extreme poverty so we meet the MDGs, what is the careful and rational decision and argument for ending a programme in Burundi?

Mr O'Brien: The first answer I have to give you is that—and I think, from everything we have discussed before, this is recognised by the Committee—we cannot be everywhere. That means we cannot actually be everywhere in those countries that qualify, either on conflict, poverty or both.

Q70 Anas Sarwar: Minister, I am sure everyone in this Committee and everyone in the country would accept that we cannot be everywhere. The thing is, we are in East Africa and we were in Burundi.

Mr O'Brien: We remain in Burundi through the regional programme, which is very important. You used the phrase "East Africa" yourself. You did not use the word "Burundi". You have precisely put your finger on the rational discussion we are all having.

Q71 Anas Sarwar: We contribute to East Africa through our bilateral programme, whereas in Burundi—

Mr O'Brien: No, with respect, you used the words "East Africa", which is precisely the issue. The future of Burundi is best described by successful economic regional integration, so that they can get their goods to market through an improved railway line that takes them to Dar es Salaam, with improved port, where the gearing will be so enhanced by increasing the capacity and containerisation in Dar es Salaam. That will help

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Burundi more than many other things would. That is why it is correct for us, particularly as the lead architect and supporter of TradeMark East Africa, which is the principal driver of this change, to put our emphasis there, where others—and there are others—are able to take up the programmes that either we have successfully delivered or are continuing. That is why we have been extremely clear not to be driven by simply because they happen to be a neighbour.

I appreciate and am delighted that members of the Committee were able to travel to that region of the world but, as you can see, we have got a big commitment to Rwanda, as we rightly should. They are making good use of our effort, likewise DRC, where you have a vast population in a very difficult area, which we know we need to help tackle equally. Some are appropriate for bilateral; some are appropriate for multilateral; some, for regional; and some, a mixture of all.

Q72 Mr McCann: Minister, TradeMark East Africa is underpinned in the Congo and Rwanda by a bilateral aid programme. As my colleague Anas Sarwar has just explained, in terms of the poverty and its definition as a fragile state, there is a strong argument that it is worse than either of those two countries, or it is on equal pegging, perhaps, with the Congo. We heard gunfire in Bujumbura and we witnessed extreme poverty, most of us did, when we went to the immersion exercise in the Shombo village. Therefore, those two qualifications are beyond question; you all agreed with that.

Can I ask you this? There is £780 million given to the programme in DRC. Why did DFID not take the view that, even by slicing 10% of that money, you could still continue with an upscale programme in Burundi and keep an office open, and that would mean that the whole area, the whole East African Community and Great Lakes region, which we are trying to do our work in, would be underpinned by a bilateral programme? I just cannot get my head around the fact that we are underpinning to such a huge extent the TradeMark East Africa work in the Congo and, by a colossal sum of money, Rwanda with significant sums of money, but we are just neglecting Burundi. I just cannot understand the logic of it.

Mr O'Brien: I am not sure I am able to agree with your premise that the programme in DRC, for what we do through TradeMark East Africa, is underpinned by a bilateral programme. In many ways it is almost the other way around. The regional programme is very much the key driver to this. As we all know in that part of the world, if the regional issues, both political as well as economic, could be satisfactorily solved—not simply addressed but solved—then the prospects for the people of all those countries would be fantastic compared with where they currently sit.

On the question of Burundi, where you have other donors that are able to take up the donor relationship for those that are particularly important for bilateral programmes, and you have a form of bilateral programme, which is our Africa regional team, working with the EAC and indeed many other regional groupings around Africa, and then of course TradeMark East Africa, which is the operational arm

of trying to deliver on what is going to be pulling together cross-border. The biggest opportunity for Burundi going forward is going to be that it is not constrained by its very poor purchasing power and landlocked status. It is going to have access to the regional integration, which is going to be driven by TradeMark East Africa, as you need infrastructure to make that happen.

In many ways, I would regard it as being something that I would expect to be pretty heavily questioned by this Committee, and certainly by the Independent Commission for Aid Impact, if I had simply said that I was going to slice something off one country because it would be convenient to take money from the people who have designed programmes to deliver in DRC in order to give it to the people in Burundi, when we already have what we believe to be the best profile programme for Burundi going forward, which is to help them where we have the comparable advantage, through TradeMark East Africa, through the increase of trade and investment flows. That will be more significant and certainly less injurious than taking away the very fundamental social protection, supporting peacebuilding and stabilisation, in eastern DRC, let alone elsewhere in DRC.

In terms of a rational decision-making process, we need to question very carefully why it is regarded to be so important to have an office in a country that underpins something that is actually happening at a regional level, where the regional office is going to be situated in precisely the same place that our bilateral office was, given that we are going to put our emphasis through the regional effort.

Q73 Chair: If we can explore that, first of all we have had briefings on TradeMark East Africa, and the Committee is extremely impressed with what it is doing. Therefore on that case, we are all in agreement: it is a very good initiative; UK support for it is extremely important; it has delivered on revenue; and obviously it is about promoting regional trade. All of those things are beneficial, so we can take it as given that we understand and accept that. The question that follows through is your contention that that effectively is as good as, if not better than, a bilateral programme, on the grounds that it is based in Burundi and we are the biggest contributors. First of all on a practical basis, does that give us the status of being a bilateral donor within Burundi? Does it give us the seat at the table that the other donors would wish us to have?

Mr O'Brien: That is yet to be determined. It is interesting that when we went through the appropriate and proper consultation as part of the process for our decision, in presenting our decision, we had a DFID director visit Burundi in November 2010 to announce the decision to the Government of Burundi and to discuss it with the second Vice-President, the Minister of Foreign Affairs and the Minister of EAC Affairs. They all supported DFID's focus on the EAC. I sent a letter to both Vice-Presidents and talked to the President myself, in person, in Nairobi, at the launch of TradeMark East Africa. We sat next to each other. We talked about this at length and he agreed with DFID's focus on EAC integration. We then of course announced all this.

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At the time we made those early points of contact, no significant objection was raised. The concerns that you are reflecting by having this discussion have surfaced much more recently. That is perfectly fair and, of course, those concerns have to be addressed. At the time we went through it, the logic was of wanting to really put the effort through TradeMark East Africa, not least because His Excellency the President Pierre Nkurunziza is the Chairman of the EAC throughout the relevant period. That was very clear and explicit, and something on which we were able to have a perfectly satisfactory set of discussions. As I say, no objections were raised at the time.

Q74 Chair: We had a meeting with the Vice-President, who both presented us with a paper and very cogent arguments.

Mr O'Brien: That was recently, I take it.

Q75 Chair: Yes. He said he could not see it as an either/or. He totally supported the British Government's commitment to TradeMark East Africa, but he said that Burundi's ability to take advantage of the benefits of TradeMark East Africa was probably weaker than any other member of the region, and that it needed bilateral support to give it that capacity. He said, "Burundi is a special case, characterised by the presence of few donors, therefore with few external resources against the immensity of needs. The withdrawal of a partner results in a reduction of resources and an increasingly orphaned sector, since there are no other sectors that will fill the gap, which would be brought about by the withdrawal of the UK, through DFID." That is his paper, presented to us two weeks ago. His contention was TradeMark East Africa is great; it is really beneficial; really appreciate it; very much value Britain's contribution. Actually, unless you have a bilateral programme, Burundi will not actually have the capacity to get the benefit. Obviously his contention was that the UK was leaving Burundi in a more under-aided state than Rwanda, even though it has greater needs.

That was reinforced, I have to say, by the evidence we had from other bilateral donors. Notably the Belgians, the French and the Americans all said the departure of DFID from Burundi would weaken the impact of the donors and would take away a player with a distinctive contribution to make.

Mr O'Brien: I do not underestimate for a moment that, whenever there is a change of this nature, representations and concerns are going to be made of that nature. If I was in those shoes, then of course I would also say that I would be fearful about the weakening of relationships. I am slightly surprised, insofar as I do not think the evidence actually supports those deep fears. First of all, there is a retention of a broader donor base than some of the other countries with which we are engaged. There is, as I hope I have laid out for the Committee, a very responsible exit strategy. We have therefore sought to engage with all those who can step into our shoes and indeed enhance the programmes that are the successor programmes to those that we are concluding, or, in terms of health, education and justice, that we have well rooted

succession plans in place by other donors, either multilateral or bilateral.

The question about the volume of aid therefore diminishing I am not sure stands scrutiny. The second point, particularly when you look at the attribution that we will continue to make—and again, I of course will mention TradeMark East Africa and what we are putting through that—is please do not forget the enormous opportunity that has been developed by increasing the revenues from the Revenue Authority, which has been, as I pointed out earlier, a seriously geared investment that is now producing a return for Burundi.

The idea that there is a reduced volume of aid I do not think is proven. Secondly, it is highly questionable that you need a bilateral programme in order to succeed with TradeMark East Africa. It is highly questionable that there will be a significant diminution of influence in either direction because of our taking the decision we have to close the bilateral programme, in an ordered way, by about March 2012. I am not persuaded by the concerns, because we have taken very careful steps to try to make sure that we have warded off the very risks and concerns that have been articulated.

Q76 Jeremy Lefroy: I apologise; trying to be in two places at once is not easy. I apologise if anything I say has already been touched upon. Minister, I just want to take this discussion a bit wider really, about Burundi. I think all of us felt—speaking for myself, and perhaps other members of the Committee—that Burundi still needs a huge amount of support. I was particularly struck by the very poor agricultural productivity in the area that we visited as part of the immersion organised by Action Aid. As somebody with a bit of experience of agriculture, I have never seen an area, not even in the parts of Congo that we visited and certainly not in Tanzania, Uganda and possibly Kenya, where the productivity was as low. I understand it is partly to do with the soil fertility and disease. There are a number of diseases in cassava, bananas and others that are prevalent there.

I did not get the impression from anything that I had heard that anybody is taking the improvement of productivity in small-scale agriculture in Burundi particularly seriously. I know there are programmes, through the US Government and World Bank, but they are more aimed at marketing rather than the actual productivity. Without a substantial increase in productivity, anything else, as regards food security and the economy, is to some extent not irrelevant but is much less substantial.

TradeMark East Africa is an excellent idea, and is obviously working very well in some areas but, without the underlying economy functioning to a much greater extent than it is at the moment, and by that I mean largely agriculture, I feel very concerned about the future of Burundi. I would like to know from you where you see Britain's involvement in that and how Britain can direct the multilateral programmes, in the absence of the bilateral programme, to assist Burundi to do something as fundamental as improve its agricultural productivity.

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Mr O'Brien: I share with you entirely your analysis of the needs of Burundi and particularly its agricultural sector, in which most people of Burundi are engaged, albeit, as Paul Collier might describe it, rather unproductive activity. It is not just the productivity; it is actually having the opportunity to do something that is going to take people out of being on the verge of food insecurity and ensure that we do not get greater incidence of malnutrition. There are particular characteristics, not least, as you say, on the profile of both the soils and the pests and disease, which affect both flora and fauna.

This is an area where there is a degree of burden-sharing. We have to accept that what we are doing in Rwanda, and I know that you have witnessed that, is going well. That is for the land tenure regularisation, which gives the most amazing amount of incentive and clarity of ownership that people can then take forward, but Burundi is not at this stage really even near being capable of being in receipt of that kind of programme. It has a lot further to go yet. The World Bank, as you rightly observe, and the US are very focused on this, as indeed is Belgium, as the biggest bilateral donor. It is also focused on agriculture, and Belgium is focused a little more on the productivity side than perhaps the other two, which as you observed perhaps are looking for outlets for the product that is safely produced, but if you are not doing that much in real terms, that is of limited application.

What you are arguing for is perfectly sound, but let's be clear: we have not been engaged bilaterally in the agriculture field, other than through the attribution that you can make of DFID's resources through the multilaterals. It would be, in any event, a new departure, a whole new proposal. We have been extensively engaged in health, education and justice, and in this regional integration.

Clearly if we successful in delivering, through TradeMark East Africa, on these phenomenal gains that can be made in getting goods to market, yes, you need increased productivity to make good use of that but, at the same time, it is not going to be dependent on whether we, the UK, has a particular bilateral; it will dependent on whether the aid effort, through the Burundian Government and other actors, is going to be able to address one of the fundamentals, which is increased agricultural productivity in Burundi, for both Burundians and regional markets. That is where we would seek to influence very strongly within our relationships, not least with the World Bank but equally, as I am sure you are aware, in the very positive and ongoing discussions we have with our US counterparts, who are making a particular focus on agriculture, farming and its allied issue, nutrition. That is wholly to be welcomed and it is on the back of what President Obama was so articulate about when there was the September MDGs conference last year. That is a new dynamic that is entering into the dialogue, which will help, I hope, answer your concern of seeing that much more focused upon and prioritised within multilateral programmes.

Q77 Jeremy Lefroy: Just with your permission, Chairman, a very quick follow-up. I welcome that. I

still think we lack vision in that area. I am not saying "we", particularly Britain, but, as a donor community, I did not detect an urgency about this subject that I would like to see and that I have seen in other areas. Just moving quickly on to something that maybe my colleague will also be picking up on, as somebody who lived in the area during the time when there was a lot of instability, Burundi has had by far the longest period of instability in that part of the world, right from the 1960s almost to now. Thank goodness it is not as unstable. That is the one country in which we do not have a bilateral programme. I just would like the Minister's comments on whether he is concerned about the future stability of Burundi in particular, and how he sees it in relation to the other countries in the area. You cannot isolate Burundi. Does the Minister see that this separation of Burundi from the other countries potentially has the prospect of not increasing stability but perhaps showing that the British Government is not fully engaged in stability throughout the Great Lakes region?

Mr O'Brien: I think you are entirely correct that of course Burundi is as integral as any other part of that whole area, be that the five member states of the EAC or, indeed, those regions that touch on that from DRC, Central African Republic and Sudan. It is absolutely vital to recognise that, even though we are all concerned at the low-level violence that has persisted, even since the elections in Burundi, which has yet to show signs of abating, Burundi's integration into the EAC is, I believe, both appropriate and likely to be highly positive. The tangible demonstration of integration is what is the agenda of TradeMark East Africa. We all have a vested interest in the regional stability. I respect of course what Mr Lefroy says, not least given his own personal experience in the area, but I strongly believe that the presence of a bilateral office and a bilateral programme is not the answer to those questions.

The fact that we are, through TradeMark East Africa, in effect a constituent member of a bilateral effort through that, and they have an office in Bujumbura, I think it is absolutely right that—given that we have our Ambassador, who is accredited to Burundi but sits in Kigali in Rwanda, and that we have continuing very strong diplomatic and representational interests—we will continue to do that, both in terms of making sure that British business and recognition of the British effort is present. We will have our continuing equal efforts through our DFID office, either through the office that Elizabeth Carriere heads out of Rwanda, which covers all our effort on Burundi through TradeMark East Africa. We coordinate that both through our Africa regional team and through the various countries in which we do have representation. I do not dismiss the concern lightly, far from it; I think it is a very important point. 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

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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.

