

The European Union's Political and Development Response to Burundi

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Contents

ACRONYMS.....	5
SUMMARY	6
INTRODUCTION	7
1 BURUNDI OVERVIEW.....	8
1.1 POLITICAL SITUATION	8
1.2 ECONOMIC SITUATION	10
1.3 KEY CHALLENGES FOR BURUNDI	11
2. INTERNATIONAL DONOR RESPONSE TO BURUNDI	13
2.1. HISTORICAL PERSPECTIVE ON INTERNATIONAL RESPONSES.....	13
2.2 DONOR ACTIVITIES.....	15
2.2.1 <i>Aid Flows</i>	15
2.2.2 <i>Major players</i>	16
2.3 THE EUROPEAN UNION’S PROACTIVE APPROACH TO BURUNDI	18
2.4 DONOR COORDINATION AND INFORMATION MECHANISMS	23
2.5 REGIONAL PERSPECTIVE.....	23
3 MAJOR TRENDS AND KEY CHALLENGES IN DONORS’ APPROACHES TO BURUNDI	25
3.1 MAJOR TRENDS IN THE INTERNATIONAL DONOR RESPONSE	25
3.2 KEY CHALLENGES FACING THE INTERNATIONAL DONOR COMMUNITY	29
4 ADAPTATIONS IN EU APPROACH TO BURUNDI.....	33
4.1 STRATEGIC ADAPTATIONS.....	33
4.2 INSTITUTIONAL ADAPTATIONS	34
4.3 INSTRUMENTS AND PROCEDURES	35
5 CHALLENGES AND OPPORTUNITIES FOR AN IMPROVED EC RESPONSE.....	37
5.1 CHALLENGES DILEMMAS.....	37
5.1.1 <i>Strategic Dilemmas</i>	37
5.1.2 <i>Institutional Dilemmas</i>	38
5.1.3 <i>Implementation Dilemmas</i>	39

5.2	OPPORTUNITIES FOR AN IMPROVED EU RESPONSE	40
5.2.1	<i>Strategic Opportunities</i>	40
5.2.2	<i>Institutional Opportunities</i>	41
5.2.3	<i>Implementation Opportunities</i>	42
 ANNEX: BASIC COUNTRY DATA		44
 BIBLIOGRAPHY.....		45
	INTERVIEWED ORGANISATIONS.....	46

Acronyms

ACP	African, Caribbean and Pacific countries
AIDS	acquired immune deficiency syndrome
CELON	Cellule d'Appui à l'Ordonateur National
CFSP	Common Foreign and Security Policy
DG Dev	Directorate-General for Development
EC	European Commission
ECHO	European Community Humanitarian Office
EDF	European Development Fund
EIB	European Investment Bank
EU	European Union
FRODEBU	Front for Democracy in Burundi
GDP	Gross domestic product
ILO	International Labour Organisation
IMF	International Monetary Fund
NAO	National Authorising Officer
NGO	Non-governmental organisation
NIP	National Indicative Programme
OAU	Organization for African Unity
OCHA	UN Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
PCAC	Programme Cadre d'Appui aux Communautés de Base
PREBU	Programme de Réhabilitation du Burundi
PRGF	Poverty Reduction and Growth Facility (IMF)
PRSP	Poverty Reduction Strategy Programme
SAF	Structural Adjustment Facility
SEP	UN Systems Emergency Plan
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UPRONA	Union for National Progress
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme

Summary

The signing of the Arusha Peace Agreement in August 2000, under international auspices, brought a new era of development cooperation between Burundi and the donor community. For the donors who opted to resume aid, structural aid was fully resumed at the Paris Donor Conference in December 2000, at which US \$440 million was pledged, mostly by the European Commission (EC) and EU Member States. Until January 1999, Burundi was under sanctions and aid was suspended, conditional on the success of the Arusha peace process. There are relatively few donors currently present in the country; and all of them link their interventions to the ongoing process of Arusha peace talks.

One of the triggers in donors resuming aid to Burundi was the general recognition of the negative impact the sanctions had on the most vulnerable people. Burundi is one sad example of the consequences of sanctions in an already impoverished and fragile country. Repeated UN appeals to resume aid and enlarge the humanitarian response were signs of that recognition. Despite the regrettable delays in resuming aid, the resumption was accompanied by a shift of strategy, from sanctions to incentives. The recent focus of the donor community in supporting the peace process and to some extent government priorities for development exemplifies that evolution in donors' approach: development is regarded as a way (more effective than sanctions) to stop disruptions and achieve a sustainable peace, for peace cannot be held hostage by the rebel groups and the peace-makers need to be encouraged.

Renewal of formal cooperation will inevitably call for inventive modalities of delivering support, responding both to the challenge of the permanent instability (and subsequent unpredictability) and Burundi's hampered absorptive capacity. These features have led to common trends in donors' interventions in the country, such as a regionally differentiated response to cope with varying levels of insecurity. The path largely chosen by donors, particularly the EC, is to accompany the country in emerging from the terrible crisis it has faced for years, based upon a proactive approach, using incentives rather than sanctions. Helping the country to implement the Arusha timetable is the main priority of all international actors. Despite a high degree of political volatility – two coup attempts since the December 2000 donor conference and permanent rebel attacks – this 'peace-dividend' approach is showing results. The major challenge for donors for the past year has been to support the country and its current government, without hindering the transition process: support without legitimising, provide technical aid while pressing for respect of the political transition calendar.

A key feature of EC interventions in Burundi is the parallel presence of the European Community Humanitarian Office (ECHO), a rehabilitation programme (PREBU) and structural aid via the use of outstanding Stabex funds for budget support. The coexistence of these three instruments provides full potential for an integrated approach to aid in the country, addressing altogether different needs and sectors. The proactive stand taken by the Commission in recent years, launching a rehabilitation programme ahead of the formal resumption of structural aid, must be stressed. However, there is scope for progress, for instance, in terms of availability and flexibility of funds, making better use of ECHO's presence, taking advantage of EC long-term engagement with all the countries in the region to design a regional conflict resolution strategy.

Introduction

*'Fragile states' are understood to be countries facing latent or protracted conflict (including situations of war), countries emerging from conflict (with major uncertainties as to their future stability) and countries indirectly affected by regional conflicts. Their 'fragility' can take different forms. In extreme cases, state structures have disappeared. In other cases, the central state may appear strong (e.g. in terms of military control), but it lacks legitimacy, controls only part of the national territory or fails to deliver even the most basic services (including in developmental terms). The net result is generally a situation of chronic instability, insecurity, violation of human rights, economic and social collapse, high levels of aid dependency and rising levels of absolute poverty.*¹

This study attempts to analyse the EU development response towards Burundi, looking particularly into **what could be improved in terms of policies and instruments under the new ACP-EU Partnership Agreement**.² Although this study does look into donors' approaches and responses in a comparative manner, it is not an evaluation of donors' response, and as such the analysis provided doesn't cover all donors' activities and interventions, but rather the relevant ones in terms of indications on how to improve the impact. To this end, the first chapter is an overview of the main characteristics of Burundi's current political and economic situation, in the framework of the recent evolution of the Arusha peace talks. Chapter two presents the international donor response to Burundi, including the EU's, the major players' interventions and aid flows. Chapter three identifies key challenges linked to delivering development aid to Burundi. Chapter four gives special attention to current adaptations in the EU approach to the specific needs of the country. Finally, chapter five analyses the challenges and opportunities for an improved EU response to Burundi based on the previous chapters' findings.

While the legal framework and the instruments of Cotonou remain the same for all 77 ACP countries, the challenges of implementing development interventions in politically fragile states are much greater. The polarisation of the political situation and the weakness of the state (concerning its capacity to deliver basic public services) make obstacles more acute, and the volatility of the political environment renders every policy choice difficult and frail.

Burundi can be characterised as 'fragile' based on a number of characteristics:

- high *political instability* and difficulty in implementing the Arusha Peace Agreement, the absence of ceasefire and the refusal of two rebel groups to take part in the Agreement
- the *state of insecurity* still prevailing throughout the country, particularly at the Congo and Tanzanian borders, as well as permanent rebel attacks including on Bujumbura
- slowness in opening the *political space* largely due to ongoing insecurity, despite the current peace process
- the *Congo war* and the destabilising effect of extremist groups
- serious *shortage of capacities* to support reforms, justice and reconciliation processes
- high *external dependency* coupled with strong international pressure to comply with the Arusha Agreement
- strong *regional and ethnic disparities*
- *absence of natural resources* and landlocked geography
- acute *land shortage* and poverty

¹ According to this definition, a growing number of ACP countries can be categorised as 'fragile'. This confronts the international donor community with unprecedented demands for complex emergency interventions that can help to restore stability and create the conditions for addressing pressing development challenges.

² Known as the Cotonou Convention (signed in June 2000), successor of Lomé IV, provides a new legal framework and a mandate to the Commission and the Member States to ensure a stronger link between development matters and conflict prevention, management and resolution in its article 11. The essential idea is to use regional, sub-regional and national capacities to attack the root causes of conflict. It is interesting to note that the agreement also makes provision for the necessary links to be established between emergency measures, rehabilitation and cooperation on the ground. These provisions have to be considered together with article 8, which sets the basis for the political dialogue, and article 96, which sets its limits and procedures leading to suspension.

1 Burundi Overview

1.1 Political Situation

Burundi is a small landlocked country, crucially lacking of natural resources, subject to highly tense political and ethnic divisions and still facing open violent conflict. Its external dependency is particularly significant, resulting both from a long-lasting crisis and the consequent sanctions imposed on the country.

The chronic crisis is embedded in complex and profound causes, encompassing multilayered economic, ethnic and political dimensions: land scarcity and distribution, highly instrumentalised ethnic and regional tensions and disparities, traditional absence of power-sharing processes and nearly ‘institutionalised’ use of violence as a political means with the military omnipresent in political life. Gaining and remaining in power is the only way to access scarce economic resources and, moreover, it is the only way to prevent exclusion and protect ones’ people against violence. The tangibility of genocide and ethnic cleansing has been a permanent socio-political reality.³ The impact of the 1994 Rwanda genocide on Burundian society has been particularly deep, because social, political and family ties between the two countries are profound.

Burundi has known repeated ethnic violence since independence from Belgium in 1962, with massacres occurring in 1965, 1972, 1988, 1991 and 1993. Society is divided among three ethnic groups: the Hutu majority, the Tutsi minority, and the very small minority of Twas (1%). The Tutsis currently hold political and military power, and they strongly feel it is their only means of survival against very real genocide attempts. The ethnic division of the country has impacted military control, resource distribution, access to education and so on. A succession of authoritarian military regimes has led to increased social tensions, disastrous economic effects and repeated waves population movements, be they internally displaced people or cross-border refugees to neighbouring countries. During Pierre Buyoya’s regime (1988–93), some important steps were taken towards democratisation, culminating in the first democratic elections in 1993. However, the elected president, Melchior Ndadaye, was assassinated only a few months afterwards. He was replaced by President Ntaryamira, who died in April 1994 when the plane carrying him and Rwanda’s president was shot down. In early 1994, a ‘convention’ government of national unity, negotiated under UN and Organization for African Unity (OAU) auspices, was established, administering the country under a democratically elected parliament. However, this government was unable to uphold internal security against repeated incursions of Hutu militias. It was overthrown by Pierre Buyoya in a coup d’état in 1996.

