

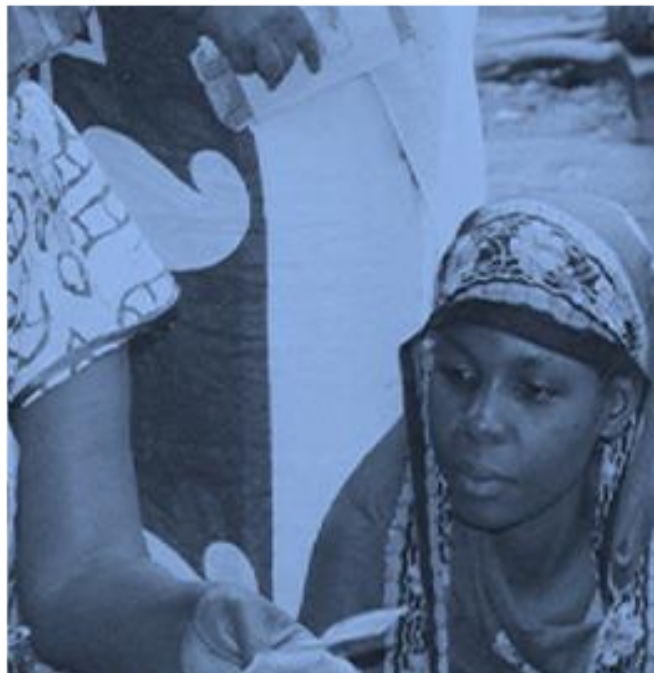


Triodos  Facet

Country Report Burundi

IOB POLICY REVIEW, PRIVATE SECTOR DEVELOPMENT 2005-2011

Country studies



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Photo: Rural operations of a Burundian microfinance organisation, Triodos Facet 2009

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Abbreviations

ADISCO	: Association pour le Développement Intégral et la Solidarité dans les Collines
AEB	: Association des Employeurs du Burundi
AFAB	: Association des Femmes Entrepreneurs du Burundi
AFMIN	: African Microfinance Network
BBIN	: Burundi Business Incubator
BiD	: Business in Development Network
BNDE	: Banque Nationale pour le Développement Economique
BRB	: Banque de la République du Burundi (central bank)
CAPAD	: Confédération des Associations des Producteurs Agricoles pour le Développement
CASA	: Conflict Affected States in Africa Initiative (IFC)
CATALIST	: Catalyze Accelerated Agricultural Intensification for Social and Environmental Stability
CECM	: Caisse d'Épargne et de Crédit Mutuel
CFCIB	: Chambre Fédérale de Commerce et d'Industrie du Burundi
CNCA	: Comité National de Coordination des Aides
CNTA	: Centre National des Technologies Alimentaires
COOPEC	: Coopérative d'épargne et de crédit
COSPEC	: Coopérative Solidarité avec les Paysans pour l'Épargne et le Crédit de Cibitoke
CSLP	: Cadre stratégique de Croissance et de Lutte contre la Pauvreté
CTB	: Coopération Technique Belge
DAF	: Directie Sub Sahara Afrika
DB	: Doing Business
DCED	: Donor Committee for Enterprise Development
DDE	: Directie Duurzame Economische Ontwikkeling
DECP	: Dutch Employers Cooperation Program
DPAE	: Direction Provinciale de l'Agriculture et de l'Élevage
€	: Euro
EAC	: East African Community
EFV	: Eenheid Fragiliteit en Vredesopbouw
FAO	: Organisation des Nations Unies pour l'alimentation et l'agriculture
FENACOBU	: Fédération nationale des coopératives d'épargne et de crédit du Burundi
FIDA	: Fonds International de Développement Agricole
FMCR	: Fonds de Micro Crédit Rural
FOPABU	: Forum des Paysans Burundais
FORCE	: Fonds pour la relance, conseils et échanges en microfinance
GSDSP	: Groupe Sectoriel pour le Développement du Secteur Privé
IFAD	: International Fund for Agricultural Development
IFC	: International Finance Corporation
IFDC	: International Fertilizer Development Center
IMF	: Institution de Microfinance
KIT	: Koninklijk Instituut voor de Tropen (Royal Tropical Institute)
LRP	: Land Rights Project

MINAGRIE	: Ministère de l’Agriculture et de l’Élevage
MFPDE	: Ministère de Finance et de la Planification du Développement Economique
MFS	: MedeFinancierings Stelsel
NABC	: Netherlands African Business Council
OBR	: Office Burundais des Recettes
ONG	: Organisation(s) non gouvernementale(s)
OP	: Organisation(s) paysanne(s)
OPA	: Organisation professionnelle agricole / Organisation des Producteurs Agricoles
PAIOSA	: Programme d’Appui Institutionnel et Opérationnel au Secteur Agricole
PAIR	: Programme pour la promotion de l’agro-industrie et des entreprises rurales
PAIVA-B	: Projet d’appui à l’intensification et à la valorisation agricoles
PAM	: Programme Alimentaire Mondial
PIB	: Produit Intérieur Brut
PNSA	: Programme National de Sécurité Alimentaire
PNUD	: Programme des Nations Unies pour le Développement
PRDMR	: Programme de relance et de développement du monde rural
PRODEFI	: Projet de Développement des Filières
PRODEMA	: Projet de Développement des Marchés Agricoles
RIM	: Réseau des Institutions de Microfinance
SAN	: Stratégie Agricole Nationale
UCODE-MF	: Union de coopération pour le développement – volet microfinance
USD	: United States Dollar
WISE	: Women’s Initiatives for Self Empowerment
ZOA	: NGO “Vluchtelingen zorg”

1 Introduction

This country report covers the Netherlands Ministry of Foreign Affairs' Private Sector Development programmes and expenditures in Burundi in the period 2005-2011. The report is part of a series of four country studies covering Bangladesh, Vietnam, Burundi and Ethiopia. Triodos Facet was contracted to implement these country studies by the Ministry of Foreign Affairs' policy evaluation department IOB (Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie, in Dutch) through competitive tendering. The country studies are part of the Policy Review on Private Sector Development, which was implemented by IOB.

The findings of the four country studies are analysed in the *Country Studies Synthesis Report*. A more elaborate background of the research and a detailed description of the research methodology are presented in the synthesis report, including the approach chosen for the four country studies.

1.1 Evaluation objectives and research questions

The overall aim of the country study is to analyse how the Dutch PSD policy was conceived and applied in Burundi between 2005 and 2011: what was the underlying rationale that has led to the PSD program, how did actors engage with each other, in what way was demand-drivenness assured, and what can be said about the effects of the PSD interventions. The table below presents the overall research questions and the items in green and italic highlight the issues that are investigated in this country study.

#	Main questions	Sub-questions
1	What is the Dutch PSD policy, what are its objectives, instruments and expenditures?	1.1 What is the Dutch PSD policy, what was its rationale? 1.2 What instruments are used, and which problems do these instruments seek to solve?
2	Is the PSD policy <i>applied</i> in the way the PSD Policy is intended?	2.1 Are the instruments in line with the Policy? 2.2 <i>How is Dutch PSD Policy applied in country X?</i>
3	<i>Is there a link between the PSD instruments used, is there synergy?</i>	3.1 <i>What kind of relationship exists between the PSD instruments in country X?</i> 3.2 <i>Is there synergy between the PSD instruments in country X?</i>
4	Are the instruments and PSD programs driven by demand of the actors in the countries?	4.2 What are the methods used to determine demand drivenness and how is compliance assured by Dutch PSD instruments? 4.3 To what extent has the PSD approach and the programs and projects undertaken been driven by demand of actors in country X? How is demand-drivenness assured in specific country circumstances?
5	What is known about the <i>effects</i> (outcomes and impacts) of the PSD Policy in the four researched countries?	5.1 <i>Which evaluations are available that describe effects (outcome, and/or impacts) at enterprise level?</i> 5.2 <i>What other sources are available that describe effects at enterprise level?</i> 5.3 <i>What is known about effects beyond enterprise level (sector and systemic level) in evaluations, and other sources?</i>

1.2 Structure of the report

The structure of this Burundi country report is as follows. In chapter 2, background is provided to contextualize the Dutch efforts for PSD in the country. To this end, the country's relevant macroeconomic indicators as well as the PSD policies of the Burundi government are described. In addition, the chapter provides a list of the binding constraints affecting private sector development.

Chapter 3 highlights the coming into being of the Dutch approach for PSD development. This approach is described taking into consideration the views and role of a series of stakeholders in the development of this approach. Relevant stakeholders in this regard include the office of the Royal Netherlands Embassy in Bujumbura, Dutch government agencies responsible for the Central instruments, the directorates DAF and DDE and the Burundi public and private sector.

Chapter 4 details the objectives and results of the PSD projects which have been undertaken in Burundi in the period 2005 – 2011. To the extent possible the results reported in this chapter are based on previous project evaluations and are further illustrated with findings from the country visit. Throughout the chapter, the reported effects are evaluated against developments in the private sector at large as witnessed by changes or improvements in the so-called binding constraints earlier identified in chapter 2.

Chapter 5 provides an assessment of the demand drivenness, the relationship between the interventions and the synergy of the Dutch PSD policy and the programs in Burundi.

Chapter 6 summarizes the country study and highlights its main conclusions.

The report covers the period 2005-2011 and includes some brief references to activities carried out in 2012.

2 Private sector development in Burundi

In this chapter an overview is provided of the state of private sector development in Burundi. The overview includes a brief outline of economic development in the country in the period 2005-2011 (section 2.1), the most important government policies to foster private sector development (section 2.2), as well as a listing of the challenges or constraints affecting private sector development (section 2.3). In all, the background provided in this chapter serves to contextualize the efforts and results of the Dutch PSD programme and policy in Burundi.

2.1 Economic development in Burundi

Burundi is one of the poorest countries in the world. As of 2011, its Human Development Indicator stood at 0.316, in the low human development category, positioning the country at 185 out of 187 countries and territories. Between 1980 and 2011, Burundi's HDI value increased from 0.200 to 0.316, an increase of 58.0 per cent or an average annual increase of about 1.5 per cent¹. The long years of ethnic violence and political instability are considered to be some of the key causes of this situation. The civil conflict that began in the early 1990s led to a sharp decline in living conditions and caused deep-seated damage to the economy. It is estimated that more than 250,000 people were killed and 1.2 million displaced. Income per capita fell by 44 per cent, from US\$149 in 1994 to US\$83 in 2004. The prevalence of undernourishment reached 68 percent in 2002².

Burundi's economy is predominantly agricultural. This sector employs 90% of the population and accounts for just over 30% of GDP. Burundi's primary exports are coffee and tea, which account for 90% of foreign exchange earnings.

Burundi's GDP grew around 4% annually in 2006-11. The reported growth in wealth has been combined with a relatively fair income distribution as demonstrated by the Gini coefficient of 36%.

Political stability and the end of the civil war have improved aid flows and economic activity has increased, but underlying weaknesses - a high poverty rate, poor education rates, a weak legal system, a poor transportation network, overburdened utilities, and low administrative capacity - risk undermining planned economic reforms.

Dutch support to Burundi is motivated by its situation as a "fragile state". The country is heavily dependent on aid from bilateral and multilateral donors. In 2012, 45% of the government budget was funded with external resources³. In the second Burundi Donor Conference (Geneva, October 2012), the Burundi government sought and found support for the implementation of its second Poverty Reduction Strategy. This Strategy for the period 2012-2015 focuses on growth, job creation and the development of a dynamic private sector, with agribusiness, tourism and mining in particular showing strong potential as key drivers of economic growth. During the Conference the international community committed more than US\$ 2 billion⁴.

Burundi joined the East African Community, which should boost Burundi's regional trade ties, and received US\$700 million in debt relief in 2009.

The data presented in the table below show the gradual GDP per capita growth, which still stands at very low levels. The data further indicate that Burundi has a strong imbalance in its trade, with import considerably and structurally higher than export. Foreign investment is extremely low, reflecting the major constraints for private sector development that will be presented in chapter 2.3.

¹ <http://hdrstats.undp.org/images/explanations/BDI.pdf>

² IMF and IDA: Joint Staff Advisory Note on the Poverty Reduction Strategy Paper. 2007. Page 1.

³ <http://burundiconference.org/Key-figures.html?lang=fr>

⁴ <http://www.undp.org/content/undp/en/home/presscenter/pressreleases/2012/10/30>

Table 1: Macroeconomic indicators of Burundi (2005 – 2011)⁵

	2005	2006	2007	2008	2009	2010	2011
Population, total	7,251,424	7,474,363	7,707,781	7,943,385	8,170,853	8,382,849	8,575,172
Labor force, total	3,518,145	3,676,537	3,840,164	4,006,567	4,167,504	4,312,174	N/A
Life expectancy at birth, total (years)	48	48	49	49	49	50	50
GDP (,000 current US\$)	1,117,254	1,237,333	1,319,348	1,620,694	1,815,182	2,026,863	2,325,972
GDP per capita (current US\$)	154.1	165.5	171.2	204.0	222.2	241.8	271.2
Inflation, GDP deflator (annual %)	21.0	-0.1	7.0	28.2	12.3	7.6	12.9
Foreign dir. investment, net inflows (% of GDP)	0.052	0.003	0.038	0.237	0.019	0.039	0.144
Exports of goods and services (% of GDP)	8.2	7.5	7.0	6.5	5.4	6.1	5.5
Imports of goods and services (% of GDP)	28.9	36.1	43.1	41.8	33.5	36.5	33.8

2.2 Government priorities and PSD policies

The government of Burundi approved its first Poverty Reduction Strategy Paper (PRSP I) in September 2006. In the PRSP I, the government acknowledges the fact that the economy of the country needs substantial growth. As minister of Finance Ngwembona stated in the introduction to the Paper “the bad economic situation is a source of concern”⁶.

The PRSP also states that Burundi’s government seeks to move conclusively towards political, economic and social normalization. By moving towards this normalization the government wants to guarantee peace, security and sustainable development for all.

The main obstacles to poverty reduction and growth include governance, security, structural rigidities impeding economic growth, the instability of the macroeconomic framework, the poor quality of, and insufficient access to, basic social services, the high prevalence of HIV/AIDS and gender and equity constraints. These elements were all priorities in the governmental programme of 2005-2010.⁷

The PRSP II (August 2012) recognizes that encouraging results were achieved in most of the areas of intervention identified by the PRSP I, including security, governance and human capital development. Economic growth, however, was insufficient to significantly reduce poverty. The principal factors behind the economic underperformance were weak food crop production, lack of export diversification, an underdeveloped private sector, and inadequate leveraging of sectors with potential. Despite the encouraging progress, the private sector is still in the formative stage and its contribution to economic development is limited. The PRSP II commits to accelerating the pace of reform, in order to improve the business climate, restore confidence, and make the private sector a true driver of growth and poverty reduction⁸.