Q78 Mr McCann: Minister, we heard that DFID's decision may influence other Governments to similarly withdraw their bilateral support. Do you think that is likely to happen and, if it did, what would be the impact on Burundi?

Mr O'Brien: No, I do not think it is likely to happen. The Government of Burundi does not believe that other donors' decisions will be influenced by DFID's position. That is certainly what they have told us and there is no evidence to believe so. Other donors have stated that they will make up their own minds. We have had those discussions based on wider considerations, for example.

Although Sweden will close its bilateral programme in Burundi in 2013, the Netherlands has recently included Burundi on its list of 15 priority countries. The two largest donors in Burundi, as you know, are the EU and the World Bank, and their objectives are closely aligned to ours. They remain strongly committed to Burundi, as does the largest bilateral donor, Belgium. Other donors will be taking over, as I have described, DFID's major programmes, so their continuation is assured. That is not the evidence we have and we do not have expectations to the contrary.

Q79 Mr McCann: Very quick question then: did we follow the Swedes or did the Swedes follow us?

Mr O'Brien: We both made our own decisions on our own merits, using a rational approach.

Q80 Mr McCann: Which came first?

Mr O'Brien: I do not know the answer to that. I never asked the Swedes and I do not think they asked us, so I have no idea. I think that rather answers the point that it was not either follow or lead; it was actually our own individual decisions.

Q81 Chair: I thought Sweden had asked the UK to administer its programme and we have now closed our programme, which leaves them somewhat high and dry.

Mr O'Brien: I do not know whether you want to shed any light on that, Elizabeth. It was no part of any decision I made to be worrying about what Sweden was doing.

Elizabeth Carriere: We actually had discussions with Sweden about that, and they were not influenced by our decision for their own closure. They had their own political and practical considerations in doing that. It is true that we administered part of their programme for them; they put their money through us. That is not their whole engagement, and their decision not to continue that on their own or through some other means was not contingent on our decision. They made that very clear to us.

Q82 Anas Sarwar: I just wanted to follow very quickly on from Mr McCann's question about the influence on other donors. We often hear from ministers, the Secretary of State and the Department

that one of the reasons why DFID will give support in a country, to a multilateral programme, to a conflict or to a disaster is because it helps encourage others to follow suit. How does that argument fit in with the Burundi argument?

Mr O'Brien: I am delighted that, as a result of what we have done with TradeMark East Africa, a host of people have followed suit, and we now have a very wide donor base through TradeMark East Africa. So because—

Q83 Anas Sarwar: People follow when it suits us and, when it does not suit us, they are making their own decisions.

Mr O'Brien: With respect, before you interrupted I was going to complete the sentence. I am not necessarily going to give you the answer you want; I am going to give you the answer that I want to give. The answer that I am going to give is quite simple. TradeMark East Africa has become clearly what we believe to be the best effort we, the UK, can make, and there are comparable advantages, to help Burundi and its people. As a result of the launch with the President of Burundi himself—including attracting one new donor on that day when I was there in Nairobi with him—we have a new raft to support that. I do not accept that, therefore, where we go everybody else follows. It is not the case. You apparently have spoken to the French Ambassador; you know very well that, if we do one thing, the French may well do the opposite. Equally, they may do the same. I do not think you can make any kind of analogy of that nature. What I can tell you is that we need to be extraordinarily cautious, if we are focused on results and value for money, whether it is in bilateral or multilateral, or indeed in the humanitarian and emergency response arenas. We have to be absolutely clear that what matters, from our point of view, is to identify what results we are going to achieve. Sometimes people will say, "You need to have a bilateral programme," or—and this goes to another area that I know you are interested in—"If you remove general budget support, you are going to lose influence; all the other donors will follow suit." It does not work like that. Moreover, if we keep on spending UK taxpayers' money in order to have influence, I do not think that is appropriate development spend. Appropriate development spend is to get results that benefit the people who are most poor and need our help. If we are doing it in order to gain influence with other Governments or other donors, then we are starting at the wrong end of the equation. I would strongly urge you to recognise that it is a results focus that drives this. It is not trying to buy influence with UK taxpayers' money.

Q84 Chair: On that particular point, there has been concern expressed from civil society that the opportunity for them to bid from funds both here and in Burundi on the timescale is somewhat compromised. Is there anything you can do or any comfort you can give them on that front?

Mr O'Brien: We have certainly got for the CSOs the Global Poverty Action Fund, as you know. We have the two windows, which is something with which I

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know you are familiar, so I will not take up the time of the Committee. It is about £40 million to support UK-based NGOs, where we are looking for them to make extraordinary and brilliant ideas and suggestions and practical support to get to the most off-track MDGs where we have a DFID focus. That includes through the EAC and, therefore, Burundi. Burundi would not be excluded for that reason. Just because you do not have a bilateral, does not exclude Burundi. Let me make that absolutely clear. Burundi is of course one of the 50 lowest-ranking countries, so NGOs working in Burundi will qualify, because that is one of the terms, either through the Impact Window or the Innovation Window.

One of the representations I have had, which I am happy to put on the record, is that the Anglican Alliance has criticised the application cycle of the GPAF and who can apply. As you know, they currently receive no DFID funding and, as it happens, so far as I am aware, they are the only entity that has criticised that process. Others are doing what they can to recognise it is a very tough hurdle rate. They have to demonstrate that they are going to make a real, appreciative, measurable, transparent difference, which will match all the criteria. After the first round, as you know, a small number out of the total applications were successful, but we are very confident, therefore, we are matching their effort with UK taxpayers' money to deliver extraordinary results, because we can have high confidence that they will, and that it will be results orientated. We would strongly urge all those CSOs to look carefully at the GPAF rounds and do what they can to put in some very strong bids. That is one of the best ways of making sure that they will remain robust and strong to help the people of Burundi.

Q85 Chair: Minister, you have obviously heard the concerns that some members of the Committee have.

You have given a very robust defence of the Government's position, which we will take into account and evaluate. You have certainly helped us, both with the process and some of the detailed follow-through. I think the Committee remains concerned that Burundi is in a unique situation compared with the rest, which I think is a matter of concern for us, but we will reflect on it.

We would also be interested to hear, consider and even make recommendations that the UK's influence in Burundi and the wider area can be maintained, even if we do not have a bilateral programme, through some degree of cooperation. Certainly I know that the Ambassador, as he is in Burundi, being the High Commissioner in Kigali, has said that obviously will change the relationship he has and perhaps make it more challenging for him. It will be interesting to see whether or not, through the robust point you have made about TradeMark East Africa, that can be perceived as the lynchpin of a kind of bilateral donorship. That is obviously not the way it is perceived by most other donors at the moment, but you have made your case on that very strongly. Thank you very much. We have kept you rather longer than you probably wished to be kept, but it was important that we had the opportunity to air all these views. Thank you very much.

Mr O'Brien: I am grateful to the Committee. I look forward to seeing your report and any recommendations. I am glad to say that my answer on the point you have just raised reflected the conversation I too had with our Ambassador to Burundi yesterday.

Chair: And thanks again to Elizabeth and her staff for their help.

Written evidence

Written evidence from Anglican Alliance and Anglican Church of Burundi

1. SUMMARY

1.1 This submission sets out:

- The previous involvement of the Anglican Church of Burundi and the Anglican Alliance in the Bilateral Aid Review.
- The level of poverty in Burundi, and the development mission of the Anglican Church of Burundi.
- The impact on poverty reduction in Burundi of the Bilateral Aid Review decision.
- The lack of limitations of the alternative funding sources for civil society organisations in Burundi.

2. ABOUT THE ANGLICAN CHURCH OF BURUNDI AND THE ANGLICAN ALLIANCE

2.1 The Anglican Church of Burundi and the Anglican Alliance welcome the opportunity to make this submission to the International Development Select Committee about negative impact of the decision to close the DFID office in Bujumbura, Burundi, phase out bilateral support for development programmes and direct UK support for Burundian through Trademark East Africa.

2.2 The Anglican Church of Burundi started in the 1930s and now, with 1,000,000 members in 155 parishes and 260 clergy, forms a province of the Anglican Communion. The Anglican Alliance is an international development initiative by the Anglican Communion to bring together development, relief and advocacy work of Anglican churches and agencies globally: this is the third largest grouping of churches with members in over 160 countries.

2.3 The Archbishop of Burundi has been supportive of the UK Government's engagement in post-conflict reconstruction in Burundi, and this was noted by the Parliamentary under Secretary of State at the Foreign and Commonwealth office in a response to a parliamentary question in March 2011. However, the Archbishop raised his concerns about the future of bilateral support in a meeting in London in February 2011 facilitated by Christian Aid when he met the staff of DFID and some members of Parliament (All Party Parliamentary group). On 16 March 2011, the Archbishop, the Provincial Secretary of the Anglican Church of Burundi and the Director of the Anglican Alliance met with the DFID head of office in Bujumbura to discuss the outcome of the Bilateral Aid Review, and also to look at alternative funding opportunities. We very much appreciated the access to the DFID office, and the explanation of the UK government's decision and alternative funding streams.

2.4 Our concerns about the ending of the Burundi programme are:

- The high level of poverty in Burundi.
- The inconsistency between the technical assessment of Burundi in the Bilateral Aid Review and the review outcome to withdraw funding.
- The position of Burundi as a post-conflict country within a conflict-affected region.
- The difficulties of accessing alternative funding streams in the Global Poverty Action Fund.

2.5 Both the Anglican Alliance and the Anglican Church of Burundi are also concerned about the decisions not to provide funding to three other small African countries: Lesotho, Gambia and Niger. Like Burundi, they are among the poorest countries in the world with limited opportunities for economic diversification. Two of them are, like Burundi, landlocked; Lesotho's working age population has been depleted by HIV and Aids, and Niger has been seriously affected by drought. However, in this submission, we are focusing specifically on Burundi, as required by the committee's terms of reference for this inquiry.

3. POVERTY AND THE MDGs IN BURUNDI

3.1 Burundi has made great progress since the 2005 elections, but remains one of the poorest countries in the world. It is one of the most densely populated in sub-Saharan Africa (with 310Hab/Km² in general, 650Hab/Km² in the northern provinces and 500Hab/Km² in the central and western provinces). It is on track to achieve universal primary education, and equal access to education for girls and boys. However, it is off-track for achieving a number of other Millennium Development Goals, especially health-related MDGs. It faces particular challenges with environmental degradation from deforestation that was exacerbated during the conflict. It also faces challenges in improving governance following decades of conflict which continues to affect the Great Lakes region, especially the Democratic Republic of Congo, with which Burundi shares a long and porous border.

3.2 Though it seems that Burundi is achieving the MDG enrolment targets in education, the number of children in a classroom is still high, there are not enough didactic materials, there are no laboratories, no libraries and the quality of education continues to fall each year. Inadequate teachers' pay and conditions are big issues. A further current challenge is the need to retain students especially girls from primary to secondary,

even to higher, education in order to achieve the education MDG. So the apparent success in terms of quantity masks a serious problem of poor quality of education.

3.3 Burundi has a lot of challenges to meet in the area of health even though the 2005 government has made an effort to meet problems encountered in public health. An overall vaccination coverage rate of 80% in 1992 fell to 55.3% in 1997, and then rose to 78.6% by end-2004. Malaria is one cause of high mortality, especially among children under 5 years and pregnant women.

4. THE ANGLICAN CHURCH OF BURUNDI AND DEVELOPMENT

4.1 The Anglican Church of Burundi provides development, education and health services. It is through the Church's mission to people affected by poverty and conflict in Burundi that we raise our concerns about the decision to end bilateral development support. The Anglican Church of Burundi speaks from its experience of serving some of the poorest people in Burundi. Our churches remained open, as did our schools and health services throughout the conflict when many NGOs had left the country. Our experiences during and after the conflict provides the base for our work on post-conflict reconciliation and governance. Our programmes include:

- Running 102 primary schools providing education for 40,919 children and 29 secondary schools providing education for 8,570 children. After a visit by the Archbishop of Canterbury in 2005, the Anglican Church built 33 primary and 11 secondary schools providing education for an additional 9,215 children. Note that these new schools have just been built and they will start next school year. In providing education services the Anglican Church has been playing a major role in the development of Burundi, and the achievement of education MDG.
- Providing primary health care services among needy communities, and providing bednets in conjunction with NetsforLife in partnership with Episcopal Relief and Development to prevent malaria, including distribution of bednets for returning refugees and for boarding schools.
- Delivering environmental programmes run in partnership with Christian Aid to plant trees (4,245,523 forestry trees, 2,133,240 agro forestry trees, 164,214 fruit trees, 292,726.25 metres of trenches) to counter the very serious environmental degradation caused by deforestation, especially during the period of conflict. It is worth noting that forest and agro forest resources occupy 5.56% of the national territory. Burundi is suffering from soil and biodiversity degradation due to erosion and to the cultivation on steep slopes and on marginal lands. There is a loss of 100 tonnes of soil per hectare each year.
- Running a livelihoods programme in partnership with Episcopal Relief and Development to improve agriculture, animal husbandry, clean water and capacity building for communities.
- Addressing the need to improve governance in the country through peace and reconciliation workshops.
- Empowering women and men through the Literacy and Development programme run by Mothers' Union. More than 30,000 vulnerable women and men have already benefited from the programme.
- Providing saving and business skills for self-development.

4.2 The Anglican Church of Burundi has made a commitment to continue to advocate in the areas of economic empowerment, good governance, development of human capital and climate change. The Anglican Church of Burundi is committed to the principle of serving the whole community regardless of race, religion, ethnic or regional grouping.

5. THE CONSEQUENCES OF ENDING UK BILATERAL AID FOR POVERTY REDUCTION AND THE ACHIEVEMENT OF MDGS IN BURUNDI

5.1 It has been argued that the decision to focus UK support for Burundi on the promotion of trade is in the best interests of long term sustainable development. However the continuing well-recognised, shortcomings in the governance of Burundi means that increase in earnings through trade will not necessarily lead to an increase in spending on public services. The weaknesses in the revenue collection system in Burundi have been documented by the African Development Bank in its publication "Domestic Report Mobilisation". The ending of the bilateral programme, valued this year at £12 million, and direction of £6,525,000 (of which £2,500,000 has already been spent) over two years into Trademark East Africa represents a real reduction in funding for services. DFID funding has been in the key areas for the achievement of the MDGs.

5.2 It has also been argued that the amount provided by DFID, £12 million, is small. However, the Burundian economy is small—GDP estimated at £3 billion last year. In proportion to GDP it would be the equivalent of the UK receiving a development grant of about £9 billion. £12 million is a lot of money to a low income country with a pressing need to increase services and improve their quality.