The Arusha peace process, which started in June 1998 under the facilitation of Julius Nyerere and international support, allowed negotiation among some 20 Burundian factions, including the organised exiled opposition, both civil and armed. The aim of the talks, among others, was to find a peaceful and political solution to the current appropriation of political, economic and military power by a regionally and ethnically based group and ensure the survival and protection of that group by other means. The peace talks went on for two years, facing several obstacles and breaks. Most significant among these were the strong pressure put on the Burundian parties by the international community to discuss, and discuss outside the country; the absence of certain armed groups at the negotiation table; and the absence of in-country dialogue in-between Arusha sessions. Nevertheless, a Transitional Constitutional Act establishing the political platform for the transitional regime was agreed upon. Even so, sporadic fighting continued and social tensions based on ethnicity, regional disparities and political affiliation remained strong in Burundian society. War economy and accumulation became the only means of survival for a certain military and political class.

³ This fact was officially recognised by the UN Rapporteur for Human Rights, Paulo Sergio PINHEIRO in 1994.

The signing of the Arusha Agreement in August 2000 was a major step forward in the peace process, despite important remaining difficulties: it didn't manage to establish a cease-fire, in absence of cease-fire it was difficult to carry on the foreseen timetable for the implementation of a transitional government, two of the main rebel groups had not signed the agreement and there were still thousands of refugees to repatriate. While the negotiations did attain success despite the absence of two main armed rebel groups, their full implementation will require a genuine ceasefire allowing for the political transition and ethnic reconciliation. Moreover, many perceive Arusha as an externally forced process, with no internalisation at people's level and no real gain of trust between the parties, and so far no party involved has invested on establishing this trust internally.

The ongoing sporadic fighting stems from extremist armed militias which have rejected the peace talks and formed around the exiled refugee camps or sometimes within the country. They have active or passive support in arms, training and money from power forces within the region and aim to destabilise the country and sabotage the agreement. Their incursions have led the Burundian army to expand beyond the country, to take active part in the broader regional crisis. Burundi's situation cannot be separated from its regional context: the sub-regional war on the territory of the Democratic Republic of the Congo involves a complexity of players, interests and alliances and currently undermines any serious attempt to enforce peace and stability in Congo, Burundi or Rwanda. Rebels' use of the neighbouring countries, in particular Tanzania and Congo, as bases for their military operations and attacks represents a major danger to Burundian security and regional stability.

Box 1: The Peace Talks and the Transitional Period

The Arusha talks, which started in June 1998, were structured in the form of plenary sessions and committees: Committee I (*Nature of the Conflict*) was to seek consensus on the genocide and actions to take; Committee II (*Democracy and Good Governance*) was to define the electoral system and transitional institutions; Committee III (*Peace and Security*) was to achieve agreement on cessation of hostilities, demobilisation and integration of the rebels into the army; Committee IV (*Development and Economic Reconstruction*) was to define development priorities; Committee V was to determine the guarantees for implementing the Agreement.

The peace talks gave precedence to the negotiations between President Buyoya's Union for National Progress (Uprona) and Jean Minani's Front for Democracy in Burundi (Frodebu). These parties, thus, became the driving forces of the peace process. Although the 19 negotiating parties signed the Agreement in August 2000, implementation has so far been blocked by the lack of a ceasefire between the government and extremist rebel groups (CNDD-FDD and FNL) and lack of consensus on the transition leadership.

After two and a half years of negotiations, Burundi peace facilitator Nelson Mandela announced that agreement had been reached on the presidency and vice presidency for the first half of a three-year transition period, scheduled to start on 1 November that same year. On 23 July 2001, the Agreement was formalised and signed by the future presidential tandem. However, the transitional timetable will be difficult to implement: the absence of a ceasefire means the continuation of the civil war; attempts to negotiate with rebels outside the Arusha peace process have failed; two apparent coup attempts in just over three months highlight divisions in the armed forces; and several extremists movements including in the army or at the extreme of Buyoya's party threaten to derail attempts to build new institutions.

An Implementation Monitoring Committee (IMC) was established after the Agreement was reached, and later President Pierre Buyoya was mandated to head the transitional government in the first half of the transitional period.

As part of the transition leadership arrangement, President Buyoya committed himself to respect a list of conditions aimed at ensuring implementation of the peace agreement. These include offering protection to all political leaders returning from exile,⁴ and inviting an international peacekeeping force to oversee implementation of the peace agreement. Ghana, Senegal, Nigeria and South Africa have agreed to contribute troops, while Belgium has promised logistical support. However, this international force is unlikely to go to Burundi before there is an effective ceasefire.

⁴ A special Burundian protection force is foreseen to facilitate the return of exiled political leaders. Half of the force will be picked from members of the Tutsi-dominated army, while the parties representing Hutu interests will select and appoint the other half.

Other conditions imposed on the transitional government are, among others, the inclusion of representatives of signatory parties in the transitional government, full collaboration with the UNHCR in the repatriation of refugees, protection of all political leaders, enabling an equitable representation of Burundi's communities in the public sector and collaborating fully with the commission monitoring the implementation of the agreement.

As of June 2001, Burundi remains a country at war. In implementing the Arusha Agreement timetable, it has been subject to significant political hiccups, such as the two military coup attempts of 2001. Reforming the security forces and tackling issues of justice, amnesty and reconciliation require peace and security inside and outside the borders. But the need to go ahead with the transition is indubitable, for the whole political, economic and social life has been slowed down or put on hold for the past year in expectation of the transitional government.

1.2 Economic Situation

All economic indicators⁵ declined in recent years due to the civil war, regional instability and the sanctions imposed by neighbouring countries.⁶ Burundi is currently one of the poorest countries in the world, classified as 160th of 166 countries in the Human Development Index ranking (UNDP, 2001). Its economy is prominently agriculture-dependent and severely hampered by land scarcity, insecurity, population movements, the land rights system and soil erosion. Formerly, Burundi's two main exports were tea and coffee. The country's economic situation, despite a particularly efficient public sector and relatively low level of corruption, is characterised by a crucial lack of natural resources, poorly developed human capacity, high population density, antiquated agricultural practices and unequal redistribution of scarce wealth, both ethnically and regionally.

The main structural breaks on the economy are the landlocked geography of the country, narrow economic base (mainly agriculture), heavy dependence on foreign aid and high population density. **Conflict and aid (financial and technical) suspension** have exacerbated the deep economic crisis and conditioned economic policies (monetary, commercial, etc.). Regional sanctions, despite having been lifted for a variety of essential goods and despite being widely violated, had very serious consequences on the country's poorest inhabitants. The conflict has also racked havoc on the economy, with physical destruction of resources and infrastructure alongside the departure or death of much of the labour force, with catastrophic effects on productivity. Basic human needs such as food and shelter remain unprovided for. Seven years of crisis has devastated standards of living and the overall Burundian economy.

These factors have also weakened central and provincial administrative capacity in terms of development management and planning. Some of the gains made by the structural adjustment programme were lost. The gap between rural and urban quality of life has widened, on top of the already great differences of security.

In rural areas, the conflict impacted vulnerable communities' incomes in a multitude of ways: destruction of household capital, population displacement, livestock and production plundering, increased risk and decreased investment, diminished availability of inputs, barriers to mobility and diminished opportunities for non-agricultural activities. Urban areas felt the conflict's impact on incomes through unemployment, resulting from a significant drop in labour demand, a sharp decrease in informal sector activity due to reduced demand for goods and services, destruction of capital and assets and problems of raw materials supply.

⁵ See indicators and tables in annex.

⁶ Following the condemnation of the military coup by Pierre Buyoya in 1996, several countries in the region decided to impose economic sanctions on Burundi. These were only lifted in 1999.

Beyond these economic effects, there was a disruptive social impact, affecting particularly the health and education systems. There is (and will be) also a wide range of population to be reintegrated into society, namely, the displaced persons currently in regroupment camps and soldiers and militias to be demobilised after the peace agreement. There is also, in the judiciary system, some 10,000 people in prison, 75% of whom are accused of massacres or killings, 80% still awaiting trial.

Burundi is furthermore confronted with two immediate problems, which must be addressed jointly: the resettlement and social/economic reintegration of displaced persons (internal and refugees) and the land question. To this end, complex issues remain: the right of refugees and internally displaced persons to recover their property in their region of origin, the settlement of those who don't want to return (or can't do so) on lands allocated by the state, the relocation of villages under the reconstruction policy to make land available for farming ('villagisation' policy), etc. The return of these refugees could add pressure to an already tense situation regarding land problems due to the extreme demographic pressure.

1.3 Key Challenges for Burundi

Burundi is confronted with a number of challenges to successfully achieve peace and stability and to restart a sustainable development process.

Building peace and confidence, achieving reconciliation

The Arusha peace process is considered by many political analysts as the final hope for peace in the country. However, achieving peace within the country, in all layers of society, will require more than an understanding among political parties outside the borders. The parties involved will need to express genuine commitment and insert the people's concerns in their agendas. Issues of justice, the fight against impunity in war and genocide crimes, reconciliation on the 'collines' and amnesty are very difficult for a deeply wounded society, where each family has suffered from the fighting at some point, directly or indirectly. Welcoming refugees back and reintegrating ex-combatants from both sides can be expected to further imbalance the ethnic composition of the society and raise property issues and mutual feeling of injustice or impunity. Justice alone will not bring reconciliation, but it is certainly an indispensable step towards it.

Furthermore, the considered choice of electoral system (a majority-based system would lead to the domination of one group over the other), transition leadership and the ceasefire are yet preconditions for the effective implementation of the Arusha Agreement.

In addition to the weaknesses of the Arusha process (started under external pressure, not yet signed by two important rebel groups), several issues could hinder peace, such as the existence of extremist groups destabilising parts of the country and the benefits of the 'economy of war' that are main disincentives to a ceasefire.

The task of building confidence in the future political system is huge, as decades of violence and abuses have eroded trust. In that sense, it will be essential for the Hutu majority to truly believe they can effectively participate in the governance of the state, while the Tutsi minority will have to be convinced that their interests – political, economic and physical security – will be protected.

Democratisation of society

Burundi's society is now characterised by prominence of one group over the others. Thus, one group holds most political, military and economic power. The democratisation of Burundian society will therefore primarily imply opening access to education, employment and power; establishing a transitional schedule for holding elections; and restructuring the armed forces and redefining their role in Burundian politics. At that price, only the 'classical' path to democratisation would make sense: strengthening civil society, opening space for independent media, etc.