Another indication showing the importance given by the government to improving the business climate is the creation in 2009 of the *Agence de Promotion des Investissements* (API). The API is the national body responsible for private sector development and investment promotion in Burundi. Its mission is to promote investment and export and it aims at achieving this through work at different levels⁹:

- Inform (potential) investors and exporters about legislation, procedures and opportunities
- Assist and support investors and exporters in understanding requirements and procedures and in obtaining the necessary documents
- Designing the reforms required to improve the business climate

⁵ Source: World Bank.

⁶ The government of Burundi, Poverty Reduction Strategy Paper. 2006. page vii.

⁷ The government of Burundi, Poverty Reduction Strategy Paper. 2006. page ix.

⁸ The government of Burundi, Poverty Reduction Strategy Paper II. 2012. page xv.

⁹ Based on an interview with API’s CEO Leonidas Habonimana.

- Challenge the government on cases of non-application or misapplication of any law or regulation in connection with the promotion of investment and exports.

2.3 Binding constraints in the private sector

In this section, an overview is given of the binding constraints for private sector development. The constraints are clustered using the five clusters which can be identified in the overall Dutch PSD policy: (i) Infrastructure, (ii) financial sector, (iii) judicial system, (iv) market access and development, and (v) knowledge and skills. The constraints listed below are gathered by means of a review of various reports from World Bank, IFC and USAID.

The overview mainly refers to the situation in the period 2005-2007, the years prior to the start of the Dutch intervention in PSD in the country. The constraints detected in that period are the starting point for the analysis that led to the different programs. Reference is also made to more recent developments and achievements. It should be noted that the country faces other important constraints such as a legacy of conflict and aggression and a high population density in relation to the way in which the resource base is used (low input subsistence farming), increasingly problems related to changing weather patterns and climate change¹⁰.

Prior to the discussion of binding constraints within each of the five clusters, it is informative to give a more general overview of such constraints. To this end IFC's Doing Business report is particularly insightful.

Doing Business 2007 ranked Burundi 166 of 171 countries in "overall ease of doing business". Over the past years this ranking has been improving little by little. In the 2013 report the country is ranked 172nd out of 185 economies (13 countries scored worse than Burundi).

Table 2 gives details on the ranking of Burundi in a number of key areas of doing business.

Table 2: Burundi, ranking on IFC Doing Business indicators (2007 and 2012)

Indicator	International ranking in DB 2007 (out of 173 economies)	International ranking in DB 2013 (out of 185 economies)
Overall Ease of Doing Business indicator	166	172
Starting a business	109	28
Closing a business	121	No data
Dealing with construction permits	No data	141
Dealing with licenses	164	No data
Getting electricity	No data	164
Registering property	132	127
Getting credit	159	167
Protecting investors	No data	49
Paying taxes	123	137
Trading across borders	171	177
Enforcing contracts	137	175
Employing workers	132	No data
Resolving insolvency	No data	161

Source: IFC Doing Business Reports 2007 and 2013

The country has notably improved its score on the indicator "Starting a business". The latter is a direct result of the introduction of a one-stop procedure to register a business. Burundi also scores remarkably well on the indicator "Protecting investors". The improvement has been achieved by introducing new requirements for the approval of transactions between interested parties, by requiring greater corporate

¹⁰ Embassy office Burundi/HMA Kigali : Multi annual strategic plan (MASP) 2012 – 2015 for Burundi. Page 5.

disclosure to the board of directors and in the annual report and by making it easier to sue directors in cases of prejudicial transactions between interested parties¹¹.

In spite of these improvements, the economy is still facing major bottlenecks. In the area of “Enforcing contracts” Burundi’s ranking has worsened. This reflects the fact that the average time to enforce contracts, which according to DB 2007 stood at 558 days now stands at 832 days. Trials and judgment take 395 days and the enforcement of the judgment 415¹². The whole process takes up to 44 procedures.

The second PRSP identifies six major development challenges¹³

- **Demographic growth.** Population growth has yet to be controlled; the government’s vision is to reduce population growth to 2 percent by 2025.
- **Inefficient agricultural production.** Overall agricultural productivity is too low to ensure food security for the Burundi people and generate a marketable surplus.
- **Weak public expenditure execution.** The allocation of resources should accord preference to sectors with growth potential.
- **Underinvestment in the private sector, the driver of growth.** Domestic private investment and foreign direct investment have increased but remain modest; yet private investment represents the greatest hope for more rapid growth of Burundi’s economy.
- **Persistent electricity deficit.** Burundi’s power deficit, the result of inadequate and unreliable electricity production, is a major obstacle to developing industry and services and reducing poverty.
- **Lack of capacity to manage development.** Gaps in terms of human resource capacities, institutional structures and performance, the legal and institutional framework, and weak contribution from the non-government sector point to the need for a coherent strategy to build national capacities.

2.3.1 Infrastructure

The combination of weak and volatile economic growth and the civil war of the 1990s resulted in a very inadequate infrastructure system in Burundi. Years of conflict have destroyed important economic as well as social infrastructure.¹⁴ The widespread destruction of facilities and lack of rehabilitation and maintenance has impaired access to facilities and raised the costs of these services, and in so doing, has contributed to the lack of domestic and foreign private investment in Burundi¹⁵.

Burundi suffers from incomplete, degraded, and unmaintained infrastructure in virtually all respects. Services that depend on infrastructure are suffering from these deficiencies. As infrastructure is a vital part of the platform for private sector investment and operations, business suffer from this situation and business opportunities are often thwarted because of a lack of roads or reliable transport. The rural feeder roads are generally poorly maintained driving up the cost of taking agricultural produce to the market and of bringing supplies to the farmers. The fact that the country is landlocked increases the cost of import and export.

Water supply, energy generation and transmission, transportation networks, and communication systems are constrained. The level of electrification, especially in rural areas, is very low. Investors cannot be sure of power continuity and supply is unavailable in many locations. Investors must either bear the costs of private generation or the risks of outages or decide to forego the investment opportunity altogether. To illustrate, in Burundi it takes 189 days to get electricity installed.¹⁶

¹¹ IFC Economy Profile Burundi. Doing Business 2013. Page 64.

¹² IFC Economy Profile Burundi. Doing Business 2013. Page 90.

¹³ Burundi, Poverty Reduction Strategy Paper II. 2012. Page XII.

¹⁴ Embassy office Burundi/HMA Kigali, *MASP 2008-2011* (2007), Page 3.

¹⁵ African Development Bank: An Infrastructure Action Plan for Burundi. Accelerating Regional Integration. 2009. Page 56.

¹⁶ IFC: Burundi Doing Business 2012. Page 37.

There have been some improvements lately for example in the transport sector. Burundi made it substantially faster to trade at borders, in particular with Tanzania, speeding up the movement of goods from and to the port of Dar Es-Salaam.

2.3.2 Financial sector

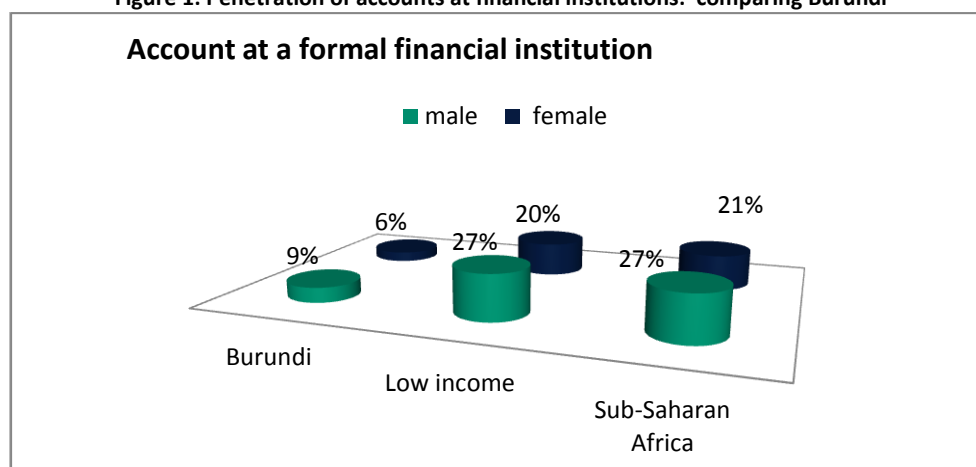
The availability of finance for investment and working capital plays a substantial role in enabling the development of the private sector. Considering the country's low level of development, Burundi's banking sector is relatively big with nine commercial Banks and two "établissements financiers" including the *Banque Nationale pour le Développement Economique* (BNDE), a government owned development bank.

Banking activities are concentrated in the capital. Access to long term investment capital is difficult. The cost to create collateral is high and small enterprises face problems obtaining credit because banks require significant guarantees. A poorly developed system of land titles and the difficulty of selling land preclude widespread use of land as collateral.

Private entrepreneurs' limited access to credit is a binding constraint for doing business in Burundi. According to all consulted sources on private sector development access to finance has been a constraint throughout the 2005 – 2011 period. The 2012 Doing Business report ranks Burundi 167th when it comes to getting access to credit, out of 185 economies.

The penetration of the formal financial sector is one of the lowest in the world. As illustrated in the graph below, the financial inclusion indicator of adults having an account at a formal financial institution stands at 9% for men and 6% for women, considerably below the financial penetration indicator for sub-Saharan Africa.

Figure 1: Penetration of accounts at financial institutions: comparing Burundi



Source: World Bank, Burundi (Data selected 2011)¹⁷

The low penetration grade of financial services was not limited to the banking sector. After the civil war the penetration of microfinance had fallen to very low levels and in 2005 the total portfolio of microloans amounted to only 63,000, a penetration grade of less than 1% of the country's population¹⁸.

2.3.3 Access to skills and knowledge

Burundi has one of the highest population densities in the world, and one of the most rural. In general Burundi's basic education is deficient. The literacy rate was only 50.4 percent in 2002, low by all standards. Only 77 per cent of children enrol in primary school, 11 percent in secondary school, and 2 percent in tertiary school.

¹⁷ <http://datatopics.worldbank.org/financialinclusion/country/burundi> Data selected from 2011.

¹⁸ Source : RIM

In Burundi, there are few technical, vocational and tertiary sources of education and training. The lack of education is a significant constraint faced by businesses¹⁹ who in general suffer from a severe lack of access to people with technical skills. Interviews and anecdotal evidence confirm the difficulties that businesses have in obtaining personnel with the right skills.

Management skills and marketing and business analytical skills are lacking in Burundi. Similarly, experience with doing business in an international context and with value chains is lacking.

As a result of the above mentioned constraints, productivity is low. The productivity level per agricultural worker is one of the world's lowest. Being a fundamentally rural based economy, this reality is a binding constraint as it limits the potential for economic growth.

2.3.4 Legal and regulatory framework

Back in 2006 Burundi's legal, regulatory, and procedural frameworks was diagnosed as being outdated, inefficient, open to misuse, and poorly implemented by a civil service that lacked the capacity to improve or properly implement or enforce systems. This situation is a major constraint when it comes to facilitating private sector development business and a major concern when it comes to creating an enabling environment.

The World Bank supported Burundi Investment Climate Programme is aimed at spurring investment and job creation through reforms in areas such as protecting investors and starting a business (One-Stop-Shop for business registration). Other reforms include lowering the time needed for, and costs of paying business taxes and obtaining construction permits, simplifying taxes for smaller businesses, and improving competitiveness in key sectors such as agribusiness and tourism.

Overall these changes are meant to help smaller Burundian firms. The thinking behind this is that empowered Burundian entrepreneurs can help create a thriving economy and enhance social stability. The reforms are also helping Burundi integrate more deeply into the East Africa Community, which it joined in 2007²⁰.

Recently some of the constraints in the legal and regulatory framework have been effectively tackled. Doing Business 2013 shows that Burundi's commitment to improving the investment climate is strong. Indeed, the country has been recognized as one of Doing Business' Top 10 Most Improved Economies for the second year in a row²¹.

Burundi has also taken steps to protect investors, which has boosted the confidence of Burundi's business people. Reforms in this area include the institution of new requirements for approval of transactions between interested parties, mandating corporate disclosure to boards of directors and in annual reports, and making it easier for directors to be sued in the event of mismanagement.

As for the legal framework on property and land rights, the return of internally displaced persons and refugees after the civil war has contributed substantially to problems and is an important source of land tenure insecurity. Many persons who return to their home areas find their land and property occupied or reassigned to others. Land tenure insecurity is also an issue in other parts of this densely populated country where competition over resources is increasing fast. The population is expected to rise from around 8.5 million in 2010 to well over 13 million by 2025. This worrying demographic situation is exacerbated by land scarcity; the influx of returnees over the last decade has led to an increase in land conflicts²².

¹⁹ USAID. Enabling an Inclusive Private Sector in Burundi. Opportunities and Constraints. 2006. Page 17.

²⁰ <http://www.worldbank.org/en/news/2012/11/13/rebuilding-burundi-one-reform-at-a-time>

²¹ <http://www.worldbank.org/en/news/2012/11/13/rebuilding-burundi-one-reform-at-a-time>

²² http://www.fao.org/emergencies/country_information/list/africa/burundi/en/

Legal incoherencies, limited access to justice as well as complex and expensive procedures to register land are all contributing factors²³. According to IFC's Doing Business report for 2012 registering a property takes 94 days.

2.3.5 Market access and development

Burundi's export base is mainly composed of agricultural products (especially coffee and tea) and its export performance depends heavily on the size and quality of tea and coffee harvests each year and on international price movements for both products.

Poor market linkages are one of the country's key constraints. Farmers and in general actors operating in rural areas are very poorly linked to markets (upstream and downstream) and are hardly inserted in value chains. In structural terms, the missing linkages include passable roads and telecommunications networks. Other missing links are market information and intermediation. A key limitation by itself is also the lack of a regular supply of products as most farmers produce small quantities.

Burundi's situation as a landlocked country is a major disadvantage when it comes to market access. This is further aggravated by excessive controls, leading to severe delays in trade flows. According to a World Bank study²⁴, in 2007 it took twice as long and cost about US\$500 more (per container) to export and more than US\$1,700 (per container) to import from Burundi than from an average Sub Saharan Africa country. In addition, computerized procedures (at banks, customs, ports, and airports) are very limited.