5.3 The UK government has decided to focus on integration of Burundi into the East African Community, and this will be important for Burundi as a landlocked country which needs access to markets and transport links in its East African neighbours. However, Burundi is also part of the Great Lakes region, and is tackling, arguably more successfully than some others, the legacy of conflict and civil unrest. It has to guard against incursions from bordering Democratic Republic of Congo. It also has to complete the reintegration of returning

refugees. Burundi's security is an important building block in the stabilisation of the region. The country is also playing a role in the stabilisation of the Horn of Africa through its contribution to Amisom, the Africa Union's Mission in Somalia. Yet Burundi is the only country in the Great Lakes region which will not be receiving bilateral support from the UK: both Rwanda and the Democratic Republic of Congo have had their UK government aid increased as a result of the bilateral aid review. The Anglican Church of Burundi is convinced that the people of Burundi deserve support in order that they benefit from the dividends of peace.

5.4 The decision to close the DFID office in Bujumbura is a loss of development expertise and technical support to Burundi. The office clearly has an impressively high level of expertise in development in general, and in the Great Lakes region and Burundi in particular, and is an important resource in a country in which governance is problematic and capacity is lacking.

5.5 We welcome the commitment of the UK Government to focus assistance on the poorest and conflict-affected countries. However, we are concerned about the apparent inconsistency between this and the outcome of the Bilateral Aid Review. The Bilateral Aid Review Technical Report puts Burundi in the top quartile of countries, indicating both a high level of need and a potential for good use of aid—despite the known capacity constraints. Burundi ranks above a number of other countries that will continue to receive DFID aid: and a number of those countries also have difficulties in governance and capacity.

5.6 For example in Burundi there are 67% of people living under one dollar a day (2010), national IBP is US\$250 per household (2010), 60% of the population are under 25 old and among them 80% are unemployed (2010), economic growth rate is 4% (2010), inflation rate 24.4% (2008), the number of medical doctors for 100,000 people is 5 (2010), 60% of chronic malnourished in 2010 against 46% in 2007 (FAO), infant mortality rate is 103 deaths/1000 population (2010), rate of women illiteracy is 62%, malaria incidence is 34%, HIV and AIDS adult prevalence rate is 2.97%, with 4.58% in urban areas and 2.82 in the rural areas.

5.7 Ranked 167/177 in the 2007 UNDP Human Development Index, Burundi is one of the poorest countries in the world. With one of the lowest per capita incomes in Africa at less than \$100 per head, and one of the highest population densities on the continent, Burundi suffers from extreme levels of poverty and overcrowding. This results in natural resource depletion and food shortages. Following its civil war that ended in 2005 and caused around 400,000 deaths, Burundi faces widespread rural poverty, low agricultural productivity, depleted social services, high numbers of internally displaced people, and rising HIV rates.

5.8 90% of Burundi's populations are reliant on agriculture for their livelihood, and prior to the civil war, the country was self-sufficient and was able to feed its population. Looting and the destruction of resources and livestock during the war, together with erratic rains, increasing incidences of drought, few agricultural inputs and small plots, all mean that rural Burundians are now struggling or unable to support themselves. 95% of households are facing food insecurity. The Church works with people in these difficult circumstances: seeking to overcome the problems caused by poverty and conflict and provide people with the means to create a more sustainable and peaceful future.

6. HOW DFID CAN DISENGAGE RESPONSIBLY

6.1 The timetable for implementation of the decision to close the DFID office in Burundi and end the development funding is tight. At our meeting in Bujumbura we had a very constructive discussion about alternative funding opportunities via the Global Poverty Action Fund. We subsequently looked at its detailed provisions. The Church was very interested in exploring this option, but in practice there were a number of difficulties:

- The application cycle is not well synchronised with the closing of the DFID office in Bujumbura. The round for the Innovation window of the Global Poverty Fund opened in May 2011, and for the Impact Window at the end of July 2011. To meet the requirements, especially finding a suitable UK partner to meet the very tight criteria, within the timescale would be difficult.
- The higher value £36 million Impact Window is only open to locally-based Civil Society Organisations in countries in which DFID has an office, so it would not be possible for Burundian CSOs to apply for this. Alternatively the application could be made by a UK-based NGO. In the past the Anglican Church of Burundi has partnered a UK-based NGO—but one with a PPA, and these are specifically excluded from applying to the Global Poverty Fund.
- The smaller, £4 million Innovation Window is open to small UK-based not for profit organisations, with an average annual income of less than £500,000 for the past three years. This would exclude the UK-based NGOs with which the Anglican Church of Burundi has previously partnered.

6.1 An easing of the criteria for the countries excluded from bilateral aid might assist, although this would need to avoid problems of anti-competitiveness, through giving an unfair advantage to some applications, or undue risk because of the lack of in-country DFID presence.

7. We also discussed the possibility of civil society and faith-based organisations in Burundi being able to maintain communication with the DFID office in Rwanda. This would be very much appreciated. It would also be appreciated if any underspend in the DFID programme in those countries which are due to scale up their spending, could be redirected to Burundi and other countries which have lost funding through the bilateral aid review.

8. We urge the International Development Select Committee to press the UK Government to:
- Reconsider its decision to end the development assistance to Burundi and close the office in Bujumbura, by switching a very small amount of the funds provided to bilateral programmes in much larger and wealthier countries.
 - Develop its work with the government of Burundi and Civil Society on issues of democracy and good governance.
 - Especially if the decision to end the Burundi funding is maintained, that the procedures of the Global Poverty Fund should be reviewed so that they are more accessible, especially to in-country civil society organisations.

May 2011

Further written evidence from Anglican Alliance

Thank you for giving the Archbishop of Burundi the opportunity to give evidence at the International Development Select Committee evidence session yesterday on the Government decision on the future of bilateral aid for Burundi.

This is to provide some clarification following the critical comments made by the Minister about the Anglican Alliance.

The Anglican Alliance started its operations when I started as director on 10 January 2011. We have not, during our six months of operation, applied for DFID funding—as noted by the Minister.

The Anglican Alliance brings together the work of the Anglican family of churches and agencies worldwide—that's in over 163 countries. We have specific mandates to work on development, relief and advocacy, to build capacity, extend best practice and strengthen and co-ordinate the Church's work in these areas. However, the Anglican Alliance is **not** a donor or programme agency. So in development we work with a church or other Anglican organisation in a developing country to support them in putting together a programme that achieves their goals, and then help identify suitable partners if necessary. These could be local partners to help with delivery, or funders which could be either Anglican agencies or other donors. Because we're a global organisation, these could be anywhere in the world, and there are Anglican agencies in a number of countries including the US, Canada and Australia as well as the UK.

So, turning to the situation in Burundi, what was considered was whether it would be possible for the Anglican Church in Burundi to put in an application for funding. We looked at the areas in which the Church has expertise, which include in particular education, and then considered the possible funding sources. What we looked at was the Global Poverty Action Fund, which was the funding stream advised by DFID, which also very helpfully sent over information.

We first considered the Innovation Window. This matched the criteria for the Church in Burundi in many ways. However, it is available only to UK-based NGOs—and the Church in Burundi is not UK based. The organisations with which the Church in Burundi has partnered in the UK are too large to qualify—they have incomes of over £500,000 a year. Within the time frame of the next round of funding bids—given as May 2011, it would be very difficult starting in March 2011 both to build up the relationship that is needed with a new partner to deliver a programme and develop and put in a funding bid.

Then we considered the Impact Window. There were two possible ways forward. The Church in Burundi could work with a UK-based partner. The ones it has worked with very successfully in the past have PPAs, and therefore were explicitly excluded on that basis: **“Organisations receiving PPAs excluded.”** Again to both build up a relationship with a partner and develop a bid by July for a large development programme would have been difficult. Alternatively, the Church in Burundi could put in its own bid as a locally-registered CSO. However, if you look at the criteria, they specifically say **“in countries where DFID has a country office.”** Since the DFID country office in Burundi is closing, we thought that this would exclude a bid from the Church as a CSO in Burundi.

So having initially been very optimistic, we reluctantly came to the conclusion that it would not be possible to access the Global Poverty Action Fund.

I've attached the summary criteria from the information sheet that was sent over by DFID.

At the meeting which the Archbishop and I had at the DFID office in Bujumbura in March, we discussed whether there might be any relaxation or reconsideration of the criteria for the NGO funding. The response was not encouraging. However, some easing of the criteria would at least provide the Church in Burundi with more options, which is why it is included in the paper that the Church and the Alliance jointly submitted. (I would underline that this is not special pleading for the rules to be changed for the Anglican Alliance to apply—the Alliance has no financial interest in this.)

I hope that this deals with the Minister's comments, and the reason why the Anglican Church of Burundi and the Anglican Alliance recommended that the procedures of the Global Poverty Fund should be reviewed so that they are more accessible, especially to in-country civil society organisations.

Perhaps you could let me know whether you are happy for this letter to be copied over to DFID.

The Global Poverty Action Fund (GPAF) is a new fund which was launched on 27 October 2010. The GPAF will be a demand-led fund supporting projects focused on service delivery in support of poverty reduction and the most off-track Millennium Development Goals in poor countries. Projects will be selected on the basis of demonstrable impact on poverty, clarity of outputs and outcomes, and value for money.

CRITERIA

There are two funding windows, the Innovation Window and the Impact Window. The criteria for the two windows are:

GLOBAL POVERTY ACTION FUND

	<i>Innovation Window</i>	<i>Impact Window</i>
Proposed Value (estimated)	10% of GPAF (grants worth £4 million agreed annually)	90% of GPAF (grants worth £36 million agreed annually)
Purpose	Poverty reduction, with innovation encouraged. Can be small scale service delivery, but emphasise learning to allow scaling up	Poverty reduction linked to MDGs. Projects focused on off-track MDGs prioritised.
Risk appetite	Medium–High risk: to encourage potentially higher rewards from ground-breaking work	Low–Medium risk: lower risk for work at greater scale to deliver real benefits for poor people.
Geography (countries where projects can be set up)	DFID focal countries plus the bottom 50 Human Development Index (HDI) countries.	DFID focal countries plus the bottom 50 HDI countries.
Grant size	Up to £250,000. Annual value of grant less than 40% of CSO's annual income. Max 2 grants per CSO	Min. £250,000—max £4 million. Annual value of grant less than 40% of CSO's annual income. Max 3 grants per CSO
Duration	Up to 3 years	Up to 3 years
Matched funding	Not required	At least 25%. Proposals deemed to be technically strong would stand an increased chance of being successful if they demonstrate a level of match funding above the minimum 25%.
Eligibility	“Small” UK-based not for profit organisations, with an average income of less than £500,000 p.a. for the past 3 years.	“Medium” sized UK-based not for profit organisations (but no fixed upper or lower limit). Organisations receiving PPAs excluded. Locally registered CSOs in countries where DFID has a country office.
Funding rounds	Two per year	One per year

Written evidence from the Department for International Development

ABBREVIATIONS

BAR	Bilateral Aid Review
EAC	East African Community
GDP	Gross Domestic Product
GNI	Gross National Income
OBR	Office Burundais de Recettes (Burundi Revenue Authority)
PRSP	Poverty Reduction Strategy Paper
SIDA	Swedish International Development Agency
TMEA	TradeMark East Africa

INTRODUCTION

1. This memorandum addresses the implications of the Department for International Development's (DFID) decision to close its bilateral programme in Burundi in 2012, ahead of the International Development Committee's visit to the Great Lakes region in June 2011. It complements the memoranda on Working Effectively in Fragile and Conflict-Affected States and on Infrastructure, the inquiries into which will also form part of the visit. It focuses on:

- (a) the consequences for poverty reduction and the achievement of the MDGs in Burundi;
- (b) the role of other bilateral and multilateral donors in Burundi;

- (c) the significance of DFID's decision for Burundi's integration into the East African Community; and
- (d) how DFID can disengage responsibly.

COUNTRY CONTEXT

2. A land-locked country the size of Wales, Burundi is the second most densely inhabited in mainland Africa, with a population of eight million people. Since independence from Belgium in 1962, it has experienced long periods of military dictatorship punctuated by ethnic massacres. The first democratic elections in 1993 were followed three months later by the murder of President Melchior Ndadaye, leading to a civil war that killed 300,000 and displaced 800,000, most to Tanzania.

3. The 2000 Arusha Peace Accords set ethnic (60% Hutu) and gender (30% female) quotas for representation in parliament and some Government posts. Successful elections in 2005 brought to power a multi-ethnic coalition led by the CNDD-FDD,¹ which in turn elected a new president, Pierre Nkurunziza. They were followed in 2010 by a second successive set of generally free and fair elections, won by the CNDD-FDD and which returned the President by direct election. Ethnic violence is no longer a serious concern, and the country has seen stability and steady economic growth over the last five years.

4. However, governance remains a concern. There has been little progress (and no prosecutions) in the last five years on investigations into high-profile corruption and human rights cases, although the last month has seen some developments in the inquiries into the assassination of a leading civil society figure in 2008, and suspected extra-judicial killings following the elections last year. Burundi is ranked as one of the five most corrupt countries in the world by Transparency International.

5. South African peacekeepers arrived in 2001 to support implementation of the Arusha Peace Accords, and the last troops left in July 2009. The UN remains engaged through an integrated political and development mission, whose mandate is due for renewal at the end of 2011. Burundi is also on the agenda of the UN's Peace-Building Commission.

DFID PROGRAMME IN BURUNDI

6. The DFID Burundi programme began in 2002, in response to the humanitarian situation created by the civil war. Initially DFID support to Burundi was through humanitarian interventions managed from London, supported by a three person office in Burundi. Over the next two years, the programme expanded to include support for peace-building activities and preparations for the 2005 elections. The current fully devolved office opened in 2005, staffed by seven people.

7. Following elections in the same year and the successful reintegration of most returnees, DFID began to concentrate on supporting the state to provide basic services, in particular health, education and access to justice, as well funding for the 2010 elections. This involved a change in the mix of instruments and partners, with a move away from funding humanitarian projects through Non-Governmental Organisations (NGOs) and United Nations (UN) agencies, towards an emphasis on working with the Government of Burundi, in partnership with other donors and through more programmatic approaches.

DFID GLOBAL POLICY CONTEXT—BILATERAL AID REVIEW

8. The Coalition's Programme for Government commits the UK to an ambitious agenda to address the Millennium Development Goals, honouring the commitment of spending 0.7% of Gross National Income (GNI) on overseas aid from 2013, while encouraging other countries to fulfil their aid commitments.

9. In order to achieve this, the Coalition Government instigated a root and branch review of all British aid around the world, separated into a Bilateral Aid Review (BAR) and a Multilateral Aid Review (MAR). The aim of these reviews was to ensure that:

- aid would be more focused;
- the UK would put more effort into tackling the causes of poverty as well as its symptoms, with a particular focus on unstable states;
- the Government would be more hard-headed about making every penny count;
- aid would be more transparent, with a new UK Aid Transparency Guarantee; and
- DFID would be more practical in terms of the difference the UK wants to make.