In the polarised Burundian society, the composition of the security forces is highly politicised. The demobilisation of excess combatants, on the whole, will be a process affecting all families and communities in the course of reintegration. Demobilisation will aim at several important political and economic goals for the country. First, ending the fighting will serve as a critical step in the peace process. Second, demobilisation will help reduce the economic burdens that military expenses have placed on the limited resources of the impoverished Burundian state. Third, it will contribute to democratisation efforts in a country where the armed forces have been a major threat to democracy.

Regional instability

Burundi is currently involved in and affected by a regional war in which the complexity of players, interests and alliances undermines any attempts at peaceful resolution in the short term. Furthermore, national security is affected by the cross-border collapse of state authority in the neighbouring Democratic Republic of the Congo, and Burundi's government frequently accuses Tanzanian authorities of lacking control over the extremist Hutu militias operating from its territory. Political and economic instability of the region will certainly have a major influence and may undermine any genuine attempt to address internal challenges in a unilateral fashion.

Finding impartial solutions to the land issue

Burundi has one of highest population densities in Africa, and large numbers of internally displaced persons further increases pressure on scarce natural resources in certain areas, generating additional forms of disparities among regions. The land reform is going to be one of the hardest issues for Burundi, because agriculture is the major source of food security, employment and income. The delicate combination of economic and social parameters linked to land reform explains why it should be tackled with the utmost caution. The land issue and distribution is also linked to the refugee movements that are seen as an internal and regional factor of instability. An estimated 370,000 Burundians have fled to neighbouring countries (mainly Tanzania) in recent years. That figure is in addition to the 200,000 who left the country after the violence in the 1970s and have as yet been unable to return due to continued upheaval. Some 300,000 more were internally displaced or regrouped into often sub-standard regroupment camps (UN, 2000a). The fate of many others, who were dispersed in early 2000 after government closed several regroupment camps, remains unknown. Conciliating the successful reintegration of these people, coping with their reinstallation needs upon arrival in their communities of origin and increasing the absorptive capacity in the areas of return, while at the same time addressing land property issues, remains a tremendous challenge. Unbalanced land redistribution and obstacles to recovering occupied land could severely undermine the peace-building and co-existence efforts.

Attracting foreign investment and aid

The levels of investment and development aid that Burundi receives is particularly low in comparison with other countries of the region. In 1999, Burundi received US \$74 million, compared to \$132 million for the Democratic Republic of the Congo and \$373 million for Rwanda. This was due not only to foreign policy choices, but also to the persistent and strong instability which undermined investor and donor confidence. Another economic challenge for the country will be to manage the necessary economic diversification once stability is achieved.

2. International Donor Response to Burundi

Understanding donors' responses to Burundi requires an historical perspective on donors' relations with the country and their reactions to the crisis. A glance at the aid flows and particularly the EC and Member States' approaches to the country follows.

2.1. Historical Perspective on International Responses

In response to the 1993 crisis, aid levels collapsed (from US \$300 million to \$27 million per year). Before that, the official development assistance (ODA) represented almost a fourth of gross domestic product (GDP), brought in twice as much foreign currency as exports and more than a fifth of government revenue. In 1986 the government began a general programme of stabilisation and economic reforms financed by the International Monetary Fund (IMF) under the structural adjustment facility (SAF).

The 1996 coup by Pierre Buyoya led to the imposition of economic sanctions by other countries in the region (many bilateral donors supported these as well). The sanctions were eased in April 1997 to allow emergency assistance to reach vulnerable groups in Burundi. Agreement was reached on a ceasefire in June 1998 and rules of procedure were adopted in July. Following appeals from the international community against sanctions because they were worsening poverty and malnutrition and in light of government's engagement in negotiations with other parties to the conflict and recognising the progress achieved through the internal and external (Arusha) peace process, the sanctions were lifted 23 January 1999. The lifting of sanctions did not have the expected impact on revenues, however, and was not followed by the resumption of foreign aid.

After the launch of the Arusha peace process, several donors prepared themselves to respond to a new phase in Burundi's political situation. In August 1998, a group of international nongovernmental organisations (NGOs), donors and UN agencies met with the aim of defining a common strategy for humanitarian assistance in the country. Some months later, the UN system in Burundi launched an appeal to the international community for 'constructive engagement', meaning expanding humanitarian aid in order to reconcile emergency support and development. Several donors/partners meetings in 1998 and 1999 examined ways and means of restoring cooperation with Burundi. The intention was to move on in the dialogue between the sponsors, all the development partners and government, through practical coordination.

Box 2: Donor Meetings to resume Cooperation

In Ottawa in August 1998, the international community expressed concern about the human impact of the conflict and economic sanctions, including diminishing health and education services, and environmental impacts, which threatened to become long-term if not reversed. The UN Development Programme (UNDP) and the World Bank proposed forms of development assistance that would complement and extend ongoing and planned humanitarian aid.

In New York in January 1999, the sponsors decided to contribute to improving living conditions for vulnerable segments of the population, in particular, displaced people. They decided to provide more intensive assistance in line with progress in the peace process.

The Vienna meeting in September 1999 confirmed general acceptance of the Ottawa and New York consensus.

Some donors' action was then focused on implementing the development priorities defined by the Burundian government established in its medium-term economic and social strategy document (1999–2001)⁷. The *Development and Economic Reconstruction* section of the peace agreement prepared by Committee IV of the peace talks, lists sectoral priorities:

- rehabilitation and resettlement of the refugees and victims within the country (specific measures for the protection of vulnerable groups, for the land issue, etc.)
- reconstruction and restoration of social sectors (restore and equip health centres, programmes for preventing and combating endemic diseases, restoration of education infrastructure and human resources, teacher training, updating programmes, etc.)
- Reconciliation and long-term development

The UN Consolidated Inter-Agency Appeal for Burundi, issued in November 2000, reflects these priorities and recognises that the immediate mobilisation of resources to bridge the gap between humanitarian assistance and sustainable social and economic development is fundamental to consolidating the peace process. The fact that donors continue to limit their funding largely to emergency assistance programmes, further hampering government's ability to improve social service delivery, is a central concern of the appeal. However, donor contributions to the appeal covered less than a third of the total funding needs in 2000 (with the exception of World Food Programme projects). The remaining requirements were included in the UN Systems Emergency Plan (SEP) launched in September 2000. However, considerable contributions have been given outside the UN Consolidated Inter-Agency Appeal.

Box 3: Lessons Learned

A review conducted in 1999 by UN agency representatives, donors, the Red Cross and international NGOs resulted in several lessons learned, still valid, namely:

- increased investment and engagement of donors in supporting the transition period is linked to the potential for peace and development in Burundi
- adoption and regular review of a common humanitarian strategy is a valuable approach and key step towards more integrated planning based on cooperation and dialogue between the main partners
- all relief and development assistance has political impacts, which means it must be targeted and monitored
- short-term should always be defined and implemented in light of their long-term implications, longer-term planning should be introduced in order to promote self-reliance and avoid dependency on continued assistance
- emergency relief, rehabilitation work and development assistance coexist and interact in a multitude of ways in times of conflict and crises

Source: UN Consolidated Inter-Agency Appeal for Burundi, 2001.

The recent focus of the donor community in supporting the peace process and government priorities in terms of development actions indicates an evolution in donors' approach. Development is increasingly regarded as a way (more effective than political instruments like sanctions) of stopping disruptions and achieving sustainable peace.

This became evident at the **Paris Donor Conference held in December 2000**, at which a common assessment was made of the evolution of the Arusha peace talks. On the donors' side, the occasion was given to express and confirm their support to the peace process, on the Burundian side, the occasion was given to show stronger commitment to its implementation with the incentives of the

⁷ This holds true for donors co-operating with the Government, some donors avoiding to deliver their aid through the Government

donor community's engagement. Two groups emerged among donors: bilaterals and multilaterals favouring positive instruments, such as accompanying the process with financial incentives, including direct support to government. The others favoured withholding full resumption of aid until the arrival of the transitional government.

The progress since the preparatory work done at the informal Brussels donor conference in September 2000⁸ and the Paris conference is striking. Donors in Paris gathered US \$440 million for urgent humanitarian, rehabilitation, reconstruction and longer term development needs in Burundi. Finding ways to accompany peace and reconciliation processes and providing for emergency and structural needs in a long-term development framework (instead of giving in to the temptation of waiting until all outstanding issues, namely, security issues, are resolved) was the Paris conference's main achievement. Belgium and the EC, along with the World Bank and France, took the lead in the 'positive instruments'-'peace-dividend approach' group, under the political guidance of South Africa. Their argument was that peace cannot be held hostage by the rebel groups and the peace-makers need encouragement.

In addition to the official signing of the Stabex Convention⁹ by the Minister of Finance (the national authorising officer or 'NAO') and Poul Nielson,¹⁰ important financial commitments were made by each donor: UNDP (US \$30 million), IMF (\$25 million for demobilisation and reconstruction), African Development Bank (\$19 million for rehabilitation), France (FF 50 million to facilitate resolving the crisis), United States (\$70 million), EC (EUR 150 million in 2001 for demobilisation, humanitarian assistance, rehabilitation and reintegration of returnees via UNHCR). Sweden, Norway and others continued to make their aid conditional on the establishment of a transitional government according to the Arusha timetable. Some donors expressed their willingness to participate in setting up a trust fund to provide debt service relief until Burundi, if it was eligible for assistance under the IMF's enhanced HIPC (highly indebted poor countries) initiative, can receive such assistance. The latter requires the formulation and implementation of a poverty reduction strategy paper (PRSP) and the establishment of a good policy track record under an IMF-supported programme.

The donor community promised to continue and possibly increase its assistance in 2001 and further if peace and reconciliation continue to show progress and if Burundi establishes a strong economic programme.

2.2 Donor Activities

2.2.1 Aid Flows

Table 1: Official Development Assistance received (Net Disbursements), 1999

Total (US\$ million)	74.2
per capita (US\$)	11.1
Percent of GDP, 1990	23.3
Percent of GDP, 1999	10.4

Table 2: Evolution of Net ODA to Burundi 1995-99, (US\$ million)

1995	1996	1997	1998	1999
288	111	56	77	74

⁸ This informal meeting constituted a useful framework for exchanging views and preparing for the Paris Conference. It was hosted by the EC to debate the steps necessary to bring peace in the country and on the supporting measures, in the aftermath of the signing of the Arusha Agreement.

⁹ See EC response to Burundi. Further, US \$43 million outstanding Stabex funds of the previous European Development Fund (EDF) are to be disbursed in direct budgetary support to the agricultural sector.