Burundi has had very limited success in building an export industry and in introducing its agricultural produce in foreign markets. Burundi's limited progress in developing industries for domestic and export markets stems in part from the constraints mentioned above, including inadequate levels of infrastructure, a sub-optimal business climate and a lack of skilled personnel²⁵.

Recovery in economic growth since 2005, coupled with a major build-up in donor-funded rehabilitation programs, has led to increased domestic demand. The limited capacities of domestic business to respond quickly to demand changes have resulted in a major increase in imported goods. By 2010 imports accounted for about one-third of the total supply of goods and services in the economy, compared to only 10 percent in 2000. This surge in import demand opens up a range of possibilities for new investment by the business community²⁶. Valuable new opportunities may be emerging for domestic products that can replace imports. Since 2007 Burundi is part of the East African Community.

²³ Hilhorst, T., Tessemakers, E., van der Wal, F.: Netherlands support to improving land rights in Africa; overview and lessons learned. 2007. Page 6.

²⁴ World Bank: Burundi Trade Brief. 2008.

²⁵ African Development Bank: An Infrastructure Action Plan for Burundi. Accelerating Regional Integration. 2009. Page 47.

²⁶ African Development Bank: An Infrastructure Action Plan for Burundi. Accelerating Regional Integration; ADB 2009. Page 51.

3 Dutch PSD Policy in Burundi 2005-2011

This chapter gives an overview of the Dutch PSD Policy in Burundi over the period 2005-2011. The information concerning this policy is derived, as much as possible, from the multiyear strategic plans and annual plans of the (office of the) Royal Netherlands Embassy in Bujumbura and from interviews with personnel of the Ministry of Foreign Affairs involved in the development, execution and monitoring of the Dutch policy for Burundi. The objective of this chapter is to show the rationale for the Dutch PSD policy, how it evolved over time and which stakeholders had a say in its design. In this regard, in addition to the views of the Royal Netherlands Embassy, the views of DDE, and of the Burundi public and private sector are also taken into account.

3.1 Dutch support to PSD

The Dutch development support to Burundi started in 2005. In the beginning years, safety and conflict control were the key issues and activities in 2005 thus focused on Disarmament, Demobilization and Reintegration/Security Sector Reform (DDR/SSR).

Private Sector Development was first mentioned in the “Burundi/HMA Kigali, Annual Plan 2006” whereby PSD was seen as an approach that could contribute to the reconstruction of the country. In that year, plans were made to take action in the microcredit sector, in primary education and in land tenure. Several identification missions were performed from EKN in Kigali. Throughout this process, care was taken to align these plans with the priorities given by Burundi. Although there was awareness at EKN that mounting and executing PSD activities was hampered by the lack of stability, the Embassy continued to work on project opportunities which finally resulted in the start of the FORCE microfinance project in 2007²⁷.

The Burundi office of the EKN was opened in 2008. A four-year strategic plan was written (MJSP 2008-2011) which became the guiding document for the further development of the Dutch involvement in Burundi. The overall strategic objectives of the Dutch commitment in this Plan focused on facilitating the consolidation of the peace process including the promotion of political stability and the reform of the security sector. The focus on private sector development fitted into the global strategy to support the reconstruction of the Burundian society.

The MJSP 2008-2011 pays special attention to the importance of creating adequate conditions for the further development of the private sector and states “On top of that the institutional conditions for private sector development are not sufficiently developed. Key issues that require attention include attracting foreign investment, the improvement of legislation and procedures, the fight against corruption and the access to lending”²⁸.

The MJSP 2008-2011 recognizes the importance of PSD although the document emphasizes that initiating and executing projects has to be done through third parties, citing the limited capacity at the then recently established office of the EKN in Bujumbura. The MJSP 2008-2011 also refers to collaboration with multilateral actors²⁹. The plan also mentions the possibility of involving PSOM, PUM and CBI in private sector development.

This pragmatic approach led amongst others to the decision to support the “*Programme d’Appui à la Gestion Foncière au Burundi*” (land rights project) as a silent partner whereby the Swiss Development Cooperation (SDC) was the lead partner. Another example of the search to cooperate with other donors was the Business Incubator project (BBIN) where the Dutch development cooperation, again as a silent partner, funded a USAID led initiative.

The view on how to operate is summarized in the 2012 Goedkeuringsmemorandum (Approval memo): “The lessons of the past years for the program of the Netherlands in Burundi are mainly: a question of

²⁷ Embassy office Burundi/HMA Kigali, Annual Plan 2007.

²⁸ Translated from the Dutch text in: Ambassadekantoor Burundi/HMA Kigali: MJSP 2008-2011. Page 5.

²⁹ “Het ondersteunen van de ontwikkeling van de private sector is dan ook uiterst relevant, maar zal door de geringe capaciteit vooral via het multilaterale kanaal moeten plaatsvinden”. Page 14.

long-term, dare to take risks, the importance of donor coordination and the need for professional support of the post. The staffing of the representation in Bujumbura from the beginning has been quite inadequate to meet responsibly the high level of ambition. Given this limited capacity, it is of the utmost importance that the Netherlands collaborates with the international players present, including a limited number of donors. The Netherlands can and should not operate alone.”³⁰.

The 2012-2015 Multi Annual Strategic Plan for Burundi confirms the importance of security and justice but expands the focus: “The Netherlands will support Burundi in three complementary areas, the first building on the work done to date in the country and the second and third new areas of focus: A. security and justice, B. food security, and C. sexual and reproductive health and rights including family planning. The food security programme will focus on increased agricultural productivity including rural economic development”.³¹ In this approach PSD is not a key area of attention but maintains its supporting role and stands at the service of the strategic priorities.

3.2 View and role of the private sector

The role of Burundi’s private sector in the initial definition of the Dutch supported PSD programme has been very limited. There is no evidence that the enterprise sector contributed to the formulation and set up of the three de-centralized projects (Land Rights, Business Incubator, Microfinance) even though the two latter projects had small and micro enterprises as their target group. The EKN supported these initiatives as they responded to the perceived needs (need for credit, need for support by start-ups) of the SME community. The two credit lines which were part of the microfinance project, were channelled through the *Banque Nationale pour le Développement Economique* (BNDE), a state owned bank³².

Since 2009 there is regular contact between the EKN and the “*Chambre Fédérale de Commerce et d’Industrie du Burundi*” (CFCIB), the national Chamber of Commerce and Industry. Both are part of the coordinating body on private sector development, *le Groupe Sectoriel pour le Développement du Secteur Privé* (GSDSP), which was created in 2009. The members of this group include representatives of the government, the private sector, civil society and the donor community³³.

The objectives of this *Groupe Sectoriel* are³⁴:

- Provide a framework for information exchange and coordination on PSD.
- Allow the participation of all development partners in the decision making on economic policy
- Reflect on possible ways to assure the contribution of the private sector to growth and to the fight against poverty
- Improve the effectiveness and efficiency of development aid in the private sector and contribute to the coordination of donor activities in this field
- Allow the private sector to present its grievances and ideas to the Government and to respond to specific needs
- Participate in the evaluation and monitoring of the policies oriented at PSD.

In December 2010 the Netherlands African Business Council, in coordination with IZERE³⁵, the CFCIB and the EKN organised a trade mission to Burundi aiming at establishing contact between the private sectors of the both countries. The mission focused on three sectors: agriculture, construction and tourism. According to the CFCIB this mission served as an introduction of PSI in Burundi.

In line with these actions, the CFCIB is well aware of the variety of support instruments offered by the Netherlands and disseminates information about PSI and PUM among its members³⁶.

³⁰ Ambassadekantoor Burundi/HMA Kigali: Meerjaren Strategisch Plan 2008-2011. Page 7. Translated from Dutch.

³¹ EKN: Multi annual strategic plan (MASP) 2012 – 2015 for Burundi. Page 1.

³² A credit line for productive investments in the SME sector and a refinancing facility for Microfinance Institutions.

³³ Termes de Référence du Groupe Sectoriel pour le Développement du Secteur Privé. Page 1.

³⁴ Translated from : Termes de Référence du Groupe Sectoriel pour le Développement du Secteur Privé. 2009. Page 1.

³⁵ IZERE is an organisation of Burundians living in the Netherlands that seeks to mobilize the Burundian diaspora in favour of the development of the country. Created in 1997 it is increasingly focusing on the reconstruction of Burundi through economic initiatives.

³⁶ Interview with Christian Nkengurutse, General Secretary of the CFCIB.

3.3 Role of the Ministry/DDE

Several departments of the Ministry of Foreign Affairs have been involved in the process of developing and implementing policies and programs for Burundi during the period 2005-2011: DAF, EFV and DDE. DAF and EFV first became involved in Burundi in 2005 and were mainly focused on developing programs that could create sustainable peace and security. DDE's policies on the other hand were focused on creating sustainable economic growth and first started actively contributing to initiatives to foster this growth in 2007³⁷.

The Sustainable Economic Development Department (DDE) is a policy theme department of the Ministry of Foreign Affairs. DDE comprises 3 different divisions:

1. International Markets Division (DDE/IM)
2. National Policy Environment Division (DDE/NB)
3. Entrepreneurship and Business Development Division (DDE/OB)

One of the goals of DDE is to stimulate growth and development of the private sector and through that to improve income and employment opportunities in developing countries. DDE tries to achieve the development of the private sector by identifying and tackling the problems in the business climate in developing countries. Other activities include the development of the financial sector, the improvement of trade opportunities and the use of trade and investment instruments to stimulate business. The promotion and execution of the latter are outsourced to organisations such as for example the Agency for International Business and Cooperation (AgentschapNL).

In the case of the Burundi PSD program, the main roles of DDE have been³⁸:

- ✓ Assist in the formulation of PSD activities during the preparation of the first MASP
- ✓ Assist in the selection and fielding of support missions for the first and the second MASP
- ✓ Monitoring of the Dutch PSD activities in the context of reporting to Dutch Parliament
- ✓ Contribute with PSD specific knowledge when requested by the EKN
- ✓ Systemize lessons learned on PSD
- ✓ Stimulate coordination of the non-embassy executed interventions (central programs, civil society, multilaterals) in PSD which are being funded by the Ministry of Foreign Affairs.

³⁷ IOB: Private Sector Development (PSD) in Burundi. Overview of Dutch efforts 2005-2011. 2012. Page 10.

³⁸ Based on e-mail 30th December 2012 of Frits van der Wal, DDE.

4 The Dutch PSD programme in Burundi

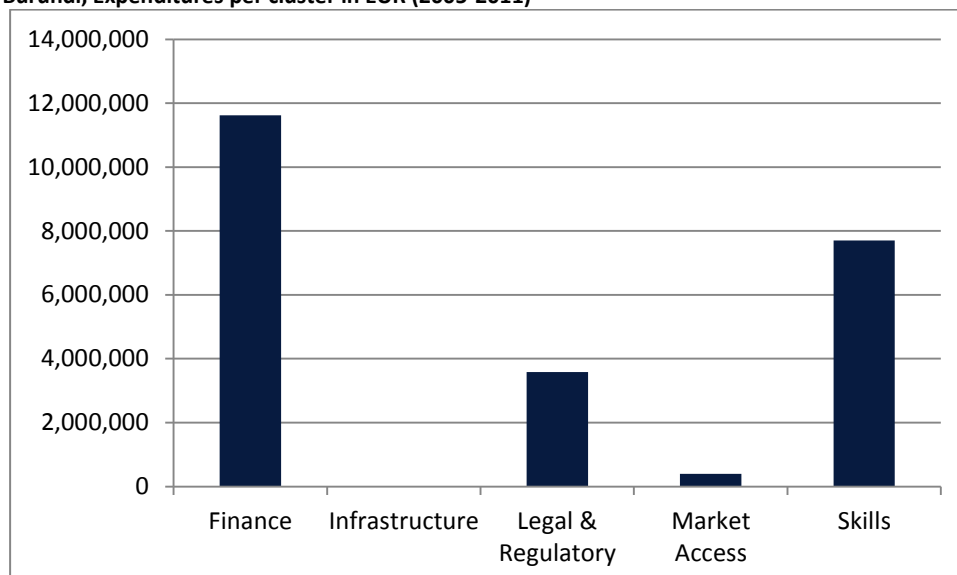
This chapter details the objectives and effects of the PSD programmes and projects that were undertaken in Burundi over the period 2005 – 2011. There are a number of evaluation reports available on PSD instruments applied in Burundi but none of these meet the IOB criteria and hence cannot be referred to as validated sources of information on the effects of the Dutch PSD programme. The overview of effects is therefore based on non-validated evaluation reports, on progress reports from the projects and interventions and on meetings with involved parties during the field visit.

The instruments and their respective effects are described per cluster. The reported effects are evaluated against developments in the private sector at large as witnessed by changes in the so-called binding constraints earlier identified in chapter 2.

Summary of expenditure

The information depicted in the graph below presents an overview of the distribution of expenditure over the various clusters. Total expenditure over the period 2005 – 2011 was €23 million. The figure clearly shows that the finance, skills, and legal clusters are the dominant ones.

Figure 2: Burundi, Expenditures per cluster in EUR (2005-2011)



Source: Data collected by IOB and Triodos Facet in the framework of this research

4.1 Infrastructure

According to the consulted documents no Dutch-funded infrastructure interventions have taken place during the period 2005-2011. That is, in the period under consideration no ORIO/ORET projects were executed. During 2012, two projects were being prepared³⁹.

4.2 The Financial sector

4.2.1 Overview

Summary of expenditure

The Dutch development effort in the financial sector focuses on widening and deepening the access to financial services. Within the cluster “financial sector” the key interventions have been the FORCE I and FORCE II projects and the capacity building of rural microfinance institutions provided by TERRAFINA with

³⁹ Strictly speaking the modernization of the border post at Kobero (Tanzania-Burundi), which is an investment supported by the Trademark East Africa Program, can be considered as an investment in infrastructure.

partial and indirect funding by the Ministry of Foreign Affairs (through MFS I funding to ICCO). Smaller amounts were spent on a contribution to an AFMIN (African Microfinance Network) conference (€ 52,064) and on the contracting of a consultant for the monitoring of FORCE (€ 32,208).