10. Through the BAR process, Ministers determined where DFID should retain a bilateral presence; the results to prioritise; and the resources allocated to each country and regional programme in order to deliver those results.

11. Before the start of the BAR, DFID had already signalled its intention to review its bilateral Burundi programme, as the programming framework was originally due to end in March 2011. This review was subsequently incorporated into the BAR process. The outcome of the BAR and MAR processes were announced to Parliament by the Secretary of State for International Development on 1 March 2011. Further

¹ Conseil National pour la Défense de la Démocratie—Forces pour la Défense de la Démocratie

detail on the BAR process and outcomes is available at <http://www.dfid.gov.uk/Media-Room/News-Stories/2011/The-future-of-UK-aid>.

CONSEQUENCES FOR POVERTY REDUCTION AND THE ACHIEVEMENT OF THE MDGs IN BURUNDI

12. This memorandum will set out the development context in Burundi, to explain subsequently what impact the closure of the DFID office will have.

Poverty and MDG context

13. Burundi is one of the poorest countries in the world, with a GNI per capita of \$150. Of countries for which statistics exist, it ranked last in the world for 2008². It is 166th out of 169 in the UN's 2010 Human Development Index. It 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.

14. Burundi is unlikely to meet most Millennium Development Goals (MDGs), in particular the proportion of people living on under \$1.25 per day (currently 81.3%),³ and maternal mortality (1,100/100,000 in 2005).⁴ However, following declarations by the President of free universal primary education and free healthcare for women in childbirth and under-fives in 2005 and 2006 respectively, significant progress has been made on some social indicators: the ratio of girls to boys in primary school has reached 99%, net primary school enrolment rates soared from 59.8% in 2004–05 to 94.1% in 2009/10,⁵ and the number of outpatient consultations for under-fives tripled over the same period. Burundi is likely to reach the MDG for primary school enrolment and may do so for the girl:boy ratio in primary school. These impressive improvements in access have, however, highlighted the challenge of providing consistently high quality services.

15. Recent estimates of economic growth have been encouraging, projecting a rate of 4.5% in 2011 compared with 3.9% in 2010. However, growth over 2004–08 (3.8%) has been well below the EAC (6.7%) and Sub-Saharan African (6.6%)⁶ average, and is not sufficient to substantially reduce the poverty rate. The economy is not sufficiently diversified and is vulnerable to economic, political and climatic shocks. Agriculture is the main sector, contributing around 43% of Gross Domestic Product (GDP) and absorbing over 90% of the workforce.⁷ Dominated by coffee production, this sector is highly vulnerable to global price fluctuations and international demand. The agricultural sector has achieved an average annual growth rate of around 1% between 2005 and 2009, insufficient to reach pre-war food production levels.⁸

16. Recent food and fuel price rises are putting a significant stress on the economy, and will further dampen already sluggish growth. Although inflation remains at around 4.5% (down from a high of 22% in December 2008),⁹ the cost of essential products including petrol, palm oil and some foodstuffs has risen by almost 20–25% in the last six months.

17. Burundi's location at the centre of the Great Lakes and membership of the EAC mean that its prospects for growth and stability are closely linked to the region. Without a coastline and far from regular trade routes, Burundi's GDP has only just regained pre-war 1993 levels, with foreign direct investment averaging less than \$1m per year in the last few years.¹⁰ In order to grow, it needs the tariff-free access to regional markets, improved transport links and reduced trade costs that membership of the EAC provides.

18. Further integration into the EAC is critical to the country's future prospects. Although the share of Burundi's exports that go to the rest of the EAC (Rwanda, Uganda, Tanzania and Kenya) has risen since 2000, it has remained below 15% of total exports in recent years.¹¹ The potential both for an influx of regional investment and an expanded export market is significant. In order for Burundi to tap into this and for its private sector to successfully face the competition that increased trade entails, it will need strong support to improve its business climate, improve governance, secure energy supplies and build links into regional transport networks.

DFID role and impact of closure

19. DFID works primarily in the sectors of health, education, justice and regional economic integration, taking the role of sectoral lead for coordination in the latter two. DFID's forecast outturn for the financial year 2010–11 is £11 million, for which the sectoral split is 29% economic growth, 24% education, 21% health, and 6% governance. Some residual programmes in social protection, water and sanitation and humanitarian work closed during 2010–11. DFID also provided £1.5 million for the 2010 elections, spread over the years 2009–10 and 2010–11. For the financial year 2011–12, DFID Burundi forecasts a spend of £10 million, of which almost

² World Development Indicators 2009

³ idem

⁴ idem

⁵ all from Government of Burundi Education Management Information System

⁶ IMF Regional Economic Outlook 2011

⁷ EIU country report 2008

⁸ World Bank draft Country Economic Memorandum 2010

⁹ IMF statistics

¹⁰ World Development Indicators

¹¹ ITC Trade Map 2010

half will be on economic growth (*for more details, see Annex 4, and programme table in Operational Plan, Annex 5*).

20. The potential consequences of DFID's closure on poverty reduction and the achievement of the MDGs in Burundi can be evaluated in terms of the loss of a) financial resources for development; and b) influence over the effectiveness of the development effort.

- (a) For the calendar year 2010, DFID provided 3.6% of all aid to Burundi. DFID is a small to mid-level donor in an environment dominated by the multilaterals, in particular the European Union Delegation and the World Bank, which together provide over a third of total donor funding. These are maintaining their commitment to Burundi in the following years. The proportional reduction in external aid revenue to the Government of Burundi resulting from the closure of DFID's programme is therefore not significant.

It is further mitigated by a significant increase in domestic resource mobilisation. A cornerstone of the DFID programme until now has been the creation of the Office Burundais de Recettes (OBR). Mandated by the EAC, this has for the first time centralised all revenue collection in Burundi into one institution. DFID has provided significant policy and financial support to the OBR, which has now been functioning for one year. Annual revenue targets for the OBR have increased by £35 million from 2010 to 2011, equivalent to more than three times DFID's annual bilateral budget for Burundi. The OBR expects this positive trajectory to continue and DFID funding for the OBR through TMEA will continue until at least 2015.

- (b) As a contributor to the UN Development Programme (UNDP) managed basket fund for aid coordination and lead donor in the regional integration and justice sectors, DFID has been actively involved in improving the effectiveness and efficiency of aid. While it will no longer play this role following closure of the DFID office, DFID is in discussions with the government and other donors on who will replace DFID's role. Many of the processes governing aid coordination and strategic prioritisation will be completed during 2011, establishing a strong platform for Burundi to begin the transition from a fragile state to a more stable and prosperous future.

In particular, DFID is closely involved in supporting the development of Burundi's Poverty Reduction Strategy Paper (PRSP) for 2011–14, which will set out the strategic choices that the Government of Burundi will make, and which donors will follow. The Peace-Building Framework, which until now ran parallel to the PRSP, will be integrated into the new document, creating one overarching strategy for the country. The Government of Burundi will also produce an Aid Policy in the second half of 2011, clarifying the roles and responsibilities of donors and Government. Following a second set of peaceful elections in 2010, Burundi will now focus on consolidating both its relations with the international community and its internal policies. DFID has contributed strongly to facilitating this.

21. The specific programmatic and policy impact of DFID's withdrawal from the health, education and justice sectors, and mitigating actions that DFID is taking, is discussed in paragraphs 33 and following below.

SIGNIFICANCE OF DFID'S DECISION TO FOCUS ON BURUNDI'S INTEGRATION INTO THE EAST AFRICAN COMMUNITY (EAC)

22. Burundi acceded to the EAC in July 2007, entering the customs union in July 2009, and ratifying the Common Market Protocol in 2010. It established the Ministry of EAC Affairs as a new Ministry in 2009. This was converted into a Ministry to the Presidency following the 2010 elections, increasing the weight of the Ministry within Government.

23. As set out above, integration into the EAC offers the best opportunity for medium-term economic growth for Burundi. Without significant natural resources and far from regular trade routes, the country needs this. But there are risks if integration is not accompanied by significant support to improve the business climate, secure energy supplies and link it with regional transport networks.

24. DFID has created an agency, TradeMark East Africa (TMEA), to support the EAC on economic integration and manage funds from a number of donors. It will focus in particular on reducing transport times and the cost of doing business across the region, with a total framework of around £140 million, covering all five EAC countries and a regional programme. The resulting increase in trade will have a direct impact on economic growth in Burundi, which will in turn enhance its ability to address the MDGs. DFID also expects integration into the EAC to have a strong impact on Burundi's stability. The Parliamentary Under Secretary of State, Stephen O'Brien, discussed this with the President of Burundi, Pierre Nkurunziza when they jointly launched TMEA in Nairobi in February 2011.

25. TMEA established an office in Bujumbura in 2010, and manages all DFID's support for Burundi in this area. This includes the creation and ongoing support to Burundi's new Revenue Authority, the OBR. TMEA Burundi's total programme until 2015 is worth £22 million, of which DFID Burundi has so far contributed £6.5 million, to be spent by the end of March 2012. Belgium has also contributed €11 million.

26. DFID also supports all TMEA offices in the EAC region through managing and contributing to a multi-donor fund, and through policy support from the Africa Regional Adviser based in Nairobi. This will continue to support Burundi following the closure of the bilateral office, and this pooled fund will provide the remainder

of TMEA Burundi's budget until 2015. DFID Nairobi and Kigali will also provide policy support and oversight for Burundi TMEA work.

27. A central part of the reasoning behind the creation of TMEA was that this would become a vehicle to attract funding from a number of donors, and facilitate coherent policy support behind a joint programme. It has been very successful in this, both regionally, through the participation of Denmark, the Netherlands and the UK; and in Burundi, with the specific country-focused contributions of Belgium and UK. DFID is in active discussions with other donors who have expressed interest in joining and also the Ministry of EAC Affairs to identify and ensure an effective transition to a new donor lead in regional integration next year.

28. Having provided targeted financial and political support to the crucial early stages of Burundi's integration into the EAC, and considering the ongoing work both of TMEA in Burundi and regionally, it is therefore considered that support to regional integration is well-established and will not suffer from DFID's change to a regional model for Burundi financing.

ROLE OF OTHER BILATERAL AND MULTILATERAL DONORS IN BURUNDI

29. Burundi relies heavily on donor funding—over 50% of the 2010 budget was externally financed—although the creation of the OBR has been an important step in building accountability with the population and reducing dependency on the international community. The country is well-funded compared to the region (£42.30 of ODA per capita against an average of £33 for the Great Lakes—see Annex 2). The donor community in Burundi is relatively small, and dominated by the EU (both Delegation and Member States), comprising 42% of declared aid to Burundi in 2010.

30. By far the largest donors are the World Bank and the European Union Delegation, with £66 million and £69 million respective spends for 2010. These organisations have objectives closely aligned to DFID's. The institutions through which each largely operates in Burundi—the International Development Association (IDA) and the European Development Fund (EDF)—were assessed as providing good value for money by DFID's recent Multilateral Aid Review, with a likelihood to improve in the future. Almost 15% of EDF funding and 14% of IDA funding is attributable to the UK. This equates to around £27 million for each institution over their current funding cycle (2008–13 and 2009–12 respectively). The African Development Bank (AfDB) has also committed around £51 million for the 2008–11. DFID is engaging with the EU and WB to ensure that they retain their focus on, and priorities in, Burundi.

31. The largest bilateral donors are Belgium (which administered Burundi on behalf of the United Nations until 1962) and the United States. A group of mid-size donors includes DFID, the Netherlands, Japan and Germany. Although the larger donors work in most sectors, there is a successful division of labour among the others, with for example, Germany specialising in water and sanitation, the Netherlands in security sector reform and UK in regional integration.

32. The choice of aid instruments in Burundi is varied. A number of donors provide budget support, including the EU, World Bank, Norway and AfDB. In the past, DFID has considered the fiduciary risk to be too large to provide budget support bilaterally. A number of sectoral funding arrangements exist, including a new EU sector-wide programme in health and a common fund between France, Belgium and the UK in education.

HOW DFID CAN DISENGAGE RESPONSIBLY

Relationship with Government

33. The Director for East and Central Africa visited Burundi in November 2010 to discuss the closure of the bilateral DFID programme with the Government. In discussions with the Minister of Foreign Affairs, Second Vice President and Minister to the President for East African Community (EAC) Affairs, she explained DFID's intention to focus exclusively on Burundi's integration into the EAC, the establishment of the TradeMark East Africa office in Burundi, and the intention to subsequently close the DFID office and bilateral programme.

34. DFID has subsequently had an ongoing dialogue with the Government of Burundi and the international community, to ensure a smooth and responsible exit. The DFID Parliamentary Under-Secretary of State wrote to the two Vice Presidents following the announcement in November. He subsequently discussed the major role that the EAC would play in Burundi's future, and DFID's continuing support for this, with the President of Burundi at the launch of the TMEA programme in Nairobi in February 2011. The President is a strong advocate for the importance of EAC integration for Burundi. He and the Government of Burundi support DFID's continued emphasis on integration into the EAC, and agree that this is both an urgent priority and an area of DFID comparative advantage.

35. In order to achieve this successfully, DFID's Operational Plan for 2011–12 (*attached at annex 5*) is focused on ensuring an effective transition from a full country office, providing policy and programming inputs that will address immediate needs at what is a critical time for the country, as well as creating an enduring impact beyond the closure of the office. Well-targeted support backed up by policy dialogue will enable the Government of Burundi to respond to public expectations and address some of the factors that risk pulling Burundi back into instability.

36. The plan is built around four pillars, all areas of current work: education, health, access to justice and wealth creation. All interventions will come to an end by March 2012, with the emphasis on ensuring the responsible handover of ongoing programmes to other donors, and the dissemination of results and lessons learned from pilot programmes in order to inform the work of other donors, while increasing the focus on helping Burundi take full advantage of its integration into the EAC.

Programmes

37. For some years, the DFID programme has focused heavily on partnerships with other donors, as DFID has considered this to be one of the most effective ways to work as a smaller donor in a difficult operating environment. Around three quarters of the bilateral programme in 2011–12 will be delivered through joint funding with other donors. The programme has also invested strongly in building Government capacity to deliver basic services (including access to justice), in line with DFID's fragile states principles on state-building. This approach has prepared the ground for a responsible exit, as sustainability has been built into most of DFID's programme.

Health

38. The health sector is host to a large number of donors, and dominated by a major reform to introduce Performance Based Financing as the basis for Burundi's health system, driven by the World Bank. DFID has focused on the niche area of improving drug distribution systems. This has included providing emergency drugs to refill the stock at the central pharmacy, building its capacity to acquire drugs at a competitive price on the regional and international markets, providing technical assistance to help design a more effective distribution system and improving the management of medicines in health centres. This work has already produced impressive results—the proportion of health centres suffering from lack of stock has reduced from 55% to 42% in just one year from 2010 to 2011. DFID has agreed with the European Union that this work will be included in the design of its new sector-wide support programme, which will begin in 2012.