¹⁰ European Commissioner for Development and Humanitarian Aid

2.2.2 Major players

Only two EU Member States have an Embassy on the ground: France and Belgium; and Austria, Italy and Germany (via GTZ) have cooperation offices. Other main actors are the EC, the US Agency for International Development (USAID) (mainly through its humanitarian arm 'OFDA'), the UN family (UNDP, UNHCR, UNICEF, WFP, UNFPA, etc.) and the World Bank. Some other donors fund international NGOs and other activities (via the UN agencies for instance) without having an in-country presence. That is the case, for instance, of Sweden, the Netherlands, Denmark and Norway

The EC Delegation's work was very limited at the time of this study's mission. But at the donor conference in Paris the European Commissioner for Development Cooperation announced a large structural contribution via the European Development Fund (EDF) for the coming years.¹¹ The main EDF contribution at this stage is the rehabilitation programme 'PREBU' (*Programme de Rehabilitation du Burundi*) and the use of outstanding Stabex funds in budgetary support for the agricultural sector (rural development). The other EC interventions are made via ECHO, a main humanitarian donor and relatively well instrumented to deal with the insecurity parameters.

Table 3 below illustrates the major players' responses to Burundi, including level of engagement, strategies and approaches, main programmes and instruments, approaches to the regional dimension and the coordinating mechanisms.

Table 3: Major Players' Responses to Burundi

	Member States	EC/ECHO	UNDP & UN agencies	World Bank
Engagement	Very few member states engaged in Burundi. Suspension in 1997-98; commitment for gradual resumption of aid since. Divergence of opinion and approaches among member states on the most appropriate development and political engagement (Belgium and France 'peace-dividend' approach, Sweden and Norway condition their aid on establishment of a transition government)	ECHO is a major humanitarian donor since 1993, never left. EDF was suspended in 1997, gradual resumption since 1998. EC proactive approach since the resumption, with a rehabilitation programme engaging while expecting a National Indicative Programme (NIP). Stabex Convention in Paris in December 2000, via conditioned budgetary support	UNDP and main UN emergency agencies maintained a presence throughout the crisis. October 1999 declaration of phase IV by the UN system. Differentiated security zones in the country	Gradual resumption, hosted Paris donor conference, adopting a peace-dividend approach based on economic incentives to bring the country out of crisis

¹¹ See further the chapter on EC interventions in Burundi.

Strategy	Accompany the country to implement the transition to peace	ECHO aims at the most basic needs of vulnerable groups, reaches communities usually out of reach, covers unsecured areas. Delegation supports peace process in Arusha and rehabilitation programme in-country	UNDP aims at immediate post-conflict social reconstruction, supports peace process and vulnerable groups, UN agencies comply with their mandate in the framework of an overall governance and support-to-peace agenda	Three basic aims: promote governance and ownership of peace, create productive employment, restore key imports and essential social services
Major programmes and instruments	Mainly co-management, project approach and funding international NGOs in rehabilitation and key social sectors (health, food security, justice)	Unique combination of instruments and mandates. ECHO is strictly humanitarian, delegation through PREBU, EDF (6 th and 7 th surplus, Burundi strategy for 8 th EDF in October 2000), budgetary support (Stabex), rehabilitation, close linkage between common foreign and security policy (CFSP) and development actions	UNDP PCAC (support to local communities), governance programme. UNHCR repatriation/ reinsertion programme, others rehabilitation and basic social services such as food security and education. Most humanitarian agencies have a broader mandate and action than strictly emergency	Interim strategy 1999–2001: emergency economic recovery project (started April 2000), projects in social sectors and infrastructure, monetary intervention
Privileged partners	Working with current government but supporting transition process, working at decentralised level (provinces and communes)	ECHO: implementation through European NGOs, sometimes in partnership with local NGOs. PREBU works directly with the governors of provinces; Delegation works with government	Joint decision-making with central government regarding their work with the provinces and local communities	With central government
Regional dimension	Support to Arusha peace process and Lusaka Agreements, Belgium has a regional plan	Arusha peace process and Lusaka, EC Special Envoy to the Great Lakes, Regional Political Adviser in Nairobi	Regional offices for most agencies, humanitarian regional framework (UNHCR)	
Coordination mechanisms	OCHA coordination, UN focal points in provinces (international NGOs). Difficulty is to combine humanitarian coordination and with development coordination, while there is no formal counterpart to OCHA in development assistance, EC regular meetings			

2.3 The European Union's Proactive Approach to Burundi

Overall EU strategy

Despite general support for the peace process, there is no specific EU common strategy for Burundi, as the number of Member States engaged there is very small and separated in two different approaches: accompanying the country with financial incentives to emerge from the crisis (Belgium and France) and withholding a full-fledged resumption of aid until the instauration of the new transitional government (Member States remaining mostly outside the country). However, some Member States such as Austria, having no significant aid programme in Burundi, provided strong support to the Arusha peace talks in Tanzania and still supports the peace process in its implementation phase.

Regarding the Commission, before 1993 EC aid focused on rural areas with socio-economic development programmes (infrastructure, plant and animal production, soil erosion, export crop diversification and rural development). Lomé IV added some priorities (support for the private sector in liaison with the development of secondary centres, health and education, transport infrastructure). It further planned EUR 112 million, including EUR 12 million allocated to structural adjustment (suspended after the 1993 crisis) and EUR 14 million that could have been used by the European Investment Bank (EIB), of which the most recent operation in Burundi dates back to 1989.¹²

The Commission suspended development cooperation with Burundi in January 1997 due to the security situation; only humanitarian aid continued. ECHO has operated in Burundi since 1993 and continued under partnership contracts with European NGOs to focus on the most vulnerable groups, mainly displaced persons and refugees, and provision of basic services in health, water and food.

Since 1998, EC policy has been to actively support initiatives for a negotiated peace acceptable to all parties, particularly the Arusha peace process, at which the Commission is present at all sessions. The EU 'Special Envoy for the Great Lakes', Mr. Aldo Ajello, plays an important role in this process. The European Council appointed the Special Envoy by joint action in 1996.¹³

In July 1998, European Commissioner João de Deus Pinheiro promised a gradual resumption of aid in response to signs of progress in the peace talks and in order to encourage the Burundi government to continue the process. The Commission appointed a *chargé d'affaires* to restart EC development programmes. The Commission allocated considerable funds that year to the human rights and democracy budget line, for the Arusha peace process and to work with the Burundi National Assembly. ECHO also continued its programmes, providing EUR 7 million, plus EUR 3.65 million in regional funds.¹⁴

¹² The summary of the arrears owed by Burundi on the assistance managed by the EIB shows a total of EUR 8.6 million, excluding penalties for delay.

¹³ Joint Action 96/250/CFSP.

¹⁴ ECHO funding has been provided in the form of annual plans: EUR 15 million in 1998, EUR 10 million in 1999 and EUR 13 million in 2000. Areas of intervention under the plan for 2000 are health (30% of budget), food aid (22%), 'non-food' and agriculture. Humanitarian aid is the principal source of finance for the health sector.

Table 4: EDF+ Budget (Allocations in EUR millions)

	<i>1976–80</i>	<i>1981–85</i>	<i>1986–90</i>	<i>1991–95</i>	<i>1996–2000</i>
Budget	0.5	3.5	1.0	19.9	0.7
Other FED+EIB	5.9	19.9	56.3	90.4	0.3
NIP (5-year envelope)	58.0	77.0	108.0	112.0	–

Table 5: Sectoral Breakdown of the NIP (% of the total envelope)

Rural development/fishing	33%
Transport and communications	32%
Social sectors	26%
Others	9%

Table 6: EDF Payments by Instrument (EUR millions)

	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
Stabex	0.7	19.3	24.5	–	–	–	–	–
SAF	–	–	–	–	–	3.9	–	–
Various	1.1	2.2	0.8	1.6	15.8	4.6	1.5	1.5
NIP	28.4	29.0	29.6	19.6	14.6	10.4	4.6	4.6

The Commission is currently in a phase of relaunching cooperation. The funds available from the 6th and 7th EDF still come to over EUR 40 million. A new rehabilitation programme¹⁵ (PREBU) was prepared using the 7th EDF, whilst the suspended 7th EDF health and micro-project programmes are being revived. Operations to enhance internal peace, such as funding judiciary system reform and human rights, are also being considered.

Key features of EU activities

The conclusions of the Council of Ministers of General Affairs of 22 May 2000 invites the Commission to consider ways to increase development cooperation with Burundi and expresses the EU's willingness to make **full use of the financial instruments in order to provide substantial aid for reconstruction and development, democratisation and institution-building** in the region. In theory, the actions of the Commission in-country respond directly to these conclusions. The EC has together an emergency programme, a rehabilitation programme and structural development aid through the Stabex Framework for Mutual Obligation. The reality is more complex: ECHO is the only European actor present in some unsafe zones of country and it is severely limited by its mandate (strictly humanitarian); PREBU experienced start-up difficulties and has yet to spread to provinces beyond the initial ones; and the absorption capacity for the Stabex fund is restricted. As a result, the effective use of all the available instruments remains an objective to be reached. Furthermore, the level of complementarity between ECHO and PREBU is fairly limited.

The EDF Committee voted in the new Burundi strategy (for the 8th EDF) in October 2000. The preconditions added for moving on to the next step and the full-fledged resumption of EC structural assistance to Burundi was the signing of the peace agreement. Nevertheless, Burundi has been unable to sign the National Indicative Programme (NIP) referring to the 8th EDF, due to the volatility of the

¹⁵ See details on the PREBU in box in Chapter 4.

internal situation. The NIP focuses on implementation of the peace process, demobilisation and reintegration. The viability of the interim strategy proposed by the EC will depend on how the internal situation and regional context¹⁶ develops.

The strategy identifies two *priority sectors*:

- **Poverty reduction** (considered essential for consolidating peace and stability) in coordination with the Burundian authorities¹⁷ and with other donors. Operations foreseen are the resettlement and social reintegration of displaced persons and returnees; drafting of a land-use blueprint to serve as a preliminary basis for land reform and farm modernisation; employment generation (labour-intensive projects, 'cash for work', training programmes to develop human resources, support for small and medium-sized businesses, diversification of rural employment); budgetary support to sustain social sector policies such as a sectoral transport programme.
- **State reform**, since the transition to the post-conflict situation foreseen by the Arusha Agreement will lead to the reform of the entire administrative machinery. Community aid is available to help ensure the viability of the reforms undertaken, namely, strengthening of administrative capacity (development planning and management, budget management, controlling corruption), technical support for the national authorising officer, establishment of a demobilisation programme,¹⁸ financial support for implementing the peace agreement in electoral matters (support for drafting legislation, technical institutional support, education and training in civic affairs, monitoring of elections, etc.).

However, in order for the EC to realise this ambitious agenda, should it be put into practice, a serious reinforcement of the Delegation would be required, for it is currently severely understaffed. The key focus of the EC aid strategy in the short term (before the 9th EDF) is monitoring the implementation of the various aspects of the peace agreement during the rehabilitation and reconstruction phase, in order to consolidate the achievements of the extended humanitarian aid and prepare for the transition to long-term development. This focus on the peace process and the use of development for peace reconciliation will certainly find practical expression in the sectoral breakdown of the next NIP.