Table 3: Burundi, Dutch PSD instruments for the Financial Sector: overview of expenditure in € (2005 – 2011)

Intervention	Total	2005	2006	2007	2008	2009	2010	2011
FORCE I	6,244,185	0	681,000	1,348,479	2,229,909	1,101,701	690,912	192,184
FORCE II	3.303,045	0	0	0	0	450,000	850,952	2,002,093
Terrafina	1,992,843	0	0	143,590	349,080	300,295	833,269	366,609
AFMIN ⁴⁰	52,064	0	0	0	0	0	0	52,064
Support FORCE	32,206	0	32,208	0	0	0	0	0
Total	11,524, 343		713,208	1,492,069	2,578,989	1,851,996	2,375,133	2,612,950

Summary of effects

The Dutch support to the microfinance sector has contributed to the strengthening of the microfinance institutions and to the growth of their portfolio and outreach. The FORCE I and II projects have achieved most of the intended output and outcome and have contributed to the professionalization of the supervisory framework for microfinance and to the strengthening of the country's microfinance network.

The table below gives an overview of the effects of the instruments within the finance cluster. The column "summary of effects" should be treated with care since no evaluation reports satisfying the IOB criteria are available. The summary is based on internal project information, on non-IOB approved evaluation reports and on the findings of the field interviews.

Table 4: Burundi, Dutch PSD instruments for the Financial Sector: overview of effects (2005 – 2011)

Intervention	Level	Evaluated?	Summary of effects
FORCE I and II	Sector	Not evaluated	<ul style="list-style-type: none"> • Loan portfolio increased by 300% in participating MFIs • Number of deposit holders increased by 100% • 30 new microfinance service points opened • Formulation of a national microfinance strategy • Microfinance supervisory capacity of Central Bank strengthened • Microfinance network RIM strengthened
TERRAFINA	Sector	Not evaluated	<ul style="list-style-type: none"> • New group lending methodology introduced in eight MFIs

4.2.2 Objectives and effects

FORCE I and II

Objectives

The Netherlands-funded financial sector development programme for Burundi is part of the 'plan d'urgence' 2005, aiming to support Burundi in its process to return to peace. The general objective is to contribute to the development of productive activities, especially in rural areas whereby the programme aims at promoting and reviving the investment in the small and micro enterprise sector. At its origin it had a short-term outlook aiming at quick results of great visibility⁴¹. The intervention model is characterized by a focus on the rehabilitation and professionalization of the country's microfinance sector.

In its first phase, the programme had three components:

1. An institution building component with technical assistance and training to MFIs, on a grant basis. € 2.5 million.
2. A credit line for productive investments in the SME sector (*ligne crédit PME*). € 2.5 million. Channelled to the sector through the BNDE⁴².

⁴⁰ African Microfinance Network. <http://www.afminetwork.org/about.html>

⁴¹ Van Manen, Bert. Sixth Monitoring Mission of the Financial Sector Development Program – Burundi. 2008. Page 1.

⁴² Banque Nationale pour le Développement Economique. Burundi's government owned development bank.

3. A refinancing facility managed by the BNDE. € 1.5 million for refinancing MFIs, channelled to them through the BNDE.

The institution building component of “*Programme de développement du secteur financier et de la microfinance au Burundi*” is also referred to as FORCE: “*Fonds pour la Relance, les Conseils et les Echanges*”. FORCE is a bilateral programme formally embedded in the Burundi government through an agreement between the Dutch Minister for Development Cooperation and the *Ministère de l’Economie, des Finances, de la Coopération au Développement du Burundi*. The first phase ran from December 2006 to November 2009. Its success led to the formulation of a second phase under the name FORCE II. The agreement for this second phase was signed at the end of 2009⁴³ for a total amount of € 4 million. FORCE coordinates closely with the national microfinance network RIM (*Réseau des Institutions de Microfinance au Burundi*) and with the BRB, the central bank. This second phase started in April 2010 and is scheduled to end in June 2013.

The second phase is focusing on the further development and professionalization of the sector. The programme has also supported the central bank and sector supervisor la *Banque de la République du Burundi* (BRB) as well as the focal point for microfinance in the *Ministère de l’Economie, des Finances, de la Coopération au Développement*. Support activities have included the formulation of a national microfinance strategy and the acquisition of equipment for the microfinance cell (*Service Microfinance*) of the BRB⁴⁴.

FORCE is a demand-led programme as MFIs submit their grant proposals to the FORCE secretariat. After an in-depth analysis, FORCE awards grants to the most relevant and highest quality requests.

Over the years grants have been awarded for construction or rehabilitation of small MFI agencies, internal renovations, and a few large constructions. This enables MFIs to work under proper conditions, gives them more credibility with their clients and reinforces their capital. Grants were also given for ICT equipment, setting many MFIs on a path to improved loan and financial management. A large training programme was financed and executed by RIM and CGAP, professionalizing the MFI sector. This programme consisted of a training of trainers phase, followed by a series of replication trainings. Some MFIs have received assistance in auditing, strategic planning or institutional development. FORCE has also granted support to MFIs wanting to be rated by a specialized microfinance rating agency. Six institutions have obtained such a rating⁴⁵.

Effects

The main effects of the Dutch intervention in Burundi’s microfinance area at sector level but building on an earlier UNDP funded project which worked out the regulation of the microfinance sector, FORCE achieved also a more systemic effect: the promulgation of the Presidential Decree “*Portant Réglementation des activités de microfinance au Burundi*” (July 2006). This Decree gives the BRB (central bank) the supervisory role of the country’s microfinance sector. FORCE played a major role in strengthening the BRB’s young microfinance department with technical assistance, study tours to other countries to get access to best practices and equipment to allow the department to carry out its supervisory role. FORCE also funded a consultant to support the Ministry of Finance in the writing of the national microfinance strategy.

The importance of the Dutch contribution to the strengthening of the microfinance sector is recognized by all involved parties: the central bank BRB, the microfinance association RIM and the MFIs who received the support⁴⁶. The other donors also recognize the leading role of the Dutch intervention in the sector.

At the sector level the overall evaluation of FORCE I is positive. Due to the selection of effective implementation mechanisms, the results of the programme are concrete and visible. Compared to other

⁴³Embassy office Burundi/HMA Kigali, Jaarverslag 2009. Page 3.

⁴⁴ Interview with Mr. Innocent Ndabin, Chef Service Microfinance BRB.

⁴⁵ Ratings carried out by the Italian rating agency MICROFINANZA.

⁴⁶ Based on meetings with the BRB, RIM and several MFIs during the field mission.

programs financed by the Netherlands, the programme is cost-effective. Beneficiaries have expressed their great satisfaction⁴⁷.

The midterm evaluation of FORCE II by the French bureau IRAM (2012) confirms the overall positive picture: “the support by FORCE has played a decisive role in the capacity building of the microfinance sector”⁴⁸. The improvement in performance indicators however shows a mixed picture with two thirds of the supported MFIs performing (very) well, while one third has not yet reached the stage of operational self-sufficiency. The overall portfolio quality has improved but 60% of the MFIs still have a portfolio at risk of more than 10%. Grants for new outlets or for the introduction of a management information system do not necessarily solve weaknesses at governance and management level. The visits to some of the MFIs supported by FORCE indicate that the lack of skilled personnel is still an important bottleneck.

Terrafina

Objectives

In the second phase of FORCE a new component was added: the introduction of “*crédit solidaire*” (a type of solidarity group credit) in at least five MFIs. The objective was to increase the access to loans for non-salaried people and for clients who cannot provide physical collateral. This component is implemented in collaboration with the RIM while the Dutch Foundation Terrafina⁴⁹ is in charge of the technical assistance and the training required for the successful introduction of the new loan methodology.

Effects

Between 2009 and 2011 the eight MFIs supported by TERRAFINA have established 816 Groupes de Solidarité with a total of 5,178 members. The outstanding credit to these members amounted to 5% of the total portfolio of the MFIs. The 2012 evaluation of TERRAFINA’s activities in this field mentions that the impact of the programme remains weak in view of the limited number of beneficiaries, even though the goals of the pilot phase have been achieved. The report further states that a lot of financial and human resources were invested in the programme and that it probably would have been more efficient to concentrate on a more limited number of MFIs, those having the capacity and the willingness to develop the group type of credit⁵⁰.

4.2.3 The contribution to resolving binding constraints

As described in chapter 2.3 above, the penetration of the financial sector is one of the lowest in the world. The percentage of people and enterprises having access to financial services is very limited and is highly concentrated in the capital. In view of the fact that 90% of the population lives in rural areas this indicates that the financial penetration outside Bujumbura is extremely low. The access to loans is further limited by the fact that most small and micro enterprises are operating in the informal sector, practically excluding them from bank credit.

The FORCE programme has contributed to solving some of the binding constraints at three levels:

- Macro-level: the central bank has created a specialized supervisory structure for microfinance and in doing so confirms the role of microfinance in expanding access to financial services. It recognizes that for the rural population of Burundi the MFIs are often the only type of financial service provider available.
- Meso-level: FORCE has contributed to the strengthening of the country’s microfinance network, allowing it to play an advocacy role and to raise the performance standards of the MF industry.
- Micro-level: the number of clients/members of MFIs has increased from approximately 250,000 in 2005 to 500,000 by the end of 2011. While this does not resolve the binding constraint of access to

⁴⁷Van Manen, Bert. Sixth Monitoring Mission of the Financial Sector Development Program – Burundi. 2008. Page 2.

⁴⁸ IRAM: Evaluation de la deuxième phase et élaborations d’une proposition pour une troisième phase du projet FORCE. Rapport provisoire. 2012. Page 18. Translated from French.

⁴⁹ Terrafina gets its funding from ICCO (funded by the Ministry of Foreign Affairs), OIKOCREDIT and Rabobank Foundation.

⁵⁰Terrafina: mission d’évaluation du programme crédit solidaire Burundi. Rapport définitive. 2012. Page 38.

finance at the enterprise level, it shows that the frontiers of (micro) finance are indeed expanding and that an increasing number of families, farmers and micro enterprises get access to financial services.

The demand for financial services still exceeds supply and organisations like the Confederation of Agricultural Producers Associations for Development (CAPAD) called for the establishment of an agricultural bank to improve farmers' access to credit in 2012. According to CAPAD the poor access to agricultural credit remains a major handicap when it comes to increasing food production, as farmers cannot afford the high interest rates charged by commercial banks, sometimes reaching 24 percent⁵¹.

4.3 Access to Skills and Knowledge

4.3.1 Overview

Summary of expenditure

Within the cluster “Access to Skills and Knowledge” several (partially) Dutch funded interventions have taken place during the period 2005 – 2011. In the table below, these interventions and the associated expenditure are reported.

Table 5: Burundi, Dutch PSD instruments for Skills and Knowledge: overview of expenditure in € (2005 – 2011)

Intervention	Total	2005	2006	2007	2008	2009	2010	2011
BBIN	1,382,841	0	0	0	55,029	260,843	844,406	222,563
PSI ⁵²	1,000,000	0	0	0	0	0	300,000	700,000
PUM	394,000	0	19,000	54,000	84,000	89,000	69,000	79,000
CATALIST ⁵³	4,600,000	0	200,000	600,000	800,000	1,000,000	1,000,000	1,000,000
AGRITERRA	328,346	0	0	0	0	201,584	0	126,762
Total	7,705,187	0	219,000	654,000	939,029	1,551,427	2,213,406	2,128,325

Summary of effects

The table below gives an overview of the effects of the various instruments within the skills and knowledge cluster. The column “summary of effects” should be treated with care since no evaluation reports satisfying IOB criteria are available. The summary is based on internal project information, on non IOB approved evaluation reports and on the findings of the field interviews.

Table 6: Burundi, Dutch PSD instruments for skills and knowledge: overview of effects (2005 – 2011)

Intervention	Level	Evaluated?	Summary of effects
BBIN	Enterprise	Not evaluated	<ul style="list-style-type: none"> 3 fully incubated enterprises⁵⁴ 14 partially incubated enterprises 15 enterprises renting space 272 SME managers and personnel trained 23 trainers trained
PSI	Enterprise	Not evaluated	<ul style="list-style-type: none"> 4 joint ventures funded, end 2011 one fully operational
PUM	Enterprise	Not evaluated	<ul style="list-style-type: none"> Over 60 enterprises supported No outcome information
CATALIST	Sector	Not evaluated	<ul style="list-style-type: none"> Introduction of Integrated Soil Fertility Management, trickle down effects not yet known Identified constraints for agricultural value chain development

⁵¹ <http://www.mfw4a.org/news/news-details/2/burundian-farmers-calling-for-the-creation-of-an-agricultural-bank/page-7.html>

⁵² The total committed amount for the four approved PSI projects is € 2,167,276. Expenditure till end of 2011: estimated at € 1 million.

⁵³ The yearly expenditure is an estimate of the distribution over the years of the total project budget for the Burundi component of this regional project.

⁵⁴ Fully incubated: enterprises that started on the BBIN premises, received coaching and training of the Project and had left by the end of 2011. Partially: already existing enterprises renting space and getting access to the facilities.

AGRITERRA	Sector	Not evaluated	<ul style="list-style-type: none"> Reinforced private sector actors for the supply of agricultural inputs
			<ul style="list-style-type: none"> Capacity building of a farmers sector organisation (CAPAD) 5,000 persons reached with training on crops (output level) ⁵⁵ Promotion of sustainable agriculture

4.3.2 Objectives and effects

BBIN Burundi Business Incubator

Objectives

From 2009 to 2011 USAID carried out the US\$ 13 million Burundi Agribusiness Programme (BAP). This program, executed by the USA based consultant DAI, aimed at increasing and diversifying rural economic opportunities through support to the coffee, horticulture and dairy sectors. Additional to the support to these three value chains, the Programme had a fourth component: the Burundi Business Incubator (BBIN). This component has been financed by the Dutch development cooperation under a silent partnership with USAID.

In May 2009 the BBIN project started ⁵⁶ with the aim to provide services and putting at disposition facilities and support to Burundian youth who want to start an enterprise. The services include advice, training in vocational skills and handholding. Key to the project is also the putting at disposition of the young entrepreneurs of physical space. After a preparatory phase, the Incubator (located in the former premises of USAID⁵⁷) opened its doors in November 2010.

Originally the plans were for the BBIN to serve approximately 20 businesses as full-time incubator tenants during each of the three years, and a larger number of businesses as part-time clients for trainings and other services. In practice the interest of (young) entrepreneurs for incubating on the premises turned out to be much lower and only three enterprises incubated. To fill the physical space, BBIN management decided to rent out space to other SMEs.

The Dutch funded NGO SPARK⁵⁸ has rented space in BBIN and as of the end of 2011 was building up collaboration in the fields of training and coaching of SMEs. In 2011 BBIN launched the first national BiD competition whereby (starting) SMEs can compete in a business plan competition. According to the BBIN Director this contributed substantially to making the BBIN more visible to the entrepreneur community.