Education

39. DFID's support has focused on three areas—a sector-wide basket fund, jointly funded with France, Belgium and Luxembourg; support to buy textbooks and teacher training manuals; and a programme to help reintegrate returnees from Tanzania into Burundi's education system with the NGO Refugee Education Trust.

40. The basket fund has been operating since 2008, and DFID is providing £4 million of a total of £16 million. Partners and the Government of Burundi have worked intensively over the last year to address problems of slow disbursement. A new manual of procedures is in place, and by 2012, the fund will have supported the construction of 288 schoolrooms 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. The other major partners remain committed to the fund, which will continue beyond the closure of the DFID bilateral programme. It is expected that with its improved efficiency, there will be less need for ad hoc interventions of the kind that DFID has provided in the past.

41. DFID Burundi's work with the Refugee Education Trust will come to an end when the DFID bilateral programme closes. By this time, the vast majority of school-age returnees to Burundi will have been successfully integrated into the Burundian education system.

Governance

42. DFID is the lead donor in justice, and runs a joint programme with the Swedish International Development Agency (SIDA), whereby DFID manages SIDA funding in a silent partnership arrangement. The two agencies have previously contributed to a joint programme with Belgium to improve the supply side of access to justice through strengthening functions of the Ministry. DFID is currently in partnership with the EU Delegation to improve service delivery in local courts. The EU will continue with this programme following the end of DFID/SIDA funding in March 2012. DFID Burundi is in discussions with donor partners and the Ministry of Justice to identify a successor to DFID as lead donor. SIDA has decided to withdraw funding from Burundi from 2013, and SIDA programmes with NGOs to address the demand side of access to justice that are managed by DFID, will close by March 2012.

43. All DFID programmes have been reshaped to focus on drawing lessons from pilot work carried out over recent years and producing sound evidence-based analysis and policy recommendations to inform the development of national frameworks for legal aid and juvenile justice. Although DFID/SIDA-funded, the work is driven by strong local policy dialogue and partnerships with other donors (UN, Belgium, EC), which will ensure sustainability.

Annex 1

DFID BILATERAL BUDGETS FOR GREAT LAKES

All figures in million pounds sterling (£m)

Country/region	BAR total	Indicative allocations ¹					Budget ² FY2010/11	Disbursed ³ FY2009/10	Disbursed ⁴ FY2008/09
		FY2014/15	FY2013/14	FY2012/13	FY2011/12	FY2010/11			
Burundi	10	0	0	0	10	12	12.9	9.1	
DR Congo	790	258	220	165	147	133	109.0	93.4	
Kenya	510	150	150	110	100	86	64.0	102.0	
Rwanda	330	90	85	80	75	70	52.8	70.1	
Tanzania	643	168	165	160	150	150	142.0	132.4	
Uganda	390	90	95	105	100	90	67.3	70.6	
<i>Great Lakes average</i>	<i>446</i>	<i>126</i>	<i>119</i>	<i>103</i>	<i>97</i>	<i>90</i>	<i>74.7</i>	<i>79.6</i>	

¹ Bilateral Aid Review (BAR) technical report March 2011—all budgets for future years are subject to performance and sensitive to political and economic circumstances.

² Idem

³ Statistics in Development 2010

⁴ Idem

NB This does not include regional funding. Africa Regional Department will support the East African Community throughout the BAR period, including funding for the Burundi TradeMark East Africa programme.

Annex 2

OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO GREAT LAKES AND SELECTED COUNTRIES¹

	2005			2006			2007			2008			2009		
	Total ODA	DFID ODA	Million £ ²	Total ODA	DFID ODA	Million £ ²	Total ODA	DFID ODA	Million £ ²	Total ODA	DFID ODA	Million £ ²	Total ODA	DFID ODA	Million £ ²
Burundi	200.0	8.1		233.8	14.6		237.4	7.7		274.7	7.7		351.1	7.7	
Congo, Dem. Rep.	1,034.0	165.4		1,192.5	42.1		677.5	69.9		955.4	104.2		1,505.5	104.2	
Kenya	413.5	25.2		511.7	46.8		660.6	53.8		736.2	49.4		1,137.3	49.4	
Rwanda	317.1	45.0		319.7	51.8		360.7	47.4		504.1	54.0		597.7	54.0	
Tanzania	823.7	121.1		998.0	118.8		1,408.4	115.2		1,259.1	137.3		1,876.9	137.3	
Uganda	655.1	30.6		843.3	116.4		867.6	83.0		886.6	35.5		1,142.4	35.5	
<i>Great Lakes average</i>	573.9	65.9		683.2	65.1		702.0	62.8		769.3	64.7		1,101.8	64.7	
Ethiopia	1,059.3	41.5		1,074.9	89.3		1,287.6	145.4		1,797.7	137.0		2,443.5	137.0	
Nigeria	3,522.3	1,209.6		6,202.7	1,729.1		977.1	142.8		697.0	25.5		1,061.3	25.5	
Pakistan	883.0	34.7		1,161.4	110.3		1,120.8	98.8		831.6	140.6		1,778.7	140.6	

ODA PER CAPITA³

	2005			2006			2007			2008			2009		
	Total ODA	DFID ODA	Million £	Total ODA	DFID ODA	Million £	Total ODA	DFID ODA	Million £	Total ODA	DFID ODA	Million £	Total ODA	DFID ODA	Million £
Burundi	27.0	1.1		30.8	1.9		30.4	1.0		34.3	1.0		42.3	1.0	
Congo, Dem. Rep.	17.5	2.8		19.6	0.7		10.8	1.1		14.9	1.6		22.8	1.6	
Kenya	11.5	0.7		13.9	1.3		17.5	1.4		19.0	1.3		28.6	1.3	
Rwanda	35.2	5.0		34.7	5.6		38.0	5.0		52.0	5.6		59.8	5.6	
Tanzania	21.1	3.1		24.9	3.0		34.2	2.8		29.6	3.2		43.0	3.2	
Uganda	22.8	1.1		28.4	3.9		28.4	2.7		28.0	1.1		34.9	1.1	
<i>Great Lakes average</i>	19.2	2.2		22.3	2.1		22.2	2.0		23.7	2.0		33.0	2.0	
Ethiopia	14.2	0.6		14.0	1.2		16.4	1.8		22.3	1.7		29.5	1.7	
Nigeria	25.0	8.6		43.0	12.0		6.6	1.0		4.6	0.2		6.9	0.2	
Pakistan	5.7	0.2		7.3	0.7		6.9	0.6		5.0	0.8		10.5	0.8	

¹ OECD-DAC international aid statistics database, calendar year. It is not possible to provide forecasts of ODA and ODA per capita figures for future years.

² Original figures in US dollars. Exchange rate annual calendar year average.

³ Population data from World Bank Development Indicators

Annex 3

DONOR FUNDING TO BURUNDI (OVER £1 MILLION) FOR CALENDAR YEAR 2010

<i>Donor</i>	<i>2010 spend (£m)</i>
African Development Bank (AfDB)	22.3
Belgium	26.5
EU Delegation	69.1
FIDA	4.9
France	6.5
GAVI Alliance	2.0
Germany	20.7
Global Fund for AIDS, TB and Malaria (GFATM)	14.5
Japan	20.1
Netherlands	20.7
Norway	4.3
Switzerland	3.0
UK	13.7
UN	49.6
US	29.5
World Bank	66.4
TOTAL	374

Annex 4

SECTORAL SPLIT ACROSS DFID BURUNDI PROGRAMME IN LAST EIGHT YEARS

	<i>Education</i>	<i>Health</i>	<i>Social Protection</i>	<i>Water and Sanitation</i>	<i>Governance</i>	<i>Economic Growth</i>	<i>Humanitarian</i>	<i>Total</i>
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
201011	2.6	2.3	1.0	0.4	1.0	3.2	0.4	11.0
(forecast)								
2011-12	3.0	1.8	0	0	0.8	4.0	0	9.6
(forecast)								
Total	11.8	17.4	6.9	1.2	8.9	7.2	18.0	71.4

May 2011

Further written evidence from DFID

HEALTH

The health sector is host to many donors. DFID has therefore focused on the niche area of improving drug distribution systems. This has included providing emergency drugs to refill the central pharmacy's stock, building its capacity to acquire drugs at a competitive price on the regional and international markets, providing technical assistance to help design a more effective distribution system and improving the management of medicines in health centres.

- Support for the central medical store and drugs distribution system will be taken over by the EU through a four-year €25 million health sector support programme, which will begin in 2012.
- The World Bank is developing a \$10 million project to harmonise drugs regulation and build the capacity of regulatory authorities in the EAC. This will provide continued support for drugs regulation in Burundi. Several partners are involved in this, including WHO, NEPAD and the Gates Foundation. DFID has provided policy inputs and advice to this at HQ level. It is expected to run for a minimum of three years.

EDUCATION

Most of DFID support is channelled through a sector-wide basket fund, jointly funded with France, Belgium and Luxembourg. The basket fund has been operating since 2008, and DFID is providing £4 million of a total of £16 million. All donor funding committed in 2008 is coming to an end in December 2011. DFID also supports Refugee Education Trust to help provinces with many returnees to cope with the extra demand.

- Belgium has already approved a new commitment of €22.8 million until 2013 and expressed their intention to continue using the basket fund;
- France will be programming their next commitment in September 2012. Education is their main sector of focus.
- Burundi is planning to apply to the Education Fast Track Initiative (FTI) in Spring 2012 to raise extra funds for its Education Sector Strategy 2011–15. Work is underway to cost needs. FTI funding will likely be channelled through the basket fund. DFID is a large global contributor to the FTI, providing £300 million until now.
- DFID's funding to RET is being reviewed with a possible extension until March 2012. We expect most returnees to have been successfully reintegrated by then.

GOVERNANCE

DFID runs a £7.7 million five-year joint programme with the Swedish International Development Agency (SIDA), focusing on Justice and Accountability. DFID contributes £3.2 million of this, which is due to come to an end in March 2012. Previous projects funded since the beginning of the programme have included institutional support to the Ministry of Justice. For current projects:

In *Justice*, DFID and SIDA support local justice delivery through an EU-managed project (£0.8 million each from DFID and SIDA). DFID also manages SIDA funding for a juvenile justice project through the NGO "Terre des Hommes"; and Legal Aid through the NGO "Avocats Sans Frontieres".

- The EU-managed Local Justice Delivery project will continue with EU funding until end December 2012. The EU has not yet designed its support beyond this period but is likely to remain engaged. The UK will continue to support Burundi through core funding for the EU's European Development Fund after office closure (around 15%).
- Belgium is scoping a new four-year €4 million institutional support programme, which will include a workstrand on juvenile justice. This will take over from the support we currently manage through Terre des Hommes.
- Legal aid is an area of strong donor interest (28% of all donor funding to Justice in 2011). By March 2012, the DFID/SIDA project will inform the development of an institutional and legal framework for Legal Aid and of a Judicial Assistance Fund as foreseen in the Ministry of Justice 2011–15 Policy. This will make it easier for Burundi to keep attracting funding while ensuring Legal Aid is targeted at those who need it most.

DFID is also the "lead donor" in the Justice sector. This means that DFID co-chairs with the Ministry of Justice a "Sector Group", which brings together representatives of Government, Civil Society and Development Partners to discuss policy issues. The lead donor also represents partners in dealings with the Ministry. The lead donor role rotates, and was due to change in 2012 even if DFID had stayed. Who will take over will be decided in the autumn.

In *Accountability*, DFID supported the NGO PANOS to increase the media's ability to hold Government to account. Funding for this finished in March 2011. DFID has actively engaged with other development partners in developing a much larger programme which will continue the bulk of training and broadcast work, and extend into new areas such as media regulation and access to finance for media outlets. This is being finalised, with France, Germany, the EU and Belgium all likely contributors. DFID also funds a pilot project to increase

the accountability of schools to students and teachers. When DFID funding comes to a scheduled end in March 2012, it will have set up a framework which the Government of Burundi will use to continue the initiative.

REGIONAL INTEGRATION

DFID's focus from 2012 will exclusively be on supporting Burundi's integration into the East African Community through TradeMark East Africa. TMEA Burundi has a programme rising to £30 million, running until 2015 that is supported by the UK and Belgium in-country, as well as through a regional Trust Fund to which the UK, Denmark and the Netherlands contributes. This Trust Fund will continue to support the TMEA Burundi programme until 2015. DFID will also provide policy support for TMEA Burundi from Nairobi and Kigali.

DFID is currently the "lead donor" in the regional integration sector, coordinating with other donors and the Ministry of EAC Affairs. The leadership of the sector rotates, and the group will be deciding on the next lead donor in the autumn.

July 2011

Further written evidence from DFID

1. DFID removed £1.9 million from the education basket fund in 2010, as it was not able to disburse in time before the scheduled end of the DFID contribution, which was December 2010. We extended the DFID programme until March 2012, and revised the figure to £4 million, as this was what could realistically be spent.

2. The SIDA-funded *Avocats Sans Frontieres* legal aid programme is closing, in accordance with its intended timescale. Transition arrangements are set out in the note.

3. Yes, *Benevolencija* and PANOS are two different projects. *Benevolencija* was part of the elections programme (visit brief pp 14, 30), focusing on training over 60 journalists from eight national radio stations to provide a higher quality coverage of the elections. This is not included in the note as all the elections work has already been completed. The PANOS project is part of the DFID/SIDA governance programme, focusing on increasing Government accountability through the media. This came to its scheduled end March 2011.

4. The DFID/SIDA joint governance programme includes a number of different projects, some of which have already been completed. As set out in the note, the overall programme runs for five years (2007–12) and is worth £7.7 million, of which £3.2 million came from DFID. The visit brief (p15) mentions one of the outcomes of this programme, which was to promote access to justice for vulnerable groups, for which £2.4 million was attributed. A number of projects contribute to this outcome, including *Terre des Hommes*, *Avocats Sans Frontieres* and the partnership with the EU. The transition arrangements for all three (along with the one other remaining operational project under this programme, for school governance) are referred to in the note.

5. Also part of the DFID/SIDA governance programme, the project with Belgium was due to run until March 2012, but was closed early, as an independent review showed that it was underperforming and not judged to be good value for money. The Coalition Government closed £100 million worth of underperforming, low value for money programmes globally in 2010, of which this was one. Subsequent to the closure, DFID/SIDA entered into cooperation with the EU for local justice delivery—you have the details of this project in the background brief.

12 July 2011

Further written evidence from DFID

Thank you for the useful discussion at the Committee evidence session on Tuesday. I am writing to follow up as promised.