The main activities running alongside ECHO's interventions are as follows: the CELON (*Cellule d'Appui à l'Ordonateur National*) consisting of two technical assistants serving as a support unit to the Minister of Finance, the national authorising officer and the PREBU (*Programme de Réhabilitation au Burundi*¹⁹); the spending of outstanding Stabex funds through budgetary support for rural development (see box 4); some micro-projects and UNHCR cofunding (EUR 25 million). At this stage, the progressive resumption of 'normal' partnership with Burundi has not been translated institutionally by the Commission, for there is no formal delegate (the Head of Delegation is *Chargé d'Affaires Ad Interim*) as part of the step-by-step approach taken by the EC.

Regarding Stabex, there is a need to conciliate the fact that Burundi is not exporting at the moment with the pressure exerted by Member States on the EC to spend the outstanding Stabex funds, due to the disappearing of the instrument under the new EDF. Spending Stabex via direct budgetary support can raise important issues in a country spending 80% of its money on the military and security sectors.

¹⁶ Beyond the internal situation, Burundi is involved in two regional conflicts: it has troops in the Democratic Republic of the Congo (Burundi is not a signatory to the Lusaka Accord) and there is strong tension with the Tanzanian government caused by allegations that the refugee camps in Tanzania were used as a base for Burundi rebel movements.

¹⁷ The Burundi government began the process for drafting a three-year Growth and Poverty Reduction Strategy Document (GPRSD).

¹⁸ This process is essential in Burundi, for the national reconciliation, the transition to democracy and restoration of peace. The army and security forces need to be reorganised, and demobilised personnel need to be reintegrated in civilian life.

¹⁹ see box 7

Box 4: COM on Stabex Transfers, Budgetary Support

During the donor conference of December 2000, the EC and Burundi signed a convention on the use of outstanding Stabex funds (EUR 43.5 million) as an extra impetus to the peace process and to improve Burundi's economic situation. The broad objectives of the COM are to support the public sector, the rural economy and social reinsertion and to raise standards of living. In practice, this will mean the payment of salaries in the public administration related to agricultural development.

Use of direct budgetary support in conflict-affected countries remains largely an unresolved dilemma for most donors. In Burundi in particular, it was long recognised that the quality and efficiency of the public sector was out of the ordinary. The combined negative effects of the crisis and the sanctions on that efficiency were significant, demanding direct support to the public sector to stop the decay and rebuild capacities. Burundi, unlike some of its neighbours, has the potential for sustainable government-run delivery of social services, but crucially lacks the resources to sustain its public sector. In this context, budgetary support is the most direct instrument and can be seen as a means to enable social reconstruction. But risks remain of diversion of funds for untoward purposes and for enabling the government to allocate its own funds to priorities such as warfare. The 1999 Communication of the Commission to the Council on *ACP countries involved in armed conflicts*²⁰ calls for very cautious resort to budgetary aid in such cases. A balance could be found with direct budgetary aid given on the precondition of parallel government cuts in military expenditures.

COM: *cadre d'obligation mutuelle*

The EC and Member States

Regarding humanitarian aid and according to ECHO statistics, the most active Member States in Burundi are the Netherlands (EUR 17 million, financed 34 operations), Denmark (EUR 14.9 million, 8 operations), Germany (EUR 9.5 million, 11 operations) and Belgium (EUR 8.6 million, 16 operations).

The Member States most active in development cooperation in Burundi are Belgium and France. There are, however, differences in views among Member States and between them and the Commission, mainly due to the absence of clear-cut European *chef de file* until complete resumption of structural EC aid. There is currently little enthusiasm among bilaterals to cede any of their autonomy in matters of development assistance to the benefit of a common European agenda.

Belgium is known for its strong proactive approach, orienting its cooperation towards remedying the conflict and improving on the humanitarian-plus approach to achieve more sustainable visions: education to peace, land reform and distribution and strong engagement with Burundi's economic development. The philosophy of action is essentially to shift from conditionality to facilitation, using the best of Burundian resources: human resources, infrastructure and outstanding administration. The aim of 'being present' can be summarised in the words of the Belgian ambassador, "Be present to contribute to peace, or else rethink the purpose of cooperation."²¹

Linking development responses with the political dimension in the CFSP²² framework

One of the most interesting dimensions of Burundi is clearly the direct link (more obvious than in Rwanda or Congo) between development policies and foreign policies. This is illustrated by a synthesis of CFSP evolution regarding Burundi since the beginning of the crisis:

²⁰ See EC recommendations in 1999 EC Communication to the Council on ACP States Involved in an Armed Conflict.

²¹ *Etre ici pour contribuer à la paix, sinon il faut repenser sa présence et se demander si la coopération a un sens.*

²² Common Foreign and Security Policy of the European Union

As a result of the assassination of democratically elected president Melchior Ndadaye in 1993, the country is plunged into political instability. Following the signing in January 1994 of a '*Convention de Gouvernement*' intended to share political power between the two main political parties (FRODEBU, winner of the 1993 elections, and the UPRONA, closely linked to the army), the EC issues a common position (24 March 1995) in support of the initiative. Unfortunately, the *Convention de Gouvernement* is unable to bring about stability. Ethnic violence increases, the government is paralysed and chaos abounds. The common position becomes obsolete but development aid remains.

In 1996, the Arusha Summit, gathering the countries of the region, offers to provide security and assistance to Burundi. Interpreted as a threat of military intervention, this declaration leads to the military coup of 25 July 1996 by Major Pierre Buyoya.²³ The countries of the region decree an embargo to force a political settlement of the crisis. The EC expresses its deep concern in two declarations urging the parties to "avoid recourses to violence and to take all steps to resolve the crisis by exclusively peaceful means." But no formal condemnation of the coup is issued due to internal divisions; nor is any formal support to the regional embargo implemented. On the contrary, the EU makes humanitarian exemptions and denies its support to the sanctions coordinating committee established in Nairobi. The EC proposes to suspend aid under article 366 bis of the Lomé Convention, but the Council doesn't reach a consensus and the procedure is abandoned.

In 1996–97, Burundi's government launches a policy of *regroupment* of the population, in order to enforce order and security. Much of the rural population is gathered in camps under very harsh conditions and the situation generates thousands of internally displaced persons and refugees. A tentative dialogue mediated by President Nyerere fails to get all parties to the negotiating table in Arusha, but succeeds in brokering a common opposition front against the government (including extremist parties). The Commission informs, at the start of 1997, the Burundian Embassy in Brussels, by verbal note, that most ongoing cooperation programmes, except humanitarian aid, were closed or suspended for security reasons and that the national authorising officer will be substituted by the principal authorising officer (article 311). Even though the verbal note invokes no political reason, the link is clearly made between suspension of development cooperation and political stand. This is done via multiple calls for peaceful means and political resolution of the conflict. In April 1997 the Commission clarifies its position, stating that rehabilitation and development aid will not be resumed until some significant progress is made in the peace process, reconciliation, democratisation and enforcement of the rule of law. The EC *chargé d'affaires* leaves the country in October 1997.

International and regional pressure (with the confirmation of the embargo at the Kampala Summit and the quasi-total suspension of development aid) leads the Burundian government to take some positive steps towards the internal dialogue's reinforcement, democratisation (the National Assembly adopts in June 1998 the Transitional Constitutional Act which puts an end to the military regime) and dissolution of most of the regroupment camps. The EU welcomes these developments and urges the parties to seek peace through internal and external negotiations, which happens in June 1998 in Arusha. After the signing of the August 2000 Arusha Peace Agreement, the major developments in the international and European response were the two donors' conferences (Brussels in September 2000 and Paris that December) and the unlocking of the EDF Committee.

The EU currently disposes of several specific CFSP instruments for Burundi. One is the Special Envoy for the Great Lakes, based in Brussels, appointed by the Council by joint action.²⁴ The envoy could play a key role in linking development and political issues at the regional level, namely by coordinating or supervising integrated approaches towards specific issues (of regional nature, such as demobilisation, refugees and arms flows). The EC has also put in place a regional political adviser, based in Nairobi and covering the whole region. The advisor has a fundamental role in linking CFSP and development from the field perspective. However, the mandate of the adviser remains unclear and the force of recommendations from the position is rather weak.

²³ President from 1986 to 1993 and 'architect' of democratisation.

²⁴ Joint Action 96/250/CFSP.

2.4 Donor Coordination and Information Mechanisms

Coordination in a politically fragile country is even more crucial than in stable countries, especially where issues of security are involved. According to donors, the primary responsibility for donor coordination should lie with the government itself. But the lack of it should not hamper donors' own coordinating initiatives. These can range from information sharing to actual coordination or even joint action. In Burundi, information-sharing processes and coordinating mechanisms are taken care of by donors and NGOs.

Burundi is an interesting test case in terms of donor coordination. Players seem to have found a very elaborate system of sharing information sector-wide, primarily stimulated by the security constraints. Due to high volatility of the political and military environment, the state of insecurity varies widely and unpredictably, moving swiftly from stability to immediate danger. Donors have already paid a high price in human lives, bringing information sharing and coordination to the top of everyone's agenda. International NGOs and donors tend to have very good communication means, due again to the security consigns provided mainly by the UN. A network of radio and telecommunications connects all development actors, allowing them to circulate information instantaneously and react swiftly to it.

There are currently two levels of joint communication: one of pure information sharing, geared mostly to security, and the other of coordination, geared to joint actions and interventions for reasons of complementarity. There are several coordination and dialogue frameworks, OCHA being the overall coordinator. Sectoral committees, which include the UN, NGOs and governmental partners, meet periodically to deal with common issues and identify needs and priorities.

Regarding humanitarian assistance, OCHA established in 1999 provincial coordination mechanisms by appointing focal points in every province. Since then, the focal points have been maintained or replaced, and they convene monthly meetings to review humanitarian and security issues with local authorities at the provincial level, ensuring coordination in the field. There is also a weekly contact group in Bujumbura, chaired by OCHA, bringing together the humanitarian community including ECHO. Sectoral networks also exist, chaired in each case by the most prominent actor in the sector (FAO for food security, UNHCR for refugees). In all three cases, issues of security and physical safety of development workers are a core concern of the meetings since the tragic events of recent years.²⁵

On the whole, despite the multiplicity of information-exchange means between donors, there is still no real operational coordination aimed at avoiding duplication of development efforts. This can be attributed mainly to different institutional procedures and approaches. One risk linked to the lack of effective coordination is the over-funding of NGOs by different donors, a risk made all the worse by the limited number of international NGOs available on the ground. (International NGOs play a pivotal role in Burundi as a privileged channel for implementing projects. This is mainly because few donors have direct implementation mechanisms for security reasons and most donors limit interventions to humanitarian assistance implemented mainly via the NGOs.)