BBIN trains entrepreneurs and personnel of SMEs in courses mostly funded by international cooperation. BBIN is also a certified trainer for IFCs Business Edge training material, so is SPARK. BBIN is legally a not for profit association⁵⁹ operating as an enterprise⁶⁰. Income is generated by renting out modules (50%) and by training and consultancy (30%) while 20% is generated by renting out meeting rooms, access to internet, the cybercafé and others.

Effects

The main effects of this project are at enterprise level. By the end of 2011, the project had achieved the following outcome and output:

- 3 fully incubated enterprises ⁶¹
- 14 partially incubated enterprises
- 15 enterprises renting space

⁵⁵ According to www.agro-info.net/?menu=countries&view=country&country_id=4036

⁵⁶ Embassy office Burundi/HMA Kigali, Jaarverslag 2009. Page 3.

⁵⁷ USAID puts the value of the premises at USD 1 million. Source: Alice Nibitanga, project officer at USAID Burundi.

⁵⁸ This MFS II Funded Dutch NGO, promoting entrepreneurship in post conflict states, has been operating in Burundi since 2011'. <http://www.spark-online.org/index.php>

⁵⁹ The founding members are institutions including the Federal Chamber of Commerce and Industry, 2 private universities and a youth organization. None of these have made a financial contribution.

⁶⁰ Interview with the BBIN Manager Mr. Claver Nduwumwami.

⁶¹ Fully incubated: enterprises that started on the BBIN premises, received coaching and training of the Project and had left by the end of 2011. Partially: already existing enterprises renting space and getting access to the facilities.

- 272 SME managers and personnel trained
- 23 trainers trained

BBIN has no systemized information about the jobs created and about the sales generated by the enterprises operating on its premises.

The innovative concept of an incubator might also have an effect at sector level as it shows that there is a need for a resource intensive and structural promotion of SMEs. It also contributes to the belief that the SME sector can be modern and innovative. The BBIN supported BID competition puts entrepreneurship and innovation in the national spotlight⁶².

PSI plus

Objectives

The Private Sector Investment Programme (PSI), formerly PSOM, is a subsidy programme of the Dutch Ministry of Foreign Affairs that supports innovative investment projects in emerging markets. It is centrally managed from The Hague by AgentschapNL⁶³. PSI aims at contributing to poverty reduction by stimulating sustainable investments in innovative business. Its key instrument is to subsidise of part of a project's hardware costs as well as of the related training and know how transfer activities.

A PSI project is an investment project, implemented by a Dutch (or foreign) company together with a local company.⁶⁴ PSI provides a grant of up to 50% of the total investment. Enterprises in fragile states such as Burundi can have access to a more flexible version of the program, PSI plus, whereby the PSI contribution can be up to 60% of the total investment.

In the period 2010-11 PSI approved five PSI-Plus projects of which one was cancelled. Total investment in the four projects amounts to € 3,612,127 of which PSI Plus funded € 2,167,276 (60%).

The mission visited OPEN IT, a software company created by a Bujumbura based computer hardware company (dedicated to import and maintenance) with support from a Belgian partner. The new company has been developing medical software (amongst others for patient administration and management of stock of pharmaceutical products) which has been successfully sold to several hospitals in the country. The mission also visited EAACO, East Africa Aggregate Company, a company created to produce gravel. In Burundi, the gravel used in construction is taken from riverbeds, causing erosion and damaging the environment. With support from a Dutch company, EAACO is installing the equipment that will produce gravel that meets international standards.

Effects

There is no systemized information available about the effects of the four PSI funded projects in terms of job creation, sales and markets in Burundi. The company visited during the field mission, OPEN IT, actually employs 20 professionals and has plans to expand to neighbouring countries. The donor community is OPEN IT's most important client⁶⁵.

PUM

Objectives

PUM Netherlands senior experts is a non-profit organization that advises companies from developing countries and emerging markets that cannot afford commercial consultancy services. PUM counts with four Ethiopia based representatives, who promote the PUM programme amongst local SME businesses. Only SMEs that cannot afford commercial consultancy services are allowed to participate in the PUM programme. Once an SME files a request for support through the field representative, PUM in the Netherlands links the enterprise to senior Dutch professionals who deliver expert services on a voluntary

⁶² For information on BID's activities in Burundi: <http://www.bidnetwork.org/en/countries/burundi>.

⁶³ Agentschap NL, 'Private Sector Investment Programme', <http://www.agentschapnl.nl/en/node/50050>.

⁶⁴ Agentschap NL, 'Private Sector Investment Programme', <http://www.agentschapnl.nl/en/node/50050>.

⁶⁵ Field mission: visit to the company.

basis during an average 7 to 10 days stay. The travel costs of the expert are generally met by the PUM programme, while the hotel bill is usually footed by the local SME.

PUM sent its first experts to Burundi in 2006 for three projects and executed 11 projects in 2007. Between 2008 and 2011 the number of executed projects fluctuated between 12 and 16 bringing the total to 74 for the period under consideration. The field mission interviewed the local PUM representative (2006-2011), a retired civil servant. He “markets” PUM through his network and by word of mouth⁶⁶. Most of the support has been in the sectors agriculture and tourism.

PUM has a country coordinator for Burundi who works with the regional and federal Chambers of Commerce, the Netherlands African Business Council (NABC), the Dutch Ministry of Foreign Affairs, a Burundian organisation for female entrepreneurs (AFAB) and with Dutch Diaspora organisation Izere. The EKN indicates that PUM does not inform it about upcoming missions.

Effects

There is no systemized information available about the effects of the PUM projects. The two enterprises visited by the field mission (Safari Gate Hotel and ARNOLAC, a freight shipping company operating on Lake Tanganyika) express their satisfaction about the quality of the support. They value in particular the practical knowledge of the PUM experts and their adaptability to the local circumstances. Follow-up of the PUM advice is not systematic.

CATALIST

Objectives

This regional project⁶⁷ is carried out by the International Fertilizer Development Centre (IFDC), a USA based public international organisation specializing in agricultural development and presenting itself as a “centre of excellence with expertise in fertilizers to service the needs of developing countries”⁶⁸. IFDC provides a broad range of services in technical assistance, research, training and problem-solving related to agricultural sustainability.

CATALIST (Catalyze Accelerated Agricultural Intensification for Social and Environmental Stability) started its operations in Burundi in 2007 and has both “skills and knowledge” components as well as “market development” components. The overall objective of CATALIST is to contribute to peace and stability by giving income opportunities to young people as this will keep them from joining rebellions. Higher income at farm level can be achieved through agricultural intensification as this increases production. The core of intensification is the application of Integrated Soil Fertility Management (ISFM). The programme expects that demonstrated technologies will reach other farmers by trickling down⁶⁹.

After 2009 CATALIST focused on a value chain approach (11 value chains) and supported the implementation of field demonstrations. The demonstration plots aim at promoting agricultural intensification by comparing the current practice of the producer and the technological package proposed by the project for different value chains.

Effects

According to a Mid Term Review carried out in 2010, the trickling down of the pilots of Integrated Soil Fertility Management is only happening to a very limited extent as most farmers have different conditions and opportunities from the selected direct beneficiaries, especially with respect to access to agricultural inputs. This report also mentions that the monitoring focuses on output indicators, such as the number of farmers reached (over 40,000), and much less on effects.

⁶⁶ Interview with Mr. Raymond Minani, former PUM representative.

⁶⁷ Covering Burundi, Rwanda and the North and South Kivu provinces of the Democratic Republic of Congo.

⁶⁸ http://www.ifdc.org/About/IFDC_at_a_Glance

⁶⁹ CDP: CATALIST Mid Term Review. 2010. Page iii.

The value chain approach promotes agricultural intensification by comparing the current practice of the producer and the technological package proposed by the project. The results showed yield increases ranging from 50 to 100%. The Mid Term review reports that these results cannot be extrapolated⁷⁰.

Whereas no structural changes have been achieved in the field of agricultural production and productivity, CATALIST has been successful in identifying binding constraints for agricultural value chain development and in reinforcing private sector actors for the supply of agricultural inputs.

Agriterra

Objectives

Agriterra supports farmers' organisations with advice from experts from the Dutch agricultural sector and with finance from the Dutch government (Farmers Fighting Poverty Project).

At the level of the civil society Agriterra works in Burundi with CAPAD, the *Confédération des Associations des Producteurs Agricoles pour le Développement*. This is an overarching body of associations of small farmers, operating throughout Burundi and offering support services and loans to its members. CAPAD is a very visible organisation and has over 20 international partners including ACP-EU, Action-Aid, Agriterra, CATALIST/IFDC, FAO, GIZ, IFAD, Oxfam Novib and the World Bank.

Agriterra has supported several CAPAD initiatives starting in 2009 with the *“Professionalization de l’agriculture et de l’élevage en Burundi et contribuer à la consolidation de la paix”*, oriented at productivity improvement in small scale agriculture. Other projects include the support for the *“Plan d’action détaillé de la CAPAD pour l’année 2011-2014”* and for the *“Appui au leadership féminin et à l’échange régional sur le genre”*⁷¹.

Effects

Agriterra reports on the number of persons reached through the different projects executed by CAPAD with (partial) Agriterra funding. Nine cooperatives have received support from Agriterra. For 2011 CAPAD reports on considerable improvements in the crop productivity of rice (+43%) and potatoes (+41%) but it is not clear by how many farmers this has been achieved. As CAPAD receives assistance from multiple sources, it is difficult to attribute this effect to the Agriterra intervention⁷².

4.3.3 The contribution to resolving binding constraints

BBIN is contributing to the promotion of entrepreneurship and is playing a role in introducing new methods of training and coaching. The incubator is a visible and well marketed initiative that brings the importance of new and modern enterprises in the spotlight.

The PSI projects have had little effect on the binding constraints in the field of skills.

PUM responds directly to a key constraint: the lack of knowledgeable and trained people. PUM experts have trained personnel in several hotels, remedying at enterprise level the lack of a hotel/restaurant school, a sector wide problem. The PUM projects are very short and do not solve structural skills and knowledge bottlenecks. They are too isolated to have a sector wide effect.

The CATALIST project focuses on one of Burundi's key constraints: the low productivity in agriculture which is directly related to the skills and knowledge of the small farmers. The evidence available does not allow to state to what extent and at what scale CATALIST is successful in contributing to the solution of this constraint.

⁷⁰ CDP: CATALIST Mid Term Review, 2010.

⁷¹ http://www.agro-info.net/?menu=countries&view=country&country_id=4036&tab=project&page_detail=2

⁷² Information obtained from CAPAD's Technical Coordinator after the field visit.

In principle the exchange with Dutch farmers, facilitated by Agriterro, contributes to productivity enhancing knowledge of small farmers about selected crops (for example potatoes). The mission did find little evidence that in practice this effect applies to a large number of the supported farmers.

4.4 Legal and regulatory framework

4.4.1 Overview

Summary of expenditure

Within the cluster “Legal and regulatory framework” one de-central Dutch funded intervention has taken place during the 2005 – 2011 period. It concerns the Programme for securing land rights (the Land Rights Project) that is being implemented by the Swiss Development Cooperation SDC. The Trademark East Africa project and the IFC executed CASA Initiative can also be classified in this cluster as they focus on the enabling business environment and work in close collaboration with government authorities.

Table 7: Burundi, Dutch PSD instruments for legal and regulatory framework: overview of expenditure (2005 – 2011)

Intervention	Total	2005	2006	2007	2008	2009	2010	2011
Land rights project	3,960,560	0	0	0	0	611,090	1,088,910	2,260,560
KIT support to LRP ⁷³	74,909	0	25,000	0	49,909	0	0	0
Trademark EA ⁷⁴	1,100,000	0	0	0	0	0	300,000	800,000
CASA Initiative	150,000	0	0	0	0	0	0	150,000
Total	5,285,469	0	25,000	0	49,909	611,090	1,388,910	3,210,560

Summary of effects

The table below gives an overview of the effects of the various instruments within the legal and regulatory environment cluster. The column “summary of effects” should be treated with care since no evaluation reports satisfying IOB criteria are available. The summary is based on internal project information and on the findings of the field interviews.

Table 8: Burundi, Dutch PSD instruments for legal and regulatory framework: overview of effects (2005 – 2011)

Intervention	Level	Evaluated?	Summary of effects
Land rights project	System	Not evaluated	<ul style="list-style-type: none"> Contribution to the enacting of the new “Code Foncier” (Land law) Introduction of a system of locally emitted land certificates. 1,260 certificates emitted (2010-2011).
Trademark East Africa	System	Not evaluated	<ul style="list-style-type: none"> Improved operations of the <i>Office Burundais des Recettes</i> (Tax Authority)
CASA (IFC)	System	Not evaluated	<ul style="list-style-type: none"> Limited effect as project started in 2011

⁷³ Expenditure on the KIT support to the Land Rights Project.

⁷⁴ Dutch indirect contribution via core funding. Source: communication from Trademark EA country director Burundi.

4.4.2 Objectives and effects

Land rights project

Objectives

This project started in April 2009 and after a one-year extension is scheduled to end on December 31st 2013. The Netherlands is a silent partner and funds this SDC managed project which focuses on land rights. The Royal Tropical Institute (KIT) has been actively involved in the project.

The rationale of the intervention is to contribute to a structural solution for land and property related conflicts. Land conflicts are very common in Burundi and make up 73% of cases litigated at community level tribunals. Working on this is very important as almost 90% of Burundi's population is rural and most families live off subsistence farming.

The SDC project to improve the land rights situation in Burundi consists of 4 components:

1. Reinforcing the capacity of the governmental institutions regarding land rights.
2. Promoting the coordination among all that are active in the land-sector in Burundi.
3. Developing a decentralized model of land security by pilot-projects aimed at making local services concerning land accessible to the rural population.
4. Capitalizing the experience of the pilots and use this to develop an extended approach.

Assistance has focused on support to the "*Commission Nationale des Terres et Autres Biens*" (CNTB). The CNTB was created in 2006 with the mandate for three years to help Internally Displaced Persons and refugees in retrieving their land and other properties, or to find other accepted solutions when retrieval of the land is no longer feasible⁷⁵.

Parallel to this, the project has developed a system of "certificates", land titles that are handed out at local level. For the rural population the establishment of a land title system at local level has a big advantage as it enables people to formalize their land rights without depending on the more formal mechanisms.

Effects

The project has effects at the local level but is also contributing to systemic changes. At the systemic level the project has been instrumental in the enacting of the new Code Foncier. It has successfully piloted a local system to solve problems related to land tenure and there are clear indications that similar initiatives are taking root in other provinces. In the new "Code Foncier" the system of locally emitted certificates is recognized as valid⁷⁶. At the level of the population the establishment of a local land title system has a big advantage as it enables people to formalize their land rights without depending on the more formal mechanisms.