During the discussion, a question arose about which documents the Committee had requested prior to the hearing. As I explained, the Committee asked DFID for the Burundi Bilateral Aid Review (BAR) "offer", and this was sent by DFID on my instruction, within three days of the request on Monday 27 June. These were the documents that the Committee Clerk retrieved during the session from a file and handed to one of the Committee members. We have sought all along to be as helpful and responsive as possible to the Committee's requests for information and documentation, and I hope you will agree that this was no exception.

I subsequently clarified that the overall BAR process was in two parts. In the first stage, decisions were made on DFID's global footprint, and only then were BAR results "offers" submitted, including for Burundi for the final two years of the programme. Once this was clear to the Committee, it transpired that you wanted to see the material submitted to Ministers in the first part of the process, including the options for the future of the DFID programme.

Under the Freedom of Information Act, Section 36, I should not release advice given in confidence by officials to Ministers. But in keeping with my offer to you at Tuesday's session, I am attaching the submission

that officials prepared on 29 June on options for the Burundi programme, though with some sections and names redacted in order to conform to the principles of not disclosing “advice to Ministers”.

You will know from the evidence we submitted, our discussions and a number of PQ responses that we carefully considered three options for the Burundi programme (significant scale up, moderate expansion and closure). There were several factors that led us to the decision to end the direct bilateral programme and therefore to close the Burundi office. Most importantly, we judged that the UK’s best contribution would be to focus our effort on supporting Burundi to achieve regional integration through the TMEA programme. Elements of this, such as the Burundi Revenue Authority are already highly successful. There were a number of other factors too. The UK direct bilateral contribution is a relatively small share of Burundi’s aid overall, and we will continue to contribute through our regional programmes and through our support to multilaterals. We have also had to make choices: spreading ourselves too thinly over too many countries would reduce our impact on poverty.

REDACTED OPTIONS FOR THE BURUNDI PROGRAMME

BURUNDI: BILATERAL AID REVIEW

Why does DFID operate in Burundi?

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.

The DFID programme began in Burundi in 2002 with the opening of a small (3 person) country office. Initially focused on responding to humanitarian needs, the programme expanded to include support for peace-building activities and preparations for elections in 2005. Following the elections, development support was added to supplement political engagement on the peacebuilding and consolidation process. DFID also engages strongly in dialogue with development partners, as well as providing continuity in political dialogue, as the UK Ambassador to Burundi is based in Kigali.

Burundi’s political settlement has been fractious, but has held to date. The next year will be critical, with elections presenting an opportunity to embed peace and development. A return to instability would have a knock-on effect on Burundi’s neighbours, including Rwanda and DRC where the UK has made significant investments in supporting development. Improvements in the provision of basic services and economic growth are essential, the latter only possible through regional integration: Burundi is the weakest link (and only non-Commonwealth member) in the East African Community, yet the Community is its only hope for growth.

Before the start of the Bilateral Aid Review DFID had already signalled its intention to review the Burundi programme, following a visit by the new Director for East and Central Africa in November 2009. She concluded that the programme as it stands is structurally inefficient with a small spend (£10 million pa rising to £12 million in 2011), overly wide scope and a staff-to-spend ratio (seven staff manage the £10 million programme) which does not reflect economies of scale. The programme therefore currently has no binding commitments beyond March 2012 and could bring current activities to an orderly close by then if Ministers decide we should exit.

What is the level of development need?

Despite the difficult post-conflict environment, Burundi has made steady, though uneven, progress on stabilising the economy and reinforcing public financial management. Early peace dividends were free primary education in August 2005 and free health care for childbirth and the under-5s in May 2006. A threeyear Priority Action Programme to implement the Poverty Reduction Strategy Paper (PRSP) in May 2007 focused on improving the living conditions of the most disadvantaged, strengthening security, stimulating economic growth, developing the human capital to deliver basic services and fighting HIV/AIDS.

Burundi is likely to remain fragile for some time. [...] Delivery of social services is weak due to lack of funding and low capacity. A lack of international investment, poor conditions for business and crumbling infrastructure have kept 95% of the workforce in low-yielding subsistence agriculture. However, land scarcity (exacerbated by the return of 500,000 refugees) is making agricultural livelihoods increasingly unsustainable. [...]

Maternal mortality is higher (1,100 deaths per 100,000) than the African average (900/100,000). Post-partum haemorrhages are the main cause (25%), followed by infections (15%), and complications from abortion (10%). Since the introduction of free health care in 2006, the rate of births with skilled assistants has increased from 22% in 2005 to 64% in 2009. But this has not resulted in significant reduction in maternal mortality because the fecundity rate remains high (6.2) due to low contraceptive use (19%). Real gains could be made if **family planning** and contraceptive use are increased through promoting increased availability and behaviour change.

Malaria is the first cause of mortality in Burundi and is responsible for 47% of reported deaths of under-five children (2008). DFID funded 850,000 bednets in 2008–09, contributing to a rise in under-fives sleeping under ITNs from 27% in 2008 to 44% in 2009. A Global Fund grant of \$60.5 million will cover mass distribution and behaviour change campaigns to promote the use of nets in the coming five years, but more effort is needed to cover routine distribution. Limited stocks of essential drugs (including antimalarials) contribute to the low proportion (22.5%) of children treated with adequate antimalarials within 24 hours of symptoms appearing.

Education: Much progress has been achieved in providing access to primary education since the return to peace. Since free primary education in 2005 enrolment shot up from 59.8% to 89.7% in 2009. But with not enough classrooms, teachers and learning materials to meet this increased demand, learning conditions remain very poor and the quality of education has suffered. Grade repetition is amongst the highest in Africa (35%), and primary school completion rate is only 45%. Those who manage to complete primary school have nowhere to go afterwards, with transition rates to lower secondary set to decrease in coming year (from 50% to 32%) because Government simply cannot afford to offer secondary education to more children. This has serious long-term consequences on Burundi's growth potential. More classrooms are needed, particularly at secondary level, more and better learning materials, more teachers and better teacher training, at a cost of £150m over 5 years.

BURUNDI: DEVELOPMENT INDICATORS

<i>Indicator</i>	
Life expectancy at birth total (years)	49
GNI per capita	\$136
Population	(millions) 8.0
Maternal mortality	(per 100,000 live births) 1,100
Child mortality rate	(under 5 per 1,000) 168
Net primary enrolment rate	% 89.7
Adult literacy rate % (age 15 and above)	59%
GDP Growth rate (annual %)2009	3.8%
People living on less than \$1.25 per day %	81.3
People living with HIV and AIDS	240,000 (3%)
MDGs Off- track	7/8
MDGs On-track	1 (Net primary enrolment rate)
Ranking on UN Human Development Index (2008)	172nd out of 179 countries

What has DFID achieved?

DFID's key achievements in Burundi include:

DFID has funded over 120 classrooms, with another 500 due to be completed by early 2011, and one million textbooks. This will allow all 1st grade children and all primary school teachers to start the school year with their own set of textbooks in core subjects for the first time.

The decision in 2005 to provide free health care for pregnant women and under fives overwhelmed the health service. DFID provided essential drugs and helped improve distribution systems. As a result, clinics nationwide have had enough drugs to deliver an increase of 80% in outpatient consultations and triple the number for under fives. DFID has paid for 850,000 bednets, increasing the proportion of pregnant women sleeping under one from 25% to 40%.

As lead donor, DFID has successfully pushed for Ministry of Health to reallocate over \$3 million of its 2010 budget towards frontline priorities.

Through *Avocats sans frontières*, DFID provides legal aid to vulnerable citizens (victims of sexual abuse or torture, those illegally detained and people dealing with land conflicts). Over 8,000 have benefited from legal orientation or direct help of a lawyer since 2007.

Shape of the current DFID programme in Burundi

The current DFID programme (2009–11) focuses on health, education, governance and regional economic integration. DFID supports Government policies to provide free primary education and free healthcare to pregnant mothers and children under five. Support for governance (with delegated funds from SIDA) focuses on improving the justice sector, working with both civil society and Government. DFID is lead donor on integrating Burundi into the East African Community, including establishing a Revenue Authority. The Burundi programme contributes to several key manifesto commitments, including those on malaria, maternal mortality/population, and security and conflict.

Details of DFID's current project portfolio in Burundi are as follows:

CURRENT DFID PORTFOLIO IN BURUNDI AT JUNE 2010

<i>Project</i>	<i>Start date</i>	<i>end date</i>	<i>amount</i>
Assistance to orphans & vulnerable children in Burundi	01/07/2007	31/12/2009 (extended)	5,150,000.00
Improved delivery Education—Burundi	01/03/2008	01/12/2010	6,000,000.00
Bridging Support for Essential Medicines	01/10/2009	31/03/2012	4,500,000.00
ODI Fellows placement in Ministries	01/05/2003	30/09/2011	740,090.00
DFID/SIDA Governance programme	01/08/2006	01/02/2013 (earlier closure negotiable)	3,000,000.00
Grants-returning refugees Burundi (UNHCR)	01/10/2007	01/09/2009 (extended)	2,350,000.00
IMF PFM Adviser for Ministry of Finance	01/04/2008	30/06/2010	185,000.00
Contribution to GTZ for water and sanitation support programme	01/01/2009	20/09/2010	820,000.00
Contribution to 2010 ICRC appeal	04/04/2010	31/12/2010	500,000.00
Secondary School Access for Returning Refugees	01/01/2008	31/03/2011	2,921,394.00

The donor landscape in Burundi

Burundi is highly aid-dependent (50.2% of government budget is externally financed), but is a relative donor orphan in comparison to its neighbours and to the needs of a post-conflict fragile state, although aid flows have increased steadily over the past five years. DFID represents a mid-level donor in a small playing field (EU, World Bank, African Development Bank, Belgium, US, Netherlands, Germany, France, Norway). But we have strategic impact through acting as lead donor in some sectors, and focusing on joint initiatives including the Common Education Fund (Belgium, France), and a joint governance programme with Sweden. Belgium is the only bilateral donor with significant political influence with the Government, although USAID is scaling up its commitment and will create a full country office by 2012. The top 10 donors to Burundi in 2009 are:

Donor)

<i>Donor</i>	<i>Budget(\$ million)</i>
European Union	124
Belgium	50
USA	41
Germany	27
Norway	22
UK	19
Global Fund	13
IMF	9
France	8

Our current comparative advantages are: in-country presence; strong results focus and ability to deliver results; flexibility regarding aid modalities and instruments; catalytic convening and coordination skills; staff expertise in health, education and governance; strong position/leverage as EU Member State; the significant DFID regional integration assistance for Burundi through TradeMark East Africa (a new £10m programme); and good insights and synergy with FCO on political issues.

Aid is fragmented, with donors using a number of different instruments. The World Bank and EC are the major Budget Support donors, committing around \$25 million and \$30 million respectively per year in long-term support. The Dutch and Norwegians have provided ad hoc payments through the Bank since 2007. France and Belgium provide smaller BS tranches bilaterally, and all donors also use project approaches through NGOs and UN agencies. The methods of delivery can result in poor co-ordination. Bilateral aid in health, for example, is channelled through implementing partners, often international NGOs, with projects often being area-based. This results in significant inequalities between provinces. These projects also have high transaction costs, putting a heavy burden on an already over-stretched and under-resourced administration.

[...]

11 July 2011

Further written evidence from DFID

INDICATIVE DFID SPEND THROUGH TMEA AND MULTILATERALS IN BURUNDI FOR CALENDAR YEAR 2010 (£ STERLING)

<i>Calendar year</i>	<i>WB</i> ¹	<i>EU</i> ²	<i>PBF</i> ³	<i>Total WB, EU and PBF</i>
2010	9.3	10.4	0.8	20.5

¹ The World Bank declared \$106.3 million spend to the Burundian Government's Aid Coordination Secretariat for Calendar Year 2010. DFID attribution for IDA 15 is 14%.

² The European Commission declared \$110.5 million spend to the Burundian Government's Aid Coordination Secretariat for Calendar Year 2010. DFID attribution for the European Development Fund (EDF) is 15%, although NB some spend may come from other instruments, with a different UK attribution.

³ The UN-managed Peace-Building Fund committed to \$34 million of projects to Burundi 2007–10. DFID has provided 15.8% of PBF global commitments. Assumption for purposes of calculation is of an even spend over the four years.

<i>Calendar year</i>	<i>DFID Burundi bilateral spend on TMEA</i> ⁴	<i>Africa Regional Department spend on OBR</i> ⁵
2010	2.5	1

⁴ DFID Burundi spend in FY 10/11 was £10.9 million. £2.5 million of this was provided to TMEA Burundi, in November 2010.

⁵ During 2010, Africa Regional Department also provided around £1 million in direct funding (although the exact amount is yet to be confirmed) to support the Office Burundais de Recettes (OBR) in Burundi before the TMEA Burundi office was created in November 2010. From November 2010, TMEA assumed sole responsibility for the OBR programme.

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 footnotes. 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 £49.6 million to Burundi in 2010. The UK's imputed share through multilaterals will therefore be higher than the £20.5 million above.

FUTURE DFID FUNDING TO BURUNDI

Once the DFID office closes, DFID support for Burundi will largely be channelled through the regional pooled fund for TMEA and UK attribution of World Bank and EU funding, as well as attributions to UN and other programming. For TMEA Burundi, DFID is providing £4 million of bilateral funding in 2011–12, in addition to the £3.5 million in the table above. Once the £7.5 million DFID and £10 million Belgian bilateral funding has been spent, TMEA Burundi will have a financing gap of £12.5 million, which will be drawn from the regional pooled fund. DFID's current share of the fund is 68%, leading to an imputed contribution of £8.5 million until 2015. However, this share will change as DFID and other donors contribute more to the fund in future years. DFID also has attribution for the two largest multilateral programmes in Burundi—almost 15% of EU funding for 2008–13, or £27 million; and around 14% of the World Bank's 2009–12 envelope, equivalent to a further £27 million. It is not possible to estimate future UN attributions, though these will include a UK share of funding to the integrated mission, Peace-Building Fund replenishments and UN agency programmes.

4 September 2011

Written evidence from Save the Children UK

INTRODUCTION

1. Save the Children is the world's leading independent children's rights organisation. We're outraged that millions of children are still denied proper healthcare, food, education and protection and we're determined to change that.

2. This submission draws heavily on Save the Children's responses to the Multilateral and Bilateral Aid Reviews. Save the Children welcomed the systematic and detailed aid reviews conducted by the Department for International Development (DFID). In particular we support the department's focus on results and the wish to back better performing multilateral agencies. We believe that these reviews will make DFID a more efficient agency, which is more accountable to people in poverty and the UK taxpayer.

3. Streamlining and refocusing DFID's aid programme may, however, jeopardise a number of small, heavily aid dependent countries. Burundi is a case in point. To ensure that vital services are not curtailed and the

poorest do not suffer from the withdrawal of UK Aid, a carefully designed exit strategy is required. This submission details the essential criteria which Save the Children believe should be visible in this strategy.