2.5 Regional Perspective

Many donors still define their development interventions according to their foreign policy agendas, sometimes disregarding the regional dimension. One illustration is the discrepancy between amounts of aid given to Rwanda and to Burundi by the same actors (EC, Belgium and others). This is often pointed out as a regional destabilising factor. Burundi receives significantly less aid than its neighbours: Rwanda received US \$373 million in 1999 compared to US \$74 million for Burundi and

²⁵ Development workers were killed in Burundi during rebel attacks in 1999 and 2000.

US \$132 million for the Democratic Republic of the Congo (though structural aid to the Congo was recently resumed for EUR 120 million, increasing the Congo's figure) (Fraure 2000: p. 230). As the origins of the crisis are regional and so is its in scope with refugee and migration across borders a historical feature of the Great Lakes, it is to be expected that giving significant aid to one country without matching it throughout the region is likely to cause difficulties and resentment among neighbours. The success of any development strategy depends on building peace not only in Burundi, but also in the whole region, since the conflict has a strong regional dimension. The rebel and militia movements, the army's, the refugee flows, the ethnic tensions, the illegal trafficking in natural resources and more are some of the cross-border issues that will not be solved from Burundi only. Several activities could be more successful if carried out with a regional perspective, such as addressing ethnic tensions, tackling HIV/AIDS, fighting arms and natural resources trafficking, implementing large-scale demobilisation, supporting regional economic integration based on added value (for instance, Congo's raw material and industry, Burundi's services) and financing of small enterprises networks. The presence of many donors simultaneously in several countries of the Great Lakes region could lead to a much more integrated approach regarding these issues.

Yet the vast majority of donors have country-specific programmes of intervention, and where they do exist, regional plans are either at a very early stage or non-operational. Some Member States have made significant efforts to address Burundi's needs in the framework of a regional approach, such as the EC, Sweden and Belgium. Belgium recently announced its regional action plan to support and accompany the ending of the Great Lakes crisis. Sweden is not physically present in Burundi but it does fund activities, and these are integrated in a regional strategy. The EU has made several efforts towards a regional perspective on the Great Lakes, including the appointment of the Special Envoy for the Great Lakes by the European Council, the appointment of a regional political adviser for the Horn placed in the Nairobi Delegation and the creation of ECHO's Regional Office for Central Africa in Nairobi for the implementation of region-wide strategies at the EC level.

3 Major Trends and Key Challenges in Donors' Approaches to Burundi

The specificity of Burundi's situation and developments these past years have confronted donors with a number of challenges to face. These stem not only from the Burundian crisis, but also from donors' capacities and ways of working.

3.1 Major Trends in the International Donor Response

Although the donors present in Burundi are very different in origin, nature and mandate, common features and trends in their management of aid can be observed.

Decentralised approach

Decentralising the country. One key feature of donors' approach to the country is a **differentiated geographic response** within the country, due mainly to the diverse levels of security mentioned before. Certain 'safe' provinces attract all the donors, for they are considered 'safe havens', they have a much higher absorption capacity, they allow for a peace-dividend approach to demonstrate the advantages of peace (receiving increased aid support and social services) and serve as an example for the other provinces. In terms of political decentralisation, the country is still highly centralised. The territory is divided into provinces, prefectures and communes (*collines*) but most of the political competencies and the financial power remains in the hands of central government. Nevertheless, the different ways of delivering aid has generated a certain level of decentralisation enforced by the donors. This slow 'de facto' process is due as much to conscious political will of the donor community, trying to 'encourage' political decentralisation, as it is simply imposed by the situation.

Indeed, donors are keen to foster a more decentralised political system, for political reasons (local communities voicing their needs, finding alternative ways to deal with ethnic tensions, addressing the land issue at a lower level) and practical ones as well (communications in Burundi are extremely difficult and doggy for security reasons). So direct availability of funds at the local level and delegation of decision-making power to the provinces and communes could contribute to increased flexibility and rapidity of action.

The methods used by the different donors to bring the government to the idea of decentralisation may differ considerably, however. The UNDP opted for dialogue and maintains a system of joint decision-making with the central government regarding its work with the provinces. The EC, on the other hand, takes a stronger political stand, working directly with the governors of provinces, sometimes at the risk of being perceived as bypassing central government. Neither choice is without consequences, since the governors are sometimes of different constituencies (including ethnically) from their minister counterparts. In the 'safe' provinces, where all donors converge, the provincial governor may have more international interlocutors than the minister in Bujumbura.

Implementation of differentiated decentralised cooperation in a politically fragile country carries a degree of risk. It introduces development assistance on a selective sub-regional basis (even if it is for security reasons) and can increase sub-regional disparities and tensions. The option of having de facto decentralisation through development aid also raises some important issues, namely if donors shouldn't rather encourage the process through a political dialogue than through practical demonstration.

Decentralising development. The general system in Burundi is to **work through NGOs on the ground, mostly international**. Most donors seem to see this as the only answer to security problems;

few recourse to direct implementation, even when they do have the mechanisms. International NGOs have proven effective in tackling highly sensitive matters such as reconciliation or villagisation (they appear less politicised than bilaterals, for instance). At the same time, however, certain risks associated with working via international NGOs are more acute in fragile states: the potential standardisation of interventions, lack of competitiveness due to the fact that only a modest number of international NGOs are present in Burundi and all donors – under pressure to spend – work with the same ones (at the risk of their being over-financed, overrated and under-evaluated). The risk of ‘standardisation’ of interventions stems from the fact that international NGOs have their own field-tested working methods, and have sometimes shown stronger resistance to innovation than governmental and intergovernmental bodies. So even when agencies define innovative strategies these are implemented by international NGOs in the field, far from the cosy offices and policy planners and, at the end of the day, with the same ‘proven’ methods as before. Beyond this, one finds in Burundi a situation in which it is physically impossible for donors to monitor or evaluate the actual work being done for security and communication reasons. Most of the rehabilitation is being done under difficult conditions, since the decree of security phase 4 in some areas means that UN agencies finance activities in zones where they themselves have no access or very restricted access.

In a nutshell, whatever the difference in strategies, the implementation comes down to hiring a handful of NGOs, always the same ones (risks of double funding, overlaps and gaps) to carry out a programme, putting extreme pressure on the NGOs but also restricting the scope for complementary approaches. Furthermore, this system is not particularly fair on the NGOs: they are putting their staff at risk in areas where donor agencies’ staff will not go.

Participatory approach

One of the new trends, linked to decentralisation of cooperation, is the **participation component** of interventions. The deep-rooted impact of internal tensions on local rural communities necessitates that development agencies include the specificity of local needs in their planning, particularly in rehabilitation and reinsertion programmes. There are, however, several degrees of participation possible, from agreement on priorities (with local communities), to joint management and joint execution of projects. Interventions tend to introduce a progressively higher component of participation in planning and implementation.

Participatory approaches have as many definitions as there are programmes categorised under it, and Burundi is no exception. PREBU and PCAC, the two main rehabilitation programmes (EC/UNDP), have tried to integrate consultations with local communities and even their participation in actual implementation. Communities are consulted on the formulation of the programme and then associated with its implementation, with or without adding a counterpart contribution (such as building materials, tools, time for community service). The relevance of these approaches in fragile countries is broadly undisputed; compared to a stable environment there is a much greater distance between the local communities’ priorities and those of the central government, or even the provincial governor (especially in terms of fund allocation). This also holds true between the donors’ definition of needs and the communities’ own assessment of emergencies and priority sectors. The expected result of integrating communities in the programming process is to avoid the situations one often confronts on visits to the field, with as many schools or wells planned or built per prefecture as there are agencies present in Bujumbura. It is not just a coordination issue, but also a question of participatory needs assessment.

Box 5: Features of the Participatory Component of Rehabilitation Programmes

Community-based intervention, PCAC-UNDP / Provincial-based intervention, PREBU-EC

- targets vulnerable local communities *linking emergency and sustainable development*
- covers a wide range of social service provision according to communities' own priorities: housing, food security, water, health, education, communal infrastructures (*ownership* generation)
- involves recipients in the process as *sustainability* guarantee via loans in-kind instead of grants and gifts, community service, community management of common goods (seed stocks, for instance), labour-intensive activities, land and natural resources management (for instance, wood), use of local material (e.g. tiles instead of sheet aluminium).
- entails security concerns with priority given to stabilisation of areas, encouraging resettlement and reinsertion

Area-based post-conflict social reconstruction programmes are increasingly practiced and are considered key tools for reconciliation of communities around common goods and common goals (used by the ILO or UNOPS for instance). See box 9 for details of PREBU.

Interconnect peace and development

As mentioned, most development actors (donors and international NGOs) have opted to accompany the ending of the crisis – normalisation – moving away from pure conditionality and attempting to steer an *effet d'entraînement*. Most actors have geared their central activities towards the peace process or adopted its priorities and timetable. The Commission via all its instruments (ECHO, PREBU, Stabex and direct support to Arusha), the UN agencies, the bilaterals and international NGOs are making remarkable efforts to sustain the Arusha process at all levels. The risk linked to this approach is to seal the fate of these programmes with the fate of Arusha, but the advantage is to give Arusha strength and support. In addition, the particular needs in reconciliation and human rights preoccupies all the donors and seem to be an important part of NGO interventions (local and international). Unfortunately, due to the transitional phase and volatile political environment, activities are still limited in supporting political parties and independent media and strengthening pluralist local civil society.

Box 6: Development as Peace-Building Tool

Development aid has begun to offer a wide variety of instruments to support the stabilisation of Burundi: from financial support to the peace talks to conflict-aware adapted interventions such as local community resettlement; rehabilitation programmes; education to peace; civil society strengthening; human rights, democratisation and reconciliation programmes; governance support and security sector reform; and public sector strengthening. A few initiatives can be underlined.

The EC, as mentioned orients all its interventions towards peace-building, but a more integrated approach could be designed, increasing complementarity among instruments.

The UN has a whole range of sectors of intervention impacting the normalisation process, from rehabilitation, resettlement and management of internally displaced persons and refugees to food security and governance. One interesting project in this regard is the UNDP governance programme and its traditional *conflict management* component, the *bashingantahe*.²⁶

Bilaterals have actively supported the Arusha talks, and some of them continue their efforts in Bujumbura, accompanying the process with complementary and parallel initiatives. Belgium, in particular, has geared its cooperation towards supporting peace with a long-term vision and integrated approach (education, agriculture) while maintaining critical engagement with the government (refusal to resort to budgetary aid, constant political dialogue).

International NGOs are addressing the undermined confidence among Burundians via support to the judicial system, use of alternative tools for reconciliation (radio shows, plays),²⁷ support to human rights and civil society and sensitising communities about the relative costs of war and peace.

While Burundi can be presented as an example of combined efforts to support peace, more can be done to link sustainable development processes (reinsertion, land reform) and ‘political development’ such as strengthening civil society, political opposition groups, and media.