The number of emitted certificates has increased from 339 in 2010 to 1,926 in 2011 and 12,073 in 2012. There is also incipient information of microfinance institutions accepting the certificates as a loan guarantee.

Measuring the effects of the project in terms of decrease in land conflicts is practically impossible because there is no baseline data. An interesting other effect of the project is the establishment of a civil society network known as "Synergy on Land" which aims on the one hand at holding government officials accountable for illegal expropriation and mismanagement of scarce land, and on the other hand at preventing land conflicts from escalation. The sustainability of this network, which actually depends on project funds, is not assured.

⁷⁵ Hilhorst, T., Tessemakers, E., van der Wal, F.: Netherlands support to improving land rights in Africa; overview and lessons learned. 2007. Page 6.

⁷⁶ Interview with Mme Dona Fabiola Nshimirimana, national program officer SDC.

TRADEMARK East Africa

Objectives

Trademark East Africa started operations in Burundi in 2011 and is part of a comprehensive programme that covers the East African Community. The objective of Trademark in Burundi is to increase growth and reduce poverty through greater regional integration and increased trade. In order to achieve that, Trademark has been executing a number of interventions working alongside the Ministry for East African Community Affairs, the Ministry of Finance, in particular with the Burundi Revenue Authority, and the Ministry of Trade. Trademark focuses its interventions on the solution of systemic constraints to private sector development and trade flows. Initiatives set in motion or supported include the creation of one-stop border post at Kobero, a study on the removal of non-tariff barriers and the modernization of the revenue authority⁷⁷.

The total budget for the Burundi component is US\$ 50 million which is funded by DFID, USAID and by the Belgian development cooperation. The Dutch contribution is indirect, through core funding for Trademark East Africa.

Effects

Given the indirect character of the Dutch contribution, it is not possible to directly attribute to it the effects of Trademark EA on the situation in Burundi.

IFC and the CASA Initiative

Objectives

IFC's Conflict Affected States in Africa (CASA) Initiative, launched in 2008, is helping design and implement integrated strategies specially targeted to support economic recovery in conflict-affected countries. The initiative started operations in Burundi in January 2011 and is funded by three donors: Ireland, Norway and the Netherlands.

The CASA Initiative focuses on:

- Improving the business environment through regulatory reform
- Strengthening SMEs and SME support institutions, such as chambers of commerce
- Rebuilding financial markets, banks and other financial institutions
- Increasing private sector involvement in providing and rebuilding infrastructure such as roads, ports, schools, and power stations.

Through its annual core funding the Netherlands also funds part of the international advisory operations of the IFC. In 2010, the Netherlands contributed US\$ 56.1 million to IFC's Trust fund⁷⁸.

Effects

Initiated in 2011 the effects of IFC CASA in Burundi were still limited by the end of that year. Burundi enacted a number of reforms to its business climate in the last 2 years, making it easier to start a business, register property, and obtain construction permits. The reforms helped Burundi become one of the world's top reforming countries in the World Bank Group's 2013 Doing Business Report, which ranks the ease of conducting business for countries around the world.

As for strengthening SMEs and the financial infrastructure, effects are expected from IFC's support to the *Banque de Crédit de Bujumbura* which (since 2012) is getting support to set up a SME portfolio database, improve the credit assessment and design products for the SMEs⁷⁹.

⁷⁷ Interview with Mrs. Anthe Vrijlandt, country director Burundi for TradeMark East Africa.

⁷⁸ Ministerie van Buitenlandse Zaken. Samenvattingen Scorecards Multilaterale Organisaties 2011. 2011. Page 11.

⁷⁹ Based on interview with Mrs. Oulimata Sarr Diagne, IFC Advisory Services Country Coordinator.

In 2011 IFC launched its Business Edge training programme in Burundi, which is helping businessmen, women and private sector institutions in the country acquire the skills they need to succeed. IFC has appointed four Business Edge license holders, including BBIN and SPARK.

4.4.3 *The contribution to resolving binding constraints*

Under 2.3.4 the insecurity on land tenure was mentioned as a major constraint and a frequent source of conflict. The effects mentioned under 4.4.2 show that the Land rights project has contributed to solving this key constraint. The acceptance of the locally provided certificates by the new Code Foncier can have far reaching consequences. It can substantially reduce the number of land conflicts and decrease the cost and time to register land.

Trademark Burundi and the CASA Initiative focus on binding constraints at the level of the enabling environment and concerning the infrastructure for doing business. They do contribute to the resolving of binding constraints in this field.

4.5 Market access and development

4.5.1 *Overview*

Summary of expenditure

Within the cluster “Market access and development” few Dutch funded interventions have taken place during the period 2005 – 2011. The table below summarizes these interventions and the associated expenditure.

Table 9: Burundi, Dutch PSD instruments for market access and development: overview of expenditure (2005 – 2011)

Intervention	Total	2005	2006	2007	2008	2009	2010	2011
Oxfam Novib ⁸⁰	397,000	0	0	22,000	50,000	70,000	80,000	175,000
NABC	n/a							
DECP	n/a							
Total	397,000	0	0	22,000	50,000	70,000	80,000	175,000

Summary of effects

The table below gives an overview of the effects of the various instruments within the market access and development cluster. The column “summary of effects” should be treated with care since no evaluation reports satisfying IOB criteria are available. The summary is based on internal project information, on non IOB approved evaluation reports and on the findings of the field interviews.

Table 10: Burundi, Dutch PSD instruments market access and development: overview of effects (2005 – 2011)

Intervention	Level	Evaluated ⁸¹ ?	Summary of effects
Oxfam Novib	Sector	Not evaluated	<ul style="list-style-type: none"> • Stronger farmer organisations • Improved market linkages for groups of farmers • Contribution to government decision to increase budget for agriculture
NABC	Sector	Not evaluated	• No information found
DECP	Sector	Not evaluated	• No information found

⁸⁰ Source: Oxfam Novib, The Hague.

⁸¹ Refers to IOB approved evaluations.

4.5.2 Objectives and effects

In line with Burundi's agriculture based economy, the limited number of initiatives in this cluster focuses on the agricultural sector.

Oxfam Novib

Objectives

Oxfam Novib has been working in Burundi since the 1980's and has selected the country as a "core country" since 2007. It has a representative office in Bujumbura since 2008.

Oxfam Novib supports civil society partner organisations that focus on the improvement of the lives of marginalized rural populations. In the period 2007-2011 part of the project portfolio can be classified as related to "trade and markets". This includes the support to the NGOs ACORD and ADISCO and to the producer organisation CAPAD. Work with ADISCO and CAPAD also touches the development of entrepreneurial skills of small farmers in order to increase their income, improve food security and create employment. Another objective is the increase of farmer's access to inputs such as financial services, fertilizer and land⁸².

Oxfam Novib is part of the '*Groupe Sectoriel de l'Agriculture et Développement du Monde Rural*'. This sector group is chaired by the Ministry of Agriculture and since 2012 vice-chaired by the Dutch Embassy. It serves as a platform for reflection on agricultural policy and exchange on ongoing activities by national and international NGOs and donors. Several Oxfam Novib partners are part of a national agricultural advocacy group under the umbrella of the *Forum des Paysans Burundais* (FOPABU) set up to influence agricultural policy.

Effects

The national agriculture advocacy group under the umbrella of FOPABU has contributed to a government decision to increase the budget allocated to agriculture from 2.2% of the national budget in 2010 to 11.8% in 2012, this in accordance with the Maputo Agreements of 2003⁸³.

An evaluation of Oxfam Novib's involvement in Burundi carried out in 2010 mentions that various Oxfam Novib partners have worked on the knowledge and the reclamation of rights, training local authorities and organisations, and lobbying at national level for political participation and the amendment of laws. Communal organisations such as the Council Development Committees which have been piloted and supported in the Oxfam Novib program, are functioning and influence the decisions of local authorities. At the national level, the Oxfam Novib programme has been able to influence government which has amended laws in favour of women and vulnerable people (e.g. the criminal law and the election law)⁸⁴.

NABC

Objectives

In 2009 DECP paid a fact-finding mission to Burundi and decided to start working with the *Association des Employeurs du Burundi* (AEB), member of the International Organisation of Employers well as with the *Association des Femmes Entrepreneurs du Burundi* (AFAB).⁸⁵

Effects

No effect information found.

⁸² Based on information from Géraldine Breukers, Associate Country Director Burundi for Oxfam Novib.

⁸³ Based on information from Géraldine Breukers, Associate Country Director Burundi for Oxfam Novib.

⁸⁴ Based on information from Géraldine Breukers, Associate Country Director Burundi for Oxfam Novib.

⁸⁵ <http://www.decp.nl/countries/africa/burundi>

Objectives

In 2010, with funding of the Ministry of Foreign Affairs, the Netherlands-African Business Council (NABC) organised a 5-day trade mission to Burundi in cooperation with the Dutch embassy office, the Izere committee and the Burundi Chamber of Commerce. The mission designed for Dutch companies active in the agriculture, tourism and construction sector was aimed at improving the relationships between Dutch and Burundian entrepreneurs⁸⁶.

Effects

No effect information found.

4.5.3 *The contribution to resolving binding constraints*

As mentioned in chapter 2 Burundi faces severe constraints in the field of market access, including poorly developed market linkages, inadequate market information and intermediation and lack of a reliable supply of agricultural products.

Judged by the expenditures in the period 2005-2011, as well as the effects described above, Dutch support to ease these constraints plays a marginal role (in terms of inputs) when compared with the work carried out by several other donors heavily engaged in rural development, including the Belgian development cooperation, IFAD and USAID.

⁸⁶ Izere: Communiqué: Mission des hommes d'affaires Hollandais au Burundi. 2011.

5 Assessment

5.1 The role of the Embassy with regard to PSD

In the beginning years of the Dutch development support to Burundi (2005-2007) safety and conflict control were the key issues and activities focused on disarmament, demobilization and reintegration.

Private Sector Development was first mentioned in the "Burundi/HMA Kigali, Annual Plan 2006" whereby the focus on PSD was seen as an approach that fitted well into the global strategy to support the reconstruction of the Burundian society. In that year, the EKN in Kigali made plans to take action in the microcredit sector, in primary education and in land tenure. Under its guidance several identification missions took place. Although there was awareness that mounting and executing PSD activities was hampered by the lack of stability, the EKN continued to work on project opportunities which finally resulted in the start of the FORCE microfinance project in 2007.

PSD initiatives were gradually included reflecting the view that strengthening of the private sector could contribute to the reconstruction of the country. That view was further elaborated upon in the country's 2008-2011 Multi Annual Strategic Plan (MJSP) which points out the importance of creating adequate conditions for the development of the private sector. The document emphasizes that initiating and executing projects has to be done through third parties, citing the limited capacity at the then recently established office of the EKN in Bujumbura.

It is against this background that The Netherlands become funders of the Swiss lead Land Rights Project and of the USAID led Burundi Business Incubator Project. The opening of an embassy in Bujumbura in 2012 confirms the Dutch commitment to the development of Burundi but the references to the "intervention model" continue to stress the need to work with other donors.

As for the actual focus of the Dutch efforts, the 2012-2015 Multi Year Strategic Plan (MJSP) focuses on three areas: security and justice, food security and sexual and reproductive health. PSD is not a key area of attention but maintains its supporting role and stands at the service of the strategic priorities. As a result of this approach, and in spite of financial contributions to regulatory and business climate initiatives such as the IFC run CASA project and TradeMark East Africa, the Netherlands continue to maintain a low profile in PSD and the EKN is hardly present at the level of the government's policy to improve the enabling environment.

The new MJSP 2012-2015 explicitly mentions the importance of coordination between the Dutch funded PSD instruments and states that the EKN is responsible for maintaining close contact to ensure complementary working and synergy. The EKN organized a meeting of Dutch development initiatives and partners in September 2011 but in practice there is little evidence of an explicit policy oriented at coordination between the central instruments, the projects initiated by the EKN and the activities of the civil sector. Exchange and communication do take place on the ground but this does not seem to be the result of an explicit planning of the intervention in the field of PSD. Dutch donor organizations and initiatives find each other as they support the same local organization or through their joint presence in the coordinating bodies established by the government on different issues such as the "Groupe Sectoriel de l'Agriculture et Développement du Monde rural" and the "Groupe Sectoriel pour le Développement du Secteur Privé".

The relationship and coordination between instruments is also limited by the fact that The Netherlands intervene in four clusters who, although all related to PSD, have very little in common. The PSI funding of a new software developer happens at a completely different level than the embassy funded pilot introduction of land titles. On top of that the target groups also differ, partly a result of the fact that PSD is a very broad concept, covering training of subsistence farmers through an Agriterra supported association of farmers as well as the building of a new border post to facilitate international trade.

5.2 Effects of PSD in Burundi

5.2.1 Dutch PSD instruments and the DCED indicators

In the table below, an overview is provided of the DCED (Donor Committee for Enterprise Development) Indicators of the various Dutch PSD instruments applied in Burundi as far as these could be established from evaluation reports and/or project documents. It should be noted that effects can only be considered validated for those instruments for which IOB approved evaluation reports are available. Unfortunately, however, such evaluations are not available for Burundi. Nevertheless, based on interview outcomes and on the instruments' project documents and websites in a few cases, DCED indicators can be retrieved.