4. Key points:

- Burundi is an acutely poor country, with a number of human development challenges. It has one of the most undernourished populations in the world.
- It is still reeling from the effects of a long civil war, as well as recent political violence, so peace and stability are fragile.
- Given the political and development context, Burundi is highly aid dependent. The UK is one of the top five major donors. In 2007 it gave the third largest contribution after the US and Netherlands.
- DFID expenditure is invested in a number of essential services. It particularly supports the health sector (and has a strong focus on maternal, newborn and child health) and protection initiatives.
- DFID is also supporting Burundi's integration into the East African Community, by supporting development of the Trademark East Africa Burundi Office.
- To ensure that many of these important development achievements are not compromised DFID's withdrawal must involve:
 - negotiations with other bilateral donors, who are willing to fill the aid deficit, and increase their remit to focus on important issues on which DFID has been a leader (eg protection); and
 - Dialogue with the Government of Burundi to investigate the expansion of public sector revenue collection, for the purposes of funding key social services.

THE SOCIAL AND ECONOMIC CONTEXT IN BURUNDI

5. Burundi is exceptionally poor and suffers many development challenges. GDP per capita is measured at \$403.¹² But over 81.3% of the population live below \$1.25 a day, highlighting profound income inequality.¹³

6. Burundi is in the bottom quintile of the Human Development Index, with an HDI value of 0.28. Maternal, newborn and child mortality rates are high; 168 under-fives die per 1,000 live births¹⁴ and there are 1,100 maternal deaths per 100,000 births.¹⁵ The prevalence of undernourishment in the total population of Burundi is 63%, one of the highest rates in the world.¹⁶

7. Six years on from a decade-long civil war, Burundi continues to experience resurgences of violence, for example in the wake of the 2010 elections. A surge of politicised banditry attacks, and what appears to be a subsequent governmental clampdown on civil liberties, reveal how fragile peace and stability remain in the country.

8. Burundi is heavily aid dependent; civil war, corruption, poor access to education, and the effects of HIV/AIDS have resulted in a very low gross domestic product. As a result overseas aid accounts for a large percentage ratio to gross national income—49.5% in 2007.

THE ROLE OF BILATERAL DONORS

9. Based on 2006–07 average net ODA levels, the biggest bilateral donors to Burundi were the United States, Belgium, UK and the Netherlands. During this period bilateral aid accounted for on average 48.5% of total ODA to Burundi, amounting to \$226 million.¹⁷

10. The US and Belgium have consistently been the largest bilateral donors in Burundi in recent years, providing 16.4% and 14.2% of net Bilateral ODA between 2006–07 respectively. However, the UK has been close behind as the third largest bilateral contributor, with 9.7% of bilateral aid in 2006–07.

11. The majority of DFID funding to Burundi has been invested in essential services such as healthcare and schools. In Burundi 34% of DFID's 2009–10 bilateral aid was invested in health, and of that 37% was spent on improving maternal and neonatal health services. These funds are essential for Burundi's progress towards Millennium Development Goals 4 and 5.

12. DFID funding has been directed towards the development of health systems through technical assistance.¹⁸ In 2009 DFID also undertook a project to support a two month national polio vaccination campaign.¹⁹

¹² HDRO calculations

¹³ As of 2008. See World Bank (2010)

¹⁴ UNDESA (2009)

¹⁵ UNICEF (2010), *"The State of the World's Children 2010"*, New York: UNICEF

¹⁶ Food and Agricultural Organization (2010)

¹⁷ Based on data from the OECD and World Bank

¹⁸ DFID, <http://projects.dfid.gov.uk/project.aspx?Project=200217>,

¹⁹ DFID, <http://projects.dfid.gov.uk/project.aspx?Project=201314>

13. Education, protection and justice are other sectors in which DFID has been active. Crucially, DFID have provided assistance to orphans and vulnerable children, giving over £6 million throughout a five year period.²⁰ From 2009 to 2011 DFID also committed funds to improve secondary school conditions and teachers for returning refugee children²¹ as well as support for developing national strategies for primary education.²²

THE IMPLICATIONS OF DFID'S WITHDRAWAL

(a) *Social Development*

14. DFID currently has 13 operational projects in Burundi, both bilateral and multilateral in nature. These projects cover aspects of health, education, protection and justice.

15. Health: DFID's disengagement particularly threatens progress on maternal, neonatal and child health as Burundi will lose circa £4 million in annual health funding, approximately a third of which is directly invested in these areas.²³ These funds are essential for Burundi's progress towards Millennium Development Goals 4 and 5.

16. Protection: Over the past three years DFID has done much to raise the profile of child protection issues, for example through their orphans and vulnerable children (OVC) programme and focusing on education of returnee refugee children. Given Burundi's limited capacity within the justice sector and institutional challenges post-conflict, there are at present limited mechanisms for child protection infringements to be reported and monitored. Other bilateral donors are unlikely to place such a strong emphasis on this specific angle of social development; USAID has not highlighted protection as a priority intervention area, favouring health and governance, likewise Belgium's Indicative Programme of Cooperation prioritises health, education and agriculture.

17. Annual Planning: Save the Children applaud the way in which DFID has managed the disbursement of UKAid to Burundi. It has been regularly and consistently disbursed over the last five years, in accordance with aid effectiveness principles. By contrast a number of the other donors providing ODA to Burundi have provided more erratic aid. For example, the US has steadily given significant amounts of ODA to Burundi; however, the amount of aid has varied greatly from year-to-year since 2005. In 2005 US aid to Burundi was at \$59.44 million; this saw a dramatic decline to \$26.43 million in 2007. US aid to Burundi has increased again in 2008 and 2009 to around \$39 million, but it has not committed the levels it did previously. Erratic aid disbursements can have a negative effect on national level planning and budgeting processes. In the health sector, for example, irregular disbursements can prevent national governments from committing to fund recurrent costs, such as the training of health professionals.

(b) *Economic growth*

18. GLOBAL: In January 2011 the UN Security Council issued a statement naming Burundi as a key post-conflict country, where institution-building in the area of justice is critical to build a stable future for the country.²⁴ Declines in UK Aid, particularly funds allocated to the justice sector, may hamper development of this critical area of institution-building, and the broader pursuit of good governance.

19. Poor quality, non-transparent institutions not only compromise national governance but are a major deterrent to foreign direct investment²⁵ and "effectively" delivered aid (that which is aligned to country priorities and uses country systems). Both foreign direct investment (FDI) and nationally-aligned "effective aid" are vitally for Burundi's long term economic development.

20. EAST AFRICAN COMMUNITY (EAC): On 2 March Stephen O'Brien MP answered a written question from John Mann MP stating that: "From the financial year 2012-13, DFID will focus exclusively on supporting Burundi's integration into the EAC, which the UK assesses to be the greatest single contributing factor to economic growth in Burundi over the medium term."²⁶

21. Burundi's integration into the EAC is vitally important for their long term economic growth and financial stability and we applaud DFID's decision to support this integration by funding the Trade Mark East Africa (TMEA) office in Burundi. This will help the Government of Burundi implement changes required by regional integration; support the creation of an independent and effective Revenue Authority; improve transport and trade; and building the capacity of civil society and the private sector to adapt to regional integration.

²⁰ DFID, <http://projects.dfid.gov.uk/project.aspx?Project=102861>

²¹ DFID, <http://projects.dfid.gov.uk/project.aspx?Project=201741>

²² DFID, <http://projects.dfid.gov.uk/project.aspx?Project=114021>

²³ Based on total bilateral programme as of 2009-10. See DFID (2010) Statistics on International Development. <http://www.dfid.gov.uk/Documents/publications1/sid2010/SID-2010.pdf>

²⁴ <http://www.un.org/News/Press/docs/2011/sc10160.doc.htm>

²⁵ See, for example, Bénassy-Quéré, A, M Coupet and T Mayer (2005). Institutional Determinants of Foreign Direct Investment, CEPII, <http://cpac.sysu.edu.cn/UploadFiles/20071214102653981.pdf>

²⁶ <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110302/text/110302w0001.htm>

22. We have some concerns, however, about the sustainability of this approach given that UK Aid will only last until the end of 2012. The TMEA is a new initiative, notably created by DFID, which will require ongoing financial support if it is to implement the far reaching and dramatic institutional reform that is envisaged.

SAVE THE CHILDREN'S RECOMMENDATIONS FOR A RESPONSIBLE UK DEPARTURE

Explore Domestic Resource Mobilization Options

23. Mobilisation of national revenue might be one means by which to compensate for the UK Aid deficit, but Burundi is still reeling from the impacts of the economic crisis which considerably affected exports and growth. For instance, in late 2008, a slowdown in coffee sales was observed, but more importantly, so was a 12% drop in prices.

24. In addition, any expansion of domestic revenue collection is hampered by Burundi's high dependency ratio; there are three persons not in the labour force for every two who are of working age, ie a ratio of 150%. It is generally accepted that a high dependency ratio negatively influences savings levels. Combined with low incomes, this situation significantly hampers the development of private savings.²⁷

25. But there are a number of constructive ways through which DFID could use its final aid endowments, in partnership with the national government, to develop and **expand public sector revenue generation** by:

- consolidating the effectiveness of the fiscal and customs administration,
- expanding the tax base,
- countering corruption,
- simplifying the legislation, and
- and improving relations between taxpayers and the fiscal administration.²⁸

26. In addition DFID could work with the Burundian government to find **alternative sources of domestic revenue generation**, for example an innovative tax on air plane tickets (as proposed by the Innovative Financing Taskforce);²⁹ and to encourage private sector investment and partnerships.

Negotiate a Handover with other Bilateral Donors

27. As highlighted above the USA, Netherlands and Belgium are all considerable donors to Burundi. The USA and Belgium in particular may therefore be willing to capitalise on their existing position by expanding their programme and taking over DFID's current engagements.

28. The Secretary of State for International Development, Andrew Mitchell, answered a written question submitted by Harriet Harman MP on 22 March 2011 stating that: "Discussions about the closure of the bilateral programme were held with the Government of Burundi and other partners in November 2010. Earlier discussions about the likelihood and implications of closure were held with the two major bilateral donors in Burundi-the United States Agency for International Development (USAID) and the Belgian embassy-in June 2010."³⁰ We encourage DFID to continue to negotiate with other bilateral donors, specifically the USA, Belgium and the Netherlands, to ensure that essential services, particularly in the areas of health, education and protection, are not exposed to a funding gap.

29. It is vitally important that DFID secures a commitment from other donors that they will continue to provide both financial and technical support for health systems strengthening, a commonly neglected area of investment; and ensures that other bilateral donors will keep up DFID's good work on protection and development of the justice sector.

30. DFID could play an important role in ensuring continued support (both financial and technical) for the development of Burundi's Trademark East Africa office, by negotiating a partnership with another bilateral donor or regional EAC office. As DFID will continue to support the TEA offices of other East African countries, we would encourage it to maintain a level of technical engagement and support to the Burundi office, even after 2012.

31. It will be important that DFID maintains efforts to secure a commitment from other bilateral donors, that it will honour aid effectiveness principles and in doing so will provide its aid in a timely, sustained and monitorable manner.

32. Given the fragile post-conflict context, DFID could assist by undertaking a detailed analysis, in partnership with other bilateral donors, to ensure that the withdrawal of aid does not fuel tensions between rival factions or social groupings. Other donors should commit to deliver their aid equitably, to all social

²⁷ For more information on domestic resource mobilisation in Burundi see A Girukwigomba (2010). Domestic Resource Mobilization in Sub-Saharan Africa: The Case of Burundi, Ottawa: The North-South Institute.

²⁸ A Girukwigomba (2010). Domestic Resource Mobilization in Sub-Saharan Africa: The Case of Burundi, Ottawa: The North-South Institute.

²⁹ <http://www.internationalhealthpartnership.net/en/taskforce>

³⁰ <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110322/text/110322w0009.htm#11032324000041>

groups, to ensure that the areas from which DFID withdraws funding are covered by the extension of other bilateral donor programmes.

May 2011

Written evidence from the Burundi Government

COOPERATION BETWEEN BURUNDI AND THE UNITED KINGDOM

I. INTRODUCTION

With the beginning of the crisis in 1993, the International Community has reduced or frozen its economic support to Burundi. The United Kingdom which did not have historical links with Burundi shifted its assistance to humanitarian needs. The United Kingdom saw the return to peace and resolving the socio-political crisis as a sine qua non to resumption of the assistance to development.

The changing environment conducive to the return to peace and security, which led to the signing of the cease fire global agreement in 2003, convinced the United Kingdom to open in Bujumbura the office of its agency for cooperation (DFID) during the same year.

The sectors of choice of the United Kingdom intervention are mainly:

- Humanitarian;
- Social protection;
- Education,
- Health care;
- Justice and good Governance;
- Support to peace process;
- Support to economic development;
- Water and sanitation sector.

II. HISTORY OF DFID SUPPORT

The United Kingdom has always participated in donors' round tables for Burundi which were organised since 2000. During the crisis period, the British support was regularly oriented toward the assistance and emergency relief especially in the health domain. It should also be noted that several British NGOs have operated and are still operating in the humanitarian aid sector. These are among others **Christian Aid, Oxfam Great Britain, Save the Children, Tear Fund** etc.

At the Geneva conference in December 2001, the Head of the British delegation has confirmed his Government's disposal to play an ever increasing role in supporting development in Burundi. Therefore, with the opening of the DFID office in Bujumbura in 2003, the United Kingdom has implemented the programs of cooperation with Burundi for a total amount of 17.6 million USD and the areas of intervention focus on the "aid and humanitarian relief", the peace process involving the financing of the "African Mission", which is then passed under the terms of the United Nations Missions. In terms of support for development administration, the UK has participated in the establishment of the trust fund for the repayment of the multilateral debt of Burundi for an amount estimated at 1.5 million £.

During the Bruxelles round table in 2004, the UK has made promises to Burundi which were estimated at 60 million USD. Given the difficulties of raising funds which characterized the transition period, this amount had almost not been mobilised and disbursed until the holding of the round table in May 2007 during which the UK has not done but renew its commitment made in 2004 in Bruxelles. So, since that time, DFID implements an annual program whose cost is estimated at **10 million pound sterling per year** in sectors such as:

<i>Sector</i>	<i>Project cost (in pound sterling)</i>
Humanitarian	3,141,661
Social protection	6,550,000
Education	11,273,000
Healthcare	9,412,500
Justice and good Governance	2,263,149
Support to electoral process and other channels	1,800,000
Technical support/ Economy	697,336
Water	820,000
Total	35,957,646

Since 2010, with the confirmation of the transition from humanitarian to development, the emergency aid has disappeared in favour of the coordination sectors across the common fund created for this purpose (£500,000 until the end of 2011).