Broadening humanitarian mandates. Due to the inadequacy of their mandates²⁸ and field realities, the scarcity of funds available for sustainable programmes, the limited donor presence and engagement, the difficulty to characterise the situation (labelling it as emergency, rehabilitation or development) and its high volatility, ‘humanitarian’ actors and programmes have tended to move farther into a ‘grey zone’ between humanitarian and development action. In Burundi, as in many other fragile states, the situation evolves extremely fast and cannot be seen as a simple linear process towards peace. As a result, donors remain cautious and, due to their small number, tend to aim at coping with emergencies first. The resources left available for long-term development programmes therefore fall rather short. The absence of funds for development activities leads the humanitarian actors to compensate by integrating sustainable aspects into their interventions, for instance in the return and reinsertion of refugees and internally displaced persons. However, ECHO was not granted this capacity to enlarge its mandate, which is particularly restricting its interventions in unsafe provinces where it is the sole European actor. Nor is a full-fledged complementary approach with the PREBU on sectors of common interest (health, housing) possible.

Small actions and long-term impact. Long-term programmes stumble on several difficulties in addition to security problems and lack of funds. The fast evolution and volatility of the political and

²⁶ *Bashingantahe* were the local notables anointed by tradition and local consensus to settle disputes, as judge would for instance.

²⁷ Certain specialist NGOs have proven particularly active in supporting reconciliation with unusual tools such as the famous humorous broadcasted radio programmes of Studio Ijambo featuring two neighbour families, one Tutsi, one Hutu.

²⁸ Humanitarian strictly, humanitarian *plus*, rehabilitation, development.

social environment militates against long-term planning. There is, therefore, a general tendency to invest more in small punctual actions with limited resources but large impact (flexible and accurate), particularly in the sectors of governance, education and justice (activities might include transport of witnesses, trial observation, prisoner protection, library rehabilitation, radio broadcasting, but also reconstitution of seed stock and micro-projects at the community level).

3.2 Key Challenges facing the International Donor Community

There are two critical challenges for development interventions in Burundi: ensure sustainability and strengthen the peace process. While past donor support has enabled the humanitarian community to address emergencies and life-saving concerns, sustainable development will depend on donors' willingness and capacity to make longer term commitments to Burundi's future. In parallel, the weaknesses of the peace process and the highly volatile political environment requires donors' careful action and a great flexibility.

Combine development and political responses

There are several areas where politics and development collide regarding Burundi. When choosing the best instrument to use to support the peace process, when opting to interact with rebel forces or opposition groups, when choosing a target recipient group, any action is a political act in a conflict-affected country.

While the existence of the peace process triggered the resumption of aid (it was clearly a precondition for it), the potential interferences between the timetable of the Arusha Agreement and that required by development remain a constant dilemma for donors. The fact that the central government needs support to provide basic social services to the needy population is not in doubt. But supporting the current government too actively is seen by some as potentially deterring transition, or as a legitimisation of a temporary government, acting as a counterproductive element on the process. All relief and development assistance inevitably has a political impact; external support must therefore be targeted and monitored. Development activities encompassing political issues and initiatives generally do not address the current political environment. The absence of a transition timetable in the peace process leads to a position of maintaining the power balance at any price.

Adapt to the specific situation and needs of Burundi

In its current situation, Burundi, like many politically fragile countries, has needs that are not exclusively humanitarian but also developmental. The stable areas of the country and the urgent need to support the governance agenda linked to the peace process call for longer term interventions, while the unsecured areas, the displaced persons camps and the drought-affected zones among others still require humanitarian interventions. In-between, there are massive needs for rehabilitation and reconstruction support. These intertwined requirements leave donor agencies ill-tooled to respond to the overall ordeal. In most cases, agencies have fixed mandates, either for emergency, rehabilitation or development, as if countries move on a straight line from crisis to stability. Having a rigid classification of the situation and compartmentalising it into well defined phases is unproductive in Burundi, since there are differences between regions (coexistence of stable areas and war zones) and the country is in constant evolution towards more tense crisis or more stable phases. The net result of the volatility of the political and military environment is that long-term aid objectives can quickly slip into emergency aid objectives and vice-versa. A major dilemma in planning an appropriate intervention is, thus, to anticipate the needs and the situation of the targeted areas in advance.

Burundi has a variety of particular needs for which the donor community has no real precedent to draw upon, in particular, in terms of large-scale reconciliation. The main concern is the superficial understanding or short-sightedness donors sometimes have of Burundi's complexity and needs. For

instance, there seems to be a multiplication of direct efforts to support the peace process, disregarding more down-to-earth sectors such as agriculture and rural development (fundamental to food security and key elements of both reconstruction and social reconciliation).

Conditionality

At this point, the challenge of conditionality is twofold: achieve coherence and avoid raising unreasonable expectations. On the one hand, the international community still suffers from serious disagreement on the conditionality issue. The two factions are the proactive approach and the 'wait and see' approach. The EC and Belgium were the two main donors to commit themselves ahead of the Paris Donor Conference to allocating funds, regarding aid as a stimulator to the peace process.

Despite the commitments, there are still significant delays in the development response, which creates incongruity between expectations and actions. Failure to fulfil expectations can have adverse effects on political stability within the country. Besides, promising aid under certain conditions and delivering regardless of whether the conditions are fulfilled weakens the conditionality effect.

Security vs. development aid

The interconnection between security/stability issues and development aid is key to understanding the current situation in Burundi. Given the volatility of the environment, donors tend to be forced to make arbitrary choices on where to operate (or not) based on assessment of security, giving rise to different approaches (work or suspend development activities) and to different levels of security consigns among the several bilateral and multilateral donors.

Some donor activities are shaped by internal rules. For instance, the establishment of security phase 4 (by the UN system)²⁹ had unexpected consequences in terms of equity and fairness among the different provinces and could add to rivalries, leading to adverse effects on security and stability. The division between excluded and included zones makes no sense given the small size of the country and the nature of the conflict; volatility is such that no area can be considered safe. Furthermore, the principle for donors of working via NGOs in 'forbidden' areas puts NGO staff at risk.

The potential for peace and development in Burundi is linked to increased donor engagement in supporting the transition period. Circumventing the 'security syndrome' and introducing longer term planning is the only way to promote self-reliance and avoid dependency on continued assistance.

Ethnicisation of aid

The persistence of the ethnic tension has a paralysing effect on the donor community, leading too often to their avoiding working directly with Burundians or forcing themselves to abide by an artificial balance in recruitment or funding of local organisations. The inevitable result is a 'reverse ethnicisation' of aid by the agencies themselves. Donors will have to find a balance between demystifying ethnic criteria and move beyond it in all social and professional issues to support reconciliation and de-ethnicisation; while taking measures towards equity for discrimination will not suddenly cease to exist.

Avoid perverse effects of emergency aid

Despite the widely recognised need for a stronger development focus, the weight of humanitarian aid in total ODA has increased in recent years: from 3% in 1993 to about 50% today. Emergency aid in Burundi has, however, had some perverse effects, namely, social inequity, artificial employment and damage to local production.

²⁹ In October 1999, two United Nations staff members and several Burundians were killed in an ambush in Rutana province, which resulted in the evacuation of all non-essential staff of the UN and several NGOs, and in the temporary declaration of security phase IV throughout the country.

Promote of a culture of sustainability

The country's current instability favours donors' short-term logic of intervention, instead of promoting a culture sustainability and long-term impact. Furthermore, the emergency and developmental phases are each attached to certain types of resources and ways of working. Challenges linked to making the transition to development are many: administrative difficulties, different conditionalities between emergency intervention and development programmes and incoherence in criteria among donors. In this context, the complementarity and coordination in the field between ECHO and actions taken by the EC Delegation is particularly important.

Moreover, there are specific areas fully dependent on some constancy in donor engagement. Capacity-building of Burundian civil society and many of the activities of international NGOs are strongly dependent on the amount of donor funding locally accessible. Therefore, the impact of these activities may be difficult to sustain if there are fluctuations in these funds or in donor funding priorities. Another area requiring full donor commitment on a long-term basis is demobilisation of the armies and rebel groups, which requires much more than just income substitution, but offering actual alternative activities and training.

Conciliate rapidity and participation

The heaviness and slowness of a purely participatory approach is hardly compatible with the rapidity of rehabilitation actions needed in a politically fragile country like Burundi. There is, therefore, a double contradiction: between carrying out the necessary but time-consuming needs assessment and simplifying instruments so as to be able to act fast; and between respect for administrative procedures and being flexible enough to deal with stability issues. There is certainly scope for improvement, for instance, sharing needs assessments among donors, or for very small markets simplifying tender procedures (those unnecessarily heavy for transparency and accountability purposes may exclude local actors for capacity reasons).

Collaborating with all segments in local communities, empowerment, ownership generation and involvement of beneficiaries and use of local capacities instead of building new capacities are some of the challenges related to participatory approaches.

Difficulties of programming cycles

Current programming procedures must respond to several challenges: Short-term programme actions within a long-term perspective allow some degree of flexibility to face the unexpected, programme the unpredictable, anticipate the degree of absorption, and combine different approaches under a single initiative covering diverse needs across provinces. With situations sometimes evolving extremely rapidly, the use of long-term or medium-term programming cycles could jeopardise the relevance of an intervention. Up to a point, programming in a fragile country is an impossible task, calling for divination skills in a volatile environment and requiring infinite flexibility. Indeed, if they are to be effective and relevant, policy options must remain flexible enough to allow continual readjustments to circumstances and environment. Aiming at a medium-term or even long-term programming commitment to offer a degree of sustainability has led to inappropriate long-term country strategies, as some of the pre-1993 strategies illustrate. On the other hand, short-term cycles lack sustainability and commitment. The other major constraint is to find programming mechanisms that take local differences into account, different approaches ranging from sustainable development (in stable provinces) to emergency relief (in fighting zones). The humanitarian agencies have attained a high degree of flexibility in programming, connecting activities to locally managed funds, rapidly available.

Programming is simply not feasible for specific areas of interventions in Burundi, such as planning the future flows of returnees. For instance, UNHCR plans of repatriation have not been met these past two years, making it more difficult each year to attract funds for the next cycle. On the contrary, UNPFA and UNDP are starting to use framework approaches, defining broad objectives to be reached and allowing for readjustments in the course of a three year cycle.

While programming interventions in fragile states are a more difficult exercise than elsewhere they remain subject to the same constraints: for instance, budgets are allocated based on the previous year's (or cycle's) depletion, taking no account of the evolving capacity of absorption, fast-evolving needs, etc. This puts pressure on agencies to spend at all cost in an already tense environment, as well as inhibiting agencies from planning for the 'most' should there be a situation turnaround (such as a massive return of population).

Support civil society

Donors in Burundi find it difficult to support civil society groups in such a polarised environment, despite their claimed willingness to support the peace process by all means. Their reluctance to be seen as taking sides leads them either to balance their funding each time (each activity funded for one group has to have a counterpart for the other) or to restrict funding to any such groups. The absorption capacity of the NGOs is also low and the choice of partners limited. Furthermore, operational capabilities of local civil society vary substantially and the degree of independence of political parties/movements is sometimes insufficient. (Some of the Bujumbura-based NGOs, although not all, emanate directly from a political power group.)

The result is a general trend to work through international NGOs, which also raises important questions. On the one hand, it can affect the development of an active and varied Burundian civil society, since the international organisations absorb most of the available financial resources. On the other hand, the multiplication of intermediaries means loss of resources and time and sometimes of nuance in the interventions (risk of uniformity) and loss of flexibility and rapidity of action.

Address absorption capacity differently

The Paris Donors Conference gathered pledges of US \$440 million for Burundi, of which a very small part will be absorbed in 2001. Out of the EUR 43.5 million Stabex funds to be spent via budgetary aid, EUR 6 million were spent as of June 2001. Improving the capacity of absorption also calls for inventive spending procedures, diverse channels and a wider range of beneficiaries.

Maintain an impartial position

Many staff members find it particularly hard to remain distant from the country's suffering and the regional crisis. Long-term presence in the field diminishes the degree of distance towards the country's situation and sensitivity to contradictory information. There lies a danger of partiality. On the other hand, regular staff movement and turnover puts institutional memory at risk.

Conciliate decentralisation with internal balance of power

The fact that some provinces are in security phase 3 (only authorised under military escort, no overnights) whereas others are in phase 4 (total interdiction, no-go area) has very negative impact insofar as it creates provincialism even among the donors, sometimes exacerbating tensions. The confusion between differentiated geographical coverage and the need for political decentralisation is inopportune. If it weren't for the security parameter, the decentralisation process would be guided by the government and framed into a legal structure.

Capacity to stay the course

As of July 2001, most donors had shown serious efforts to resume aid delivery to Burundi, within a longer term perspective. Supporting the Arusha process will, nevertheless, require a real engagement from the whole donor community, in order to assist in the difficult process of reinsertion of displaced people and refugees as well as armed groups and excess military. Massive support for agrarian reform will also be needed, as will support to the private sector and the public service in order to trigger the economy. Donors' fatigue of insecurity and rebel disruption and the incessant hesitation on all sides to implement the Arusha timetable, represent considerable risks for the country's future.

4 Adaptations in EU Approach to Burundi

Looking specifically at the EU response in Burundi under the constraints of the current situation, this chapter identifies areas where the EC and the Member States have found new modalities for delivering development aid to closer match the needs of the country. In the case of the Commission, although Burundi is still under a Lomé IV regime (6th, 7th and 8th EDF), the opportunity to further adapt approaches will be provided by the new provisions of the Cotonou Convention.³⁰

4.1 Strategic Adaptations

In terms of strategic adaptations and good practices, the major adaptations in EC and Member States' approaches relate to positive engagement and use of multisectoral programmes.

Proactive approach, constructive engagement vs. a wait-and-see attitude

Following the 1993 and 1997 events, the EU opted to not formally suspend cooperation (although it was de facto suspended for security reasons) and to promote the use of positive instruments (such as declarations urging the parties to negotiate). It further refused to support regional sanctions, which have had a strong penalising effect on vulnerable people's lives. The EC has shown a real capacity to adapt and accompany Burundi in its own process, taking the initiative to resume aid progressively, with the launching of its rehabilitation programme from unspent EDF and a combination of different instruments going beyond humanitarian aid and rehabilitation. This constructive engagement was adopted in order to **create the conditions** for Burundi to rebuild peace and carry out the transition, while the usual path chosen by donors in such circumstances had been to wait for conditions to be in place before resuming aid. The first positive result of that proactive approach has been to encourage other donors to join and a gradual move away from strictly humanitarian assistance (see further box 7).

Although Burundi is not yet subject to the new Cotonou Convention, one of the Convention's innovations is a deeper and wider political dialogue, aiming among other things to avoid recourse to the suspension clause (article 96). To some extent, the EC approach to Burundi has anticipated this shift in approach. Among the Member States, Belgium has acknowledged the need for a specific adapted approach to accompany the ending of the crisis. Its action plan *a Partnership towards Peace, a Partnership in Peace* encompasses the region in two explicit phases.

Multisectoral approach

The second particularity in EC strategic intervention in Burundi is the **coexistence of humanitarian aid, rehabilitation programmes and progressive structural cooperation**. While the full potential of this parallel presence is not exploited, with still too few bridges between PREBU and ECHO activities or built-in handover mechanisms between ECHO and the Delegation's activities, the task division is such that the Commission has created the opportunity to respond simultaneously to very different needs and tackle peace-building from different angles.

³⁰ In June 2000, the new ACP-EU Partnership Agreement was signed in Cotonou. This new Convention, replacing Lomé IV, offers a new frame for specific approaches towards fragile states, for instance via its article 11 on conflict prevention, management and resolution.

Box 7: Combination of Instruments

Burundi is a rather unique case in terms of combination of several EC and Member State instruments. This offers the opportunity to choose the most adequate instrument to respond to the specific and evolving needs, namely:

- strict humanitarian aid
- humanitarian plus (where ECHO is sole actor but still largely under-exploited)
- rehabilitation programme – PREBU
- Stabex transfers, budgetary support
- CFSP instruments (such as declarations, common positions, a special envoy, direct support to Arusha)
- budget lines (including funding international NGOs' reconciliation projects or reinsertion, for instance)

Mainstream peace-building

A key feature of EU (EC and Member States) strategies is inclusion of support to the peace process as the core objective of interventions in all sectors (see box 8), whether it is direct support to Arusha, health, food, land reform or democratisation programmes. Belgium for instance has geared the ensemble of its programme in all budget lines (bilateral, direct and indirect, multilateral) towards supporting the peace process.

Box 8: Villagisation as Peace-Building Process?

The process of 'villagisation' consists of creating villages in safe zones around some basic infrastructure such as a school, a health centre, a well or water adduction and new lodging structures. It provides a framework for definitive reinstallation and is claimed to offer more security for the people, as they are no longer isolated from one another. As such, villagisation offers people a way to return to destroyed areas. The downside is that cultivation lands are sometimes far from the new village, forcing people to travel some distance to be able to work their fields. The idea is to start a land-exchange project involving the provincial authorities to allow people to farm closer to their homes. The first step is reallocating abandoned lands (belonging to war victims and people who died in camps or who will not return) on a case-by-case basis.

Nevertheless, land reform is one of the hardest issues in post-conflict Burundi. It should be addressed with the utmost caution, as it is closely interlinked with ethnic and social tensions and war consequences. If addressed properly, however, it would be a substantial step towards sustainable peace. To ensure the sustainability of the new villages, beneficiaries are asked to contribute to the building process, which creates a feeling of ownership and contributes to capacity using. The villagisation programme is also confronted with large disparities among regions and provinces in the level of land occupation, security and soil erosion.

Some donors support the villagisation process within an integrated strategic approach to peace-building and sustainable development.

Note: there are different kinds of villagisation, either temporary or permanent. Some permanent villages have already been created, and a further policy of villagisation is evoked by the Arusha Agreement under voluntary basis for peasant settlement.

4.2 Institutional Adaptations

There have been rather few institutional adaptations in EU approaches towards Burundi. For the EC, this is due in part to the fact that the country is not yet subject to the Cotonou regime or to the 9th EDF

procedures. It therefore doesn't have to comply with the changes required by the innovations: rolling programming, performance assessment, involvement of new actors, etc. Nonetheless, a few elements can be noted.

Positive changes on the EC side are its active role in the Arusha sessions and appointment of a regional political adviser based in Nairobi. On the other hand, the current internal EC reform could have a negative impact on the Delegation's efficiency. The impact of the EC reform is felt on the ground even more acutely than in Brussels, where constant reshuffling of units, intense staff movement and the consequent vacant posts render the work of the delegations particularly difficult in an already complex environment.

On Member States' side, decentralisation of some decision-making authority to the field level (embassies) is the main institutional change towards higher flexibility. As an example, the Belgian Embassy has a direct envelope to support civil society and the peace process, entirely managed at field level.

4.3 Instruments and Procedures

Good practices in instruments and procedures that have been instituted in programming, decentralised cooperation, locally managed funds and coordination have been at least as significant as strategy adaptations.

Programming and participation

In its programming PREBU has applied lessons from effective humanitarian aid, allowing for a general framework with broad objectives to be put in place. In PREBU's case, **flexibility in programming** is combined with a degree of participation from local communities that is rather new in the Commission's work (see box 9).

Box 9: Burundi's (PREBU) Rehabilitation Programme³¹

PREBU can be considered an invaluable 'laboratory' for experimenting with EC institutional and technical capacities to implement an integrated approach at local level. It aims to bridge emergency action and development, via sustainable rehabilitation plans carried out in the eligible provinces (depending on the level of stability and security). The choice was made very conscientiously to work at the provincial level, in a decentralised manner, in order to be closer to beneficiaries' needs. The strategy is a framework allowing for tailor-made projects meeting specific local needs. Projects are carried out by international NGOs, for they are seen as having most experience in rehabilitation and better knowledge of the field.

The strategy of PREBU's proactive intervention (started **before** the signing of the peace agreement, **not** conditional on it, contrary to most of the EC's programmes for Burundi) was to show the people the peace-dividend effect and to encourage reconciliation in communities. Because the political situation was so volatile, there was a need to anchor PREBU's action at the local level to revive the local economic circuits. PREBU intends to prove that intervening in Burundi today is feasible, in particular, at the local level, in areas like infrastructure and income generation, in order to prevent further conflicts from arising (cfr. box 5).

Programming procedures are partly participatory, as are the implementation procedures, which involve the communities. PREBU started in only three provinces, further enlarging to 10 and aiming at covering the whole country progressively (when and if possible). The main characteristics of PREBU are its decentralised approach, the proactive approach and the participatory components.

³¹ The programme is currently active in 10 provinces and is expected to expand to 12 provinces in the next year.

Decentralised cooperation

As mentioned, the EC and some Member States have started to support local authorities directly. This has happened mainly at the provincial level and could set the basis for further decentralised cooperation, as foreseen by the provisions of the Cotonou Convention. A unique opportunity is thus provided to broker ownership and enable micro-development to happen.

Locally managed funds

UNDP and other humanitarian agencies have long used locally managed funds as a flexible tool particularly adapted to complex emergencies. Here, constant local assessment of needs is required due to swiftly evolving situations and fast disbursement mechanisms are indispensable. At the EU level, this instrument is being increasingly used, mainly by Member States, at least in Burundi. Use of locally managed funds immediately disbursable by the field offices has enabled swift action to be taken, the range of beneficiaries and partners to be widened (to human rights groups, parliament, unions, women's groups