Table 11: Burundi, DCED indicators for Dutch supported PSD interventions

Cluster and applied Instruments	Expenditure ⁸⁷ 2005-2011 (€)	Level	Evaluated in country	No. Enterprises	Net add. Income (€)	Net add. Employment	Investments (€)	Changes	Attitudinal
Finance									
FORCE I	6,244,185	Sector	N	unknown	unknown	unknown	unknown	unknown	unknown
FORCE II	3,303,045	Sector	N	unknown	unknown	unknown	unknown	unknown	unknown
Conference AFMIN	52,064	Sector	N	n/a	n/a	n/a	n/a	n/a	n/a
Support to FORCE	32,208	Sector	N	n/a	n/a	n/a	n/a	n/a	n/a
Terrafina	1,992,843	Sector	N	unknown	unknown	unknown	unknown	unknown	unknown
Subtotal	11,624,345								
Infrastructure									
Subtotal	0								
Skills									
BBIN (USAID) (a.)	1,382,841	Enterprise	N	32	unknown	unknown	unknown	unknown	unknown
PUM (b.)	394,000	Enterprise	N	60	unknown	unknown	unknown	unknown	unknown
PSI Plus (c.)	1,000,000	Enterprise	N	4	unknown	20+	1,000,000	unknown	unknown
Agriterra ⁸⁸	328,346	Sector	N	5,000 ⁸⁹	unknown	unknown	unknown	unknown	unknown
CATALIST	4,600,000	Sector	N	unknown	unknown	unknown	unknown	unknown	unknown
Subtotal	7,705,187								
Legal									
Land rights	2,260,560	Systemic	N	n/a	n/a	n/a	n/a	n/a	n/a
KIT support Land rights	74,909	Systemic	N	n/a	n/a	n/a	n/a	n/a	n/a
Trademark EA	1,100,000	Systemic	N	n/a	n/a	n/a	n/a	n/a	n/a
IFC CASA	150,000	Systemic	N	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal	3,585,469								
Market access									
OXFAM NOVIB	397,000	Enterprise	N	unknown	unknown	unknown	unknown	unknown	unknown
NABC DECP	n/a		N	unknown	unknown	unknown	unknown	unknown	unknown
Subtotal	397,000								
Grand total	€ 23,312,001								

- (a.) No. of enterprises: fully and partially incubated enterprises and SMEs renting space in the BBIN
 (b.) No. of enterprises having received one or more PUM experts
 (c.) No. of joint ventures created with PSI support

⁸⁷ Several instruments affect more than one cluster (e.g. the CATALIST project focuses on market development as well as on skills improvement). In the table 100% of the expenditure of each project/instrument is allocated to one cluster only (the dominant cluster in the project/instrument).

⁸⁸ Over 90% of the AGRITERRA funding is DGIS dependent. Source: Agriterra: Farmers Fighting Poverty - Farmers on the move. Activity report 2009.

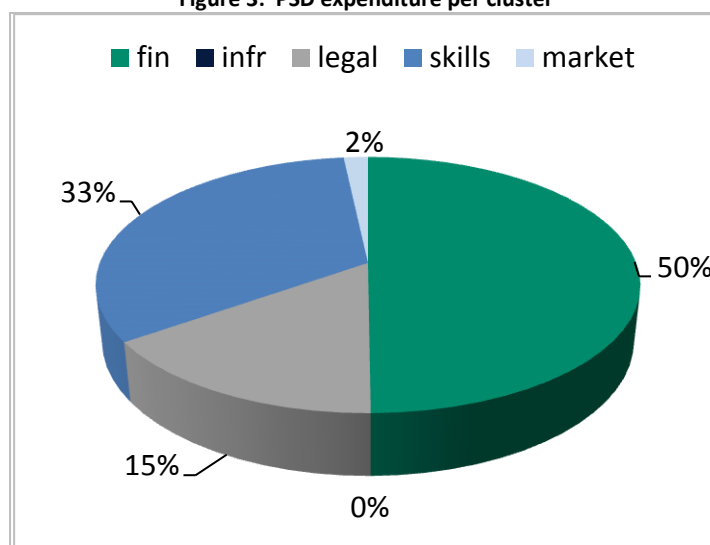
⁸⁹ Approximate number of farmers reached with training and exchanges by Agriterra/CAPAD.

Given the limited availability of information on DECD-indicators it is hard to qualify the effect of the Dutch PSD instruments in the country in terms of those indicators. Furthermore, for those indicators for which information is available it is hard to compare the figures. For example, whereas PUM interventions provide a very specific support to a large group of enterprises, the PSI support is structural and even decisive but for a small number of joint ventures.

Spending per PSD Cluster

Figure 2 shows that 50% of total PSD has flown to the Financial cluster. This reflects mainly the support to the microfinance sector. The Skills cluster accounts for approximately one third of the expenditure, with the multiannual CATALIST project taking a major share and further contributions by the BBIN project, by PSI Plus and PUM and by the support of Agritererra to CAPAD. The Land rights project and the Dutch support to Trademark EA (which focuses on the enabling environment) explain the 15% spending on the Legal cluster.

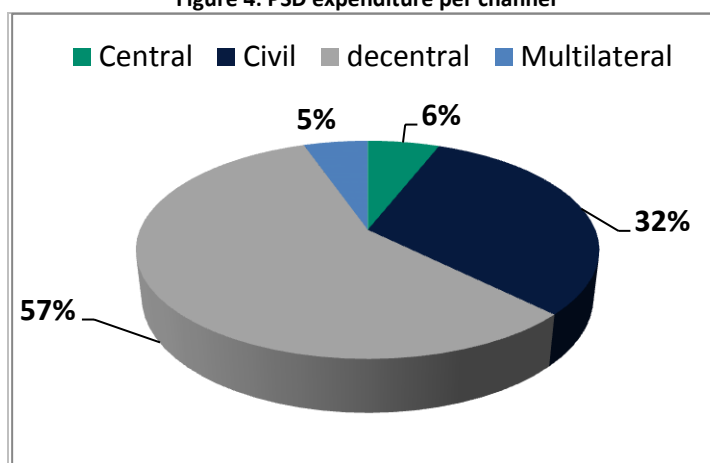
Figure 3: PSD expenditure per cluster



Channels

The PSD related expenditure flows through four different channels: De-central (the Embassy), central (instruments based in The Hague and funded by DDE directly), Multilateral (Dutch funding to multilateral entities such as IFC or to multi donor projects) and civil society (NGOs). Figure 3 shows the relative weight of each channel.

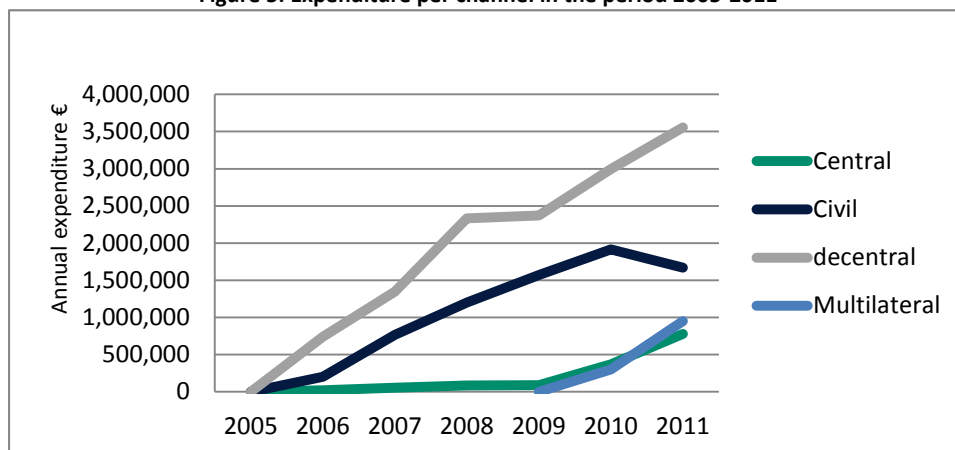
Figure 4: PSD expenditure per channel



In the period 2005-2011 57% of PSD related expenditure took place in the so-called “de-central” interventions, the projects executed directly under the responsibility of the EKN. Interventions executed by “civil society” channels accounted for 32% of expenditure. The central instruments and the multilateral channels accounted for 6 and 5% respectively.

The dominance of the de-central interventions has been a constant element throughout the seven year period, as shown in figure 4. This figure also shows that the central and multilateral channels are relative newcomers to the Dutch PSD support for Burundi.

Figure 5: Expenditure per channel in the period 2005-2011

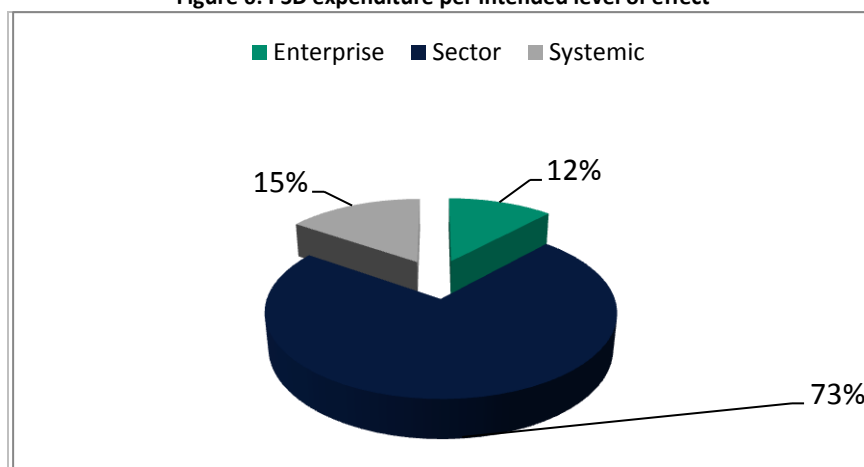


Level of Effects

Figure 5 provides an overview of the Dutch PSD expenditure per (intended) level of result: i.e. results at the enterprise, sector or systemic level. The distinction is made by looking at the specific interventions made by each instrument and by judging whether these are directly supporting a specific enterprise, an enterprise sector or all enterprises of the country. In the latter case, the intervention is classified as being at the systemic level.

The figure demonstrates that 73% of the expenditure is made through instruments oriented at having a sector level effect. This reflects the importance of the interventions in the microfinance sector and the classification of CATALIST and of Terrafina as projects oriented at the small farmer sector. Another 12% of expenditure flows to instruments focussing at the enterprise level, this includes BBIN, PUM and PSI. The remaining 15% is spent on interventions aiming at effects at systemic level and basically includes the land rights project and the Trademark EA and CASA initiatives.

Figure 6: PSD expenditure per intended level of effect



Evaluation coverage

The limitations on effect reporting are obvious as no evaluations that meet the IOB quality criteria are available for the period 2005-2011. Therefore, whether the PSD programme as a whole has been effective and relevant cannot be judged on the basis of these documents.

5.2.2 Contribution to resolving binding constraints

In the table below, an overview is provided of the contribution of Dutch PSD instruments to changes in binding constraints for Burundi's private sector. The information reported below shows that, the contribution of the Dutch PSD instruments to changes in binding constraints or the development of the private sector in Burundi is most apparent in the financial and legal cluster.

Table 12: Burundi, contribution of Dutch PSD instruments to changes in binding constraints (2005 – 2011)

Cluster	Change in binding constraint (2005 – 2011)	Dutch contribution to observed change
Financial	A steady increase in the supply of microfinance services Legal framework and support services for MFIs have improved Credit for (small scale) agriculture remains scarce.	An important contribution to the growth and professionalization of the Microfinance sector
Infrastructure		No contribution
Skills	The lack of skilled people continues to be a major bottleneck Agricultural productivity remains very low, amongst others reflecting the very low level of education and technical skills among farmers	Small, the BBIN project has touched a limited number of enterprises. The training provided by CATALIST, Oxfam Novib and Agriterra has reached several thousands of farmers but there is no evidence of a sector wide effect.
Legal	New Land Law provides a basis for decrease in property conflicts Locally emitted property certificates decrease dependency on slow national land registration Improvement in the overall enabling environment for investment and entrepreneurship 2007: Doing Business ranks Burundi 166 th on 173 countries. 2012: Doing Business ranks Burundi 172 th on 185 countries	Visible contribution to the issue of land rights. Indirect and incipient contribution to the improvement of the enabling environment for doing business through the Dutch funding of multilateral initiatives: IFC CASA and Trademark EA)
Market access	Microenterprises not ready to take advantage of growing demand for goods Smallholder farms have limited access to markets and often have limited or no marketable surplus.	Small. Thousands of (small) farmers reached through CAPAD (supported by ON, Agriterra, CATALIST) with some local effects in term of integration of farmers in value chains.

5.3 Relationship between instruments and synergy effects

During the field visits, the research team conducted interviews with PSD instruments and with the EKN assessing whether and to what extent links and synergy exist between the PSD instruments and their interventions.

The criteria used to define and report the results are as below (see Inception report):

Criteria	Definition	Indicators
Overlap	Two (or more) PSD instruments try to achieve the same objective	No. of Interventions/% of total PSD expenditures in country X that overlap with other projects
No interaction	Instruments that could cooperate do not exchange information	No. of Interventions/% of total PSD expenditures in country X that do not interact with other projects
Information exchange or cooperation	Instruments exchange information, or collaborate	No. of Interventions /% of total PSD expenditures in country X that are exchanging information or cooperate
Joint interventions (synergy)	Two (or more) instruments develop joint interventions	No. of Interventions /% of total PSD expenditures in country X that are have joint interventions

5.3.1 Findings

The respondents were asked to what extent their instruments are cooperating with other Dutch PSD instruments. The following was established during interviews:

Overlap

No cases of overlap.

Information exchange or cooperation (Links)

There is no standard pattern of exchange between the instruments. Some, like PSI, maintain formal contact with the EKN⁹⁰ while others like PUM do not inform about the experts coming to the country.

Most instruments are not actively pursuing opportunities to cooperate and have not taken action to coordinate interventions. In the Netherlands several parties engaged in Burundi meet in the so-called “Burundi Platform” which is being coordinated by CORDAID. These meetings focus on the exchange of information about project activities⁹¹. There are no minutes.

The MASP 2012 – 2015 mentions that more than ten Dutch NGOs are working in Burundi with MFS2 funding. They work for about 70 % on the same themes as the Embassy program proposed in the Plan. “Therefore, the Embassy is responsible for maintaining close contact to ensure complementary working and synergy whenever possible”⁹². These opportunities, as far as identified by associating these NGOs and some of their local partners in the MASP process are mentioned in the Plan. In addition, in September 2011 the EKN organized a meeting with the Dutch development partners.

Oxfam Novib, Agriterria and CATALIST are all working with CAPAD, a countrywide association of farmers’ organisations. We found no evidence of structural interaction between these CAPAD partners.

ADISCO, Agriterria, CAPAD, ICCO, IFDC, Oxfam-NOVIB and ZOA participate in the national “*Groupe Sectoriel de l’Agriculture et Développement du Monde Rural*”. The EKN was represented as co-chair and donor representative in this sector group, which is chaired by the Ministry of Agriculture and serves as a platform for reflection on agricultural policy and exchange on ongoing activities by national and international NGOs and donors. This representation allows the EKN to stay informed about government priorities and about the initiatives of other donors.

Another government coordination initiative is the “*Groupe Sectoriel Secteur Privé*”. PSD partners participating currently include BBIN, IFC, RIM, SPARK and USAID. ZOA and SDC meet each other in the *Groupe Sectoriel Foncier*⁹³. EKN also participates in these sector groups.

⁹⁰ The EKN provides a written opinion on each PSI funding request.

⁹¹ Interview with Marjon van Schaik, DAF.

⁹² Multi annual strategic plan 2012 – 2015, page 20.

⁹³ Information received from Mr.J. Vlaar, EKN Burundi.

Joint interventions (Synergy)

In the Access to Finance cluster, PSD instruments have chosen to coordinate, carrying out interventions that in principle enhance each others' outcomes.

The joint effort by FORCE II and by TERRAFINA to strengthen the microfinance sector. During the formulation of its microfinance strategy for Burundi, Terrafina approached the EKN in Kigali. Reference is made to the fact that "Since the sector is in such an infant stage and very few donors are active in the country Terrafina will actively seek collaboration with others to ensure complementarity and mutual efforts"⁹⁴. This complementarity actually did materialize.

The overall relationship between the different instruments and initiatives is presented in the table below:

Table 13: Burundi, overview of interaction and synergy between Dutch funded PSD instruments

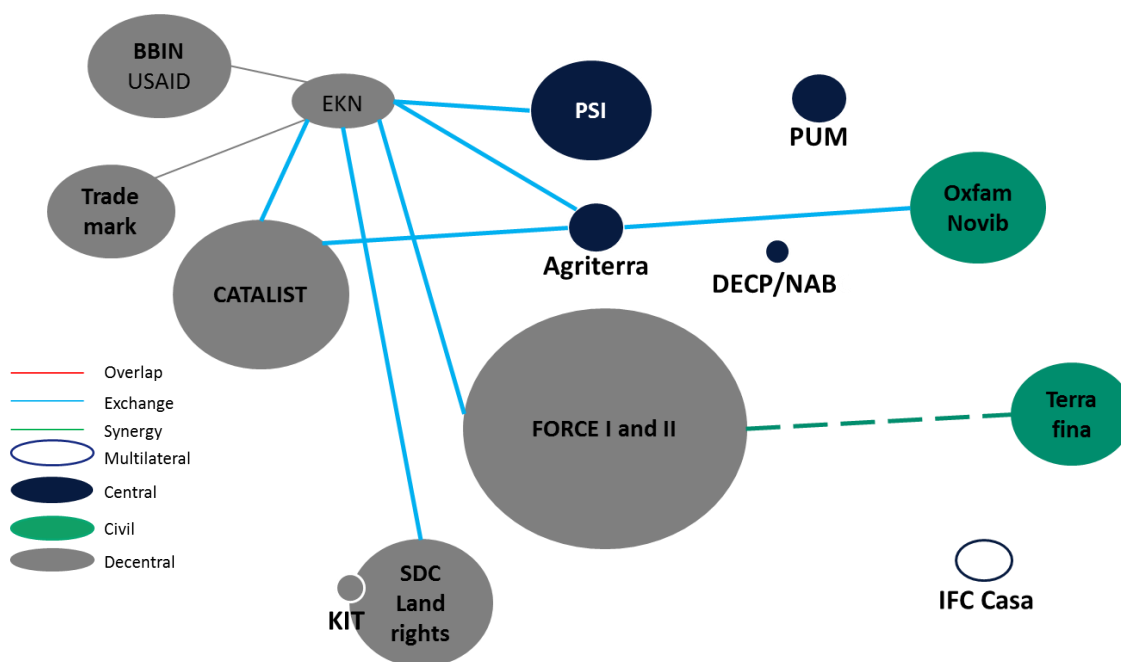
Instrument	Expenditure 2005-2011 (EUR)	Overlap	Exchange/collaboration	Synergy
Finance				
FORCE I	6,244,185			
FORCE II	3,303,045			Terrafina
Conference AFMIN	52,064			
Support to FORCE	32,208			
Terrafina	1,992,843			FORCE II
Infrastructure				
Skills				
BBIN (USAID)	1,382,841			
PUM	394,000			
PSI Plus	1,000,000		EKN	
Agriterra	328,346		Oxfam Novib, Catalist	
CATALIST	4,600,000		EKN, Oxfam Novib	
Legal				
Land rights (SDC)	2,260,560			KIT
KIT support Land rights	74,909		EKN	SDC Land Rights
Trademark EA	1,100,000		EKN	
IFC CASA	150,000		DDE	
Market access				
Oxfam Novib	397,000		Agriterra	
Grand total	23,312,001			

The figure below offers a graphic view of the findings⁹⁵.

⁹⁴ Terrafina: country Strategy for Burundi 2007-2009. 2006. Page 13.

⁹⁵ All EKN projects (FORCE I and II, Land Rights and BBIN) are brought together under one heading: EKN.

Figure 7: Overview of the network of Dutch supported PSD instruments in Burundi



5.3.2 Observations

The MJSP 2012-2015 explicitly mentions the importance of coordination between the Dutch funded PSD instruments: “the Embassy is responsible for maintaining close contact to ensure complementary working and synergy whenever possible. These opportunities, as far as identified by associating these NGOs and some of their local partners in the MASP process (among others a common session on September 8th 2011), are mentioned explicitly (but not exhaustively) in the document”.

What does this mean in practice? As mentioned above, there are no overlaps between Dutch funded initiatives and instruments. There is as such no evidence of instruments obstructing each other. There are **one cases of synergy**, one in the Access to Finance cluster (complementarity between the institutional strengthening work of FORCE II and the support to microfinance institutions provided by Terrafina). Apart from this, the PSD programme in Burundi during 2005-2011 shows a **limited number of links and low synergy**.

In all, most PSD interventions pursue their own objectives, irrespective of what others plan or do. This is in part a consequence of the fact that so far the Embassy has not developed a dedicated PSD program, and the fact that the central instruments operate under their own intervention logic and have little incentive to cooperate at country level.

There is little evidence of an explicit policy oriented at coordination between the instruments. Exchange and communication does take place on the ground but this does not seem to be the result of an explicit planning of the intervention in the field of PSD. Donor organisations and initiatives run into each other in the field, as they support the same local organisation, for example in the case of farmer organisation CAPAD which receives support from Oxfam Novib but is also a partner in the IFDC run CATALIST project.

Another space of “on the ground coordination” or of information exchange are the coordinating bodies established by the government on different issues such as the “*Groupe Sectoriel de l’Agriculture et Développement du Monde rural*” and the “*Groupe Sectoriel pour le Développement du Secteur Privé*”.

Oxfam Novib and the EKN for example meet in the former. Dutch NGO ZOA and the Land Rights Project meet in the “*Groupe Sectoriel Foncier*”⁹⁶.

The relationship and coordination between instruments is also limited by the fact that the Netherlands intervene in four clusters who, although all related to PSD, have very little in common. The PSI funding of a new software developer happens at a completely different level than the embassy funded pilot introduction of land titles. On top of that the target groups also differ, partly a result of the fact that PSD is a very broad concept, covering training of subsistence farmers through an Agritererra supported association of farmers as well as the building of a new border post to facilitate international trade.

There are also more “ideological” elements and differences in the development view which explain the limited synergy and coordination. While Dutch NGOs and their partners focus on direct work at the beneficiary level as a means to achieve poverty alleviation, multilateral agencies focus on improving the enabling environment for private enterprises. The central instruments such as PSI and PUM still have another focus: they offer specific solutions for individual enterprises, assuming that new and stronger enterprises will generate income and create jobs, thus contributing to PSD and to poverty alleviation.

⁹⁶ Information provided by EKN Burundi.

6 Summary and Conclusions

6.1 The approach

In the beginning years of the Dutch development support to Burundi (2005-2007) safety and conflict control were the key issues and activities focused on disarmament, demobilization and reintegration. PSD initiatives were gradually included reflecting the view that strengthening of the private sector could contribute to the reconstruction of the country. That view was further elaborated upon in the country's 2008-2011 Multi Annual Strategic Plan which points out the importance of creating adequate conditions for the development of the private sector, mentioning key issues that require attention such as attracting foreign investment, the improvement of legislation, the fight against corruption and the access to lending.

Noteworthy is that throughout the beginning years, and even later on, there seems to be a tension between the Dutch will to act (to develop PSD support projects and interventions) and the limited capacity at the level of the EKN (office). The latter leads to several projects executed by other donors where The Netherlands becomes a silent partner. The opening of an embassy in Bujumbura in 2012 confirms the Dutch commitment to the development of Burundi but the references to the "intervention model" continue to stress the need to work with other donors.

As for the actual focus of the Dutch efforts PSD is not a key area of attention but maintains its supporting role and stands at the service of the strategic priorities. As a result of this approach, and in spite of financial contributions to regulatory and business climate initiatives such as the IFC run CASA project and TradeMark East Africa, the Netherlands continue to maintain a low profile in PSD and are hardly present at the level of the government's policy to improve the enabling environment.

6.2 The effects

The Dutch supported projects have reached out to thousands of micro entrepreneurs, small and subsistence farmers and poor families through a variety of PSD interventions in the fields of microfinance, the enhancement of agricultural productivity and the resolution of land conflicts. There is very little systemized information about the poverty alleviation effects of these interventions. There is also a lack of information about the income and job creation effects of the interventions at a higher level in the entrepreneurial pyramid: the PUM and PSI projects and the Burundi Business Incubator which have small and medium enterprises as their key target.

The most visible achievement in terms of resolving binding constraints took place in the financial cluster where the two FORCE projects achieved a widely recognized effect in terms of increased outreach of microfinance institutions and contributed to the professionalization of the supervisory framework of this important segment of the financial sector. The interventions in the cluster skills and knowledge have been diversified and have taken place with little or no coordination between the different instruments. Oriented at individual enterprises, the central instruments like PUM and PSI Plus have a very limited effect on binding constraints. The rural based interventions carried out by IFDC (CATALIST project), Agriterra and Oxfam Novib have promoted and set in motion innovations, crop diversification and the integration of farmers in value chains. This has led to insights and successes at pilot level but there is so far no evidence that these interventions have solved the binding constraint of low agricultural productivity or have led to the structural insertion of small farmers in more attractive markets. The main Dutch funded interventions in the rural sector all work with CAPAD, a countrywide association of farmers' organisations which has had success in advocacy activities on behalf of small farmers.

In the cluster Legal and Regulatory Framework, the Land Rights Project has been successful in piloting a system to facilitate the local emission of property titles. Burundi's new "Code Foncier" recognizes these locally emitted certificates, potentially contributing to a structural solution of a binding constraint at national level. In the same cluster two interesting initiatives focusing on the business environment receive Dutch financial support. TradeMark East Africa has achieved some initial successes in improving Burundi's regional integration and solving constraints for trade. The IFC executed CASA initiative has started work on regulatory reform and is trying to strengthen the provision of financial and other support services for

SMEs. Potentially both projects can contribute substantially to the solution of binding constraints in the LRF cluster.

6.3 Relationship between instruments

There are no overlaps between Dutch funded initiatives and instruments but at the same time there is little synergy, the exception being the activities in the field of microfinance where there is complementarity between the work of FORCE II and the support to microfinance institutions provided by Terrafina and BBIN and SPARK. Most PSD interventions pursue their own objectives, irrespective of what others plan or do. There is little evidence of an explicit policy oriented at coordination between the instruments. Exchange and communication does take place on the ground, but this does not seem to be the result of planning at the level of DDE or of the EKN. Instruments and initiatives find each other as they support the same local organisation (case of CAPAD) or because they meet in the coordinating bodies established by the Burundi government on different development issues. The relationship and coordination between instruments is also limited by the fact that the Netherlands intervene in four clusters who, although all related to PSD, have little in common.

Annex 1: References Burundi Country Study

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Annex 2: Interviewees Burundi country study

Organisation	Interviewee	Function
EKN	Fritz MEIJNDERT	Chef de Poste Adjoint
	Jan VLAAR	1 ^{er} Secrétaire chargé du programme de sécurité alimentaire
	Gérard MURINGA	Conseiller Coopération et en Finances Publiques
	Eddy NIYONZIMA	Conseiller en sécurité alimentaire
DAF	Marion VAN SCHAİK	Directie Sub-Sahara Afrika
DDE	Frits VAN DER WAL	Directie Duurzame Economische Ontwikkeling
Association Française pour le Développement	Claire GALANTE	Chargée de Projets Bureau de Bujumbura
IFC	Oulimata SARR DIAGNE	IFC Advisory Services Country Coordinator
USAID	Shannon ROGERS	Programme Officer
	Alice NIBITANGA	Assistant Programme Officer
Coopération Suisse (SDC)	Mme Dona Fabiola NSHIMIRIMANA	National Programme OfficerFoncier
	Mme Didacienne GIHUGU	Chargée de ProgrammeFoncier
API : Agence de Promotion des Investissements	Léonidas HABONIMANA	Director
	Esaie NTIDENDEREZA	Head of Investment Promotion & Communication
BRB	Innocent NDABIN	Chef service microfinance
BNDE	Marie Jeanne NDIKUMANA	Chef de Département Commercial et Etudes Stratégiques
	David HABIMANA	Chef de Service PEH
FORCE	Louis NDIKUMANA	Project Coordinator

Organisation	Interviewee	Function
RIM : Réseau des Institutions de Microfinance	Cyprien NDAYISHIMIYE	Secrétaire Exécutif
CECM	Marie Louise NSABIYUMVA	Directeur Gérant
SOLECS-COOPERS	Denis NDIKUMANA	Directeur Général
FENACOBU	Onésime NISHIMWE	Directeur Général
Chambre Fédérale de Commerce et d'industrie	Christian NKENGURUTSE	Secrétaire General
SPARK	Annelies VAN DEN BERG	Country Manager
BBIN	Claver NDUWUMWAMI	Directeur Général
Rabobank Foundation	Frank W. BAKX	Technical Advisor
Trademark East Africa	Anthe VRIJLANDT	Country Director
Global Rights project	Louis Marie NINDORERA	Country Director
CNTB	Mgr Sérapion BAMBONANIRE	Président de la CNTB
CFCIB	Mr.Christian NKENGURUTSE	General Secretary
SAFARI GATE	Arthur BIZINDAVYI	Directeur des opérations
ARNOLAC	Patrick HUGANO	Commercial and Financial Assistant
	Eupaphrodite MAKARAKIZA	Directeur de l'Administration et de l'Exploitation
OXFAM NOVIB	Géraldine BREUKERS	Associate Country Director
CAPAD	Jean Marie NDAYISHIMIYE	Technical Coordinator
CURDES	Dr Patrice NDIMANYA	Agro-Economiste
OPEN IT	Thierry NTAKO	CEO
IFDC	Alexis NTAMAVUKIRO	National Coordinator
PUM	Raymond MINANI	Représentant Local
GPO Partners	Louis NDIKUMANA	Coordonnateur

Organisation	Interviewee	Function
AROMA	Jean MICHEL RISHIRUMUHIRWA	CEO