Thus the British cooperation has obviously supported the governmental policy of the free of charge maternity and health care of under five children, as well as the policy of education for all. That British Support has improved the Burundi's performances in achieving the involved Millennium Development Goals.

The contribution of the British technical and financial support to the process of peace building was greatly appreciated so much that the voice of the United Kingdom was very tuned in relation to the commitment and quality of messages of the successive DFID representatives in the consultations that took place.

III. CURRENT PERSPECTIVES

The examination of the British bilateral aid has led to the conclusion that from 2010, the British aid through DFID will exclusively be located in the framework of integration of Burundi within the East African Community, creating favourable conditions for the emergence of a private sector. DFID has created an organisation called "Trade Mark East Africa (TMEA)" which has just opened an office in Bujumbura to implement that program. The small office of DFID of Bujumbura will be closed and the DFID support will be supplied from Kigali and at the regional level from Nairobi.

Thanks to its presence in the country, DFID significantly contributed to the quality of efforts of the international community to support the transition period of Burundi and of the post-conflict recovery, for instance by playing the important role in talks around the peace building (PBC), the renewal of the UN mission mandate and the promotion of human rights and the setting up of the transitional justice mechanism.

IV. THE POSITION OF THE GOVERNMENT OF BURUNDI AGAINST THE WITHDRAW OF DFID

With the Arusha peace agreement, Burundi has just succeeded two electoral processes (2005 and 2010) and important progresses in terms of peace and stabilisation have been registered. **The crucial concern for the Government of Burundi is to meet the challenge of taking sustainably and equitably the country in a phase of economic and social development.**

That objective is very ambitious for Burundi, which is among the ten poorest countries of the world with the highest malnutrition rates, a human development index ranking Burundi 169th out of 169 and well below the average for sub-Saharan Africa.

The Government expresses its commitment to improve outcomes in the sense of achieving the Millennium Development Goals as expressed through the Strategic Framework for Fight against Poverty (CSLP). Encouraging results have been achieved in the health and education sectors. However, much remains to be done to sustainably consolidate the gains and it's unlikely that Burundi will maintain the same rate of success without the significant and continuous commitment of its technical and financial partners.

To save the results, DFID has greatly contributed. This is not the time to withdraw and leave without completing the projects started. Even though the withdrawal would be made on behalf of the division of labour, Burundi is as a special case characterized by the presence of few donors, and therefore with few external resources against the immensity of needs. The withdraw of a partner results in a reduction of resources and in an increasing of orphan sectors since there are no other actors that will fill the gap which would be brought about by the withdraw of the UK through DFID.

As a result, for instance the withdrawal of DFID to the common fund of education could challenge the Government's ability to honour its commitment to ensure the free of charge primary education for all.

Currently, the Government moves towards the final phase of developing the CSLP II which will covers the period 2011–15. This context should be an opportunity for DFID to align its support to national priorities for reducing poverty in the context of a more visible impact of its cooperation.

With the exception of Burundi, the DFID intervention will continue in all the EAC member states, including the DRC and South-Sudan which are the potential member states of that regional group. So the decision to cut aid to Burundi may weaken the stabilisation process of the entire region since it could affect the balance of the cross-border elements that are the basis of a regional dynamic that can affect directly or indirectly all the countries of the region that have yet strategic interest for bilateral cooperation with DFID.

Furthermore, if the British cooperation actually wants to promote the economic growth in the EAC, it would be fairer to avoid half measures and support fairly the countries of the region even though the geostrategic interests should be taken into account. Burundi, which will be one left behind by the British bilateral cooperation, would have deficits to integrate effectively in that regional group.

Thus Burundi which now reveals itself as the jersey low in this community should draw the attention of the British bilateral cooperation if ever the successful integration of the EAC member states is in its priorities. The differential treatment by partners in the region could undermine all the efforts to economic development by creating the exclusion zones.

The efforts that the UK has made alongside the other actors of the international community in a bid to stabilise the country should not be abandoned while significant results were to hatch of this long process especially that the ingredients for the fragility are still present. The rising of the unemployment of the youth and other social categories make them vulnerable to intoxication and banditry and destabilise the country. Maintaining the DFID bilateral cooperation helps to consolidate and strengthen the Burundi's transition from the post-conflict economy to the economic development growth.

In addition, Burundi is a country dependent on aid today, but which shows the will to improve its efficiency to increase the impact on beneficiary populations. So it requires a little patience for the Burundi's economy generate the necessary resources to finance investments. The British bilateral cooperation should supply a structural support instead of abruptly withdrawing.

Burundi is also facing the challenge of fight against corruption and to promote good governance, transparency and to improve the business climate. **The DFID support in the setting up of the Burundi Revenue Authority (OBR) is very meaningful.** Without a medium and long term support, these efforts of the British cooperation are likely to waver and the expected results will suffer.

V. CONCLUSION

- In order to gain the diplomatic influence in Burundi and coordinate effectively with other actors, the UK must maintain a bilateral aid relationship and a presence in Burundi;
- The UK should protect its investment in the Great lakes region by maintaining a bilateral program in Burundi;
- DFID must continue supporting the efforts of development, the reconstruction and the peace building in Burundi to ensure a coherent regional approach;
- DFID and other donors should capitalise on the opportunities for development of the civil society and freedom of expression offered by Burundi, that could be used to spread like wildfire in the region;
- The UK must now show solidarity with the Burundian people who deeply aspire to peace.

June 2011

Further written evidence from DFID

RESPONSE TO IDC QUERY ON DFID SPENDING THROUGH MULTILATERALS AND TMEA IN AFRICA

SUMMARY

- (a) This document contains DFID's response to two requests for information by the IDC:
1. The imputed amounts given by DFID through multilateral donors and TMEA to Burundi, DRC, Kenya, Rwanda, Tanzania, Uganda for the period 2011–15; and
 2. TMEA's annual budget for 2010 and for the next five years.
- (b) For question 1, please see the answer provided in section 1. Please note:
- (i) The original response covering Burundi only was submitted to the IDC at short notice on 7 September 2011. It was indicated at the time that it is not possible to estimate with any accuracy multilateral contributions for future years, because these have not yet been finalised. DFID has therefore provided multilateral spend figures for 2010 only; for TMEA, DFID has provided 2010 figures plus 2011–15 projections.
 - (ii) DFID will continue its funding to multilateral organisations such as the World Bank, EU and UN to finance programmes in Burundi in future years. In line with their current strategies, these multilaterals are committed to continuing work in Burundi. Other bilateral donors are clearly committing to continue or increase their support to Burundi; for example, Belgium has recently committed €23 million for the education sector, reflecting a substantial scale-up in ambition. This will fill any gaps left by the closure of the UK's bilateral programme. Discussions are ongoing in-country between donors and the Government of Burundi.
 - (iii) As also indicated in the original response, figures provided for multilaterals were based on unpublished figures which had been declared by the multilateral donors to the Government of Burundi. The response at section 1 covers all countries and draws upon published figures; figures for Burundi have therefore been updated.
- (c) The answer to question 2 is provided in section 2. Note that actual, rather than budgeted expenditure for 2010 is provided.
- (d) For details of methodology, and a list of acronyms, see Annex 1.

1. *Imputed amounts given by DFID through multilateral donors and TMEA to Burundi, DRC, Kenya, Rwanda, Tanzania, Uganda for the period 2011–15*³¹

Country	WB	EU	PBF	Subtotal—WB,		TMEAs	Totals by country
				EU & PBF			
Burundi	7.88	12.46	0.27	20.61	3.50 ³²		24.11
DRC	41.66	34.76	11.45	87.87	0.00		87.87
Kenya	53.43	9.78	0.10	63.31	1.50		64.81
Rwanda	21.17	10.10	0.00	31.27	0.00		31.27
Tanzania	84.04	3.79	0.00	87.83	3.00		90.83
Uganda	39.84	1.89	1.35	43.08	2.30		45.38
Totals by organisation	248.02	72.78	13.17	333.97	10.30		344.27

All figures are in million £ sterling and show DFID attribution.

(a) Indicative DFID spend through multilaterals and TMEA by country, 2010³³

(b) Indicative DFID spend through TMEA by country, 2011–15

Country	Estimated total spend, 2011–15		
	Committed DFID funds	Additional BAR allocation	Total projected DFID contribution
Burundi ³⁴	4.00	10.00	14.00
DRC	0.00	0.00	0.00
Kenya	2.25	35.00	37.25
Rwanda	8.00	7.00	15.00
Tanzania	13.60	9.00	22.60
Uganda	5.20	18.00	23.20
Totals	33.05	79.00	112.05

2. *TMEA's annual budget for 2010 and for the next five years*

All figures provided are in million £ sterling.

(a) TMEA's annual budget for 2010

Actual, rather than budgeted, expenditure has been reported by TMEA, so is included below.

TMEA—2010 actual expenditure	5.17
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(b) TMEA's annual budget, 2011–15

Budgeted spend, 2011	19.40
Projected annual spend, 2012–15 ³⁵	43.60
Total projected spend, 2011–15 ³⁶	193.79

³¹ Refer to Summary point (b) i) above.

³² This includes approx. £1 million (exact amount is yet to be confirmed) provided by Africa Regional Department in direct funding to support the Office Burundais de Recettes (OBR) in Burundi before the TMEA Burundi office was created in November 2010. From November 2010, TMEA assumed sole responsibility for the OBR programme.

³³ Data for the WB and EU was reported as Financial Year 2010, while figures for PBF and TMEA may be Financial or Calendar Year 2010.

³⁴ Funds secured from DFID and Belgium for Burundi are sufficient up to mid-2013, by which time the pending funding streams from DFID and Denmark are expected to have been approved and available for the TMEA Burundi programme.

³⁵ Figures for 2012–15 are constant and hence presented separately.

³⁶ Only approx. 50% of the total budget for 2011–15 has been secured so far. However, this funding gap is expected to be closed once a number of pending funding streams (DFID, Belgium, USAID, Denmark) have been approved.

TMEA'S ANNUAL BUDGET FOR BURUNDI, 2011–15

All figures are in million £ sterling.

<i>Year</i>	<i>TMEA budget, Burundi</i>
2011	2.25
2012	5.64
2013	5.64
2014	5.64
2015	5.64
TOTAL	24.81

Notes

1. Future year forecasts for TMEA are **highly indicative**, as budgets are only approved on a yearly basis.
2. These figures were provided by TMEA to DFID's Africa Regional Department.
3. Amounts were converted from \$ USD into £ sterling using the Bank of England 2010 average exchange rate, £1 = \$1.546.

Annex 1

METHODOLOGY AND LIST OF ACRONYMS

(a) METHODOLOGY

(i) Figures for multilaterals have been extracted from individual institutions' official reports (referenced below). The multilaterals included in this analysis are the World Bank plus known relevant arms of the European Union and United Nations. Note that the available data may not be exhaustive regarding all funding channels.

(ii) Data for the World Bank is drawn from "Projects Approved for IBRD and IDA Assistance by Region and Country, Fiscal 2010".³⁷ Figures are approved amounts for concessionary loans through IDA Assistance in Fiscal Year 2010; the dispersed amounts have not yet been published. DFID's contribution to IDA 15 is 14%.

(iii) Data on EU funding was drawn from p.183–184 of the "European Commission Development Aid Annual Report 2011 on the European Union's development and external assistance policies and their implementation in 2010".³⁸ Figures include European Development Fund (EDF), Budget EuropeAid and Budget non EuropeAid funds for financial year 2010. DFID's share is based on its approx. 15% contribution to the EU budget overall (14.82% for the EDF). Note that other EU bodies provide additional funding to this country, eg concessionary loans via the European Investment Bank.

(iv) Note that estimates of UN spending are limited to the UN Peace-Building Fund (PBF), as it is not yet possible to estimate UK share of wider UN spending. DFID spending via UN channels will therefore be higher than in this document. Figures for the PBF were drawn from the "Multi-Partner Trust Fund Office Gateway" website, located.³⁹ DFID has provided 15.8% of PBF's global commitments overall since 2007; while DFID did not transfer funds to PBF in 2010, the funding pool does not appear to be strictly segregated by year and therefore attribution to DFID is in relation to its contribution to TMEA.

(v) Figures for TMEA were obtained from TMEA by DFID's Africa Regional Department. Figures for 2010 show exact DFID spend per country. The calculation for DFID attribution of regional spend is too complicated to provide in the time available, but this will increase overall spend per country. Projections for DFID contributions to TMEA for 2011–15 are based on committed funds plus additional amounts which have been allocated through the BAR process. TMEA's overall budget forecasts for 2011–15 are highly indicative, as budgets are only approved on a yearly basis.

(vi) Figures reported in other currencies were converted to £ sterling using the Bank of England 2010 average exchange rate, £1 = \$1.546 / €1.1664.

³⁷ <http://web.worldbank.org/WBSITE/EXTERNAL/EXTABOUTUS/EXTANNREP/EXTANNREP2010/0,,contentMDK:22626599~menuPK:7115719~pagePK:64168445~piPK:64168309~theSitePK:7074179,00.html>

³⁸ http://ec.europa.eu/europeaid/multimedia/publications/publications/annual-reports/2011_en.htm

³⁹ <http://mdtf.undp.org/factsheet/fund/PB000>

(b) LIST OF ACRONYMS

BAR	Bilateral Aid Review
EATiP	European Aquaculture Technology and Innovation Platform
EDF	European Development Fund
EU	European Union
IBRD	International Bank for Reconstruction and Development (World Bank / middle-income countries)
IDA	International Development Association (World Bank / poorest countries)
IDC	International Development Committee
OBR	Office Burundais de Recettes
PBF	Peace-Building Fund (United Nations)
TMEA	Trade Mark East Africa
UN	United Nations
WB	World Bank

12 October 2011

Further written evidence from DFID

BURUNDIAN REFUGEES IN TANZANIA—UPDATE OCTOBER 2011

As the evidence states, to date over 500,000 refugees have returned successfully to Burundi since 2002 (490,000 from Tanzania, the others from DRC and Rwanda who had much smaller numbers of refugees overall).

As of end August 2011, there were still over 67,000 Burundian refugees in Tanzania. Just 261 have come back since the beginning of the year. As part of an agreement between Burundi and Tanzania, the refugees that have been in Tanzania the longest (those who fled the 1972 ethnic massacres and their families) were offered a choice to come back or to settle in Tanzania. There has however not been a similar agreement for the refugees who fled the 1993 massacres, and many of those left do not want to come back (UNHCR supports voluntary returns).

The vast majority of refugees who have not yet come back are reluctant to do so. Shortages of land and security fears are the key reasons. 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. Their outcome will determine the next phase of the return process.

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. (ie Tanzania has not yet communicated this officially to the local authorities). The remaining 29,000 refugees are scattered in the province of Kigoma (south of Burundi).

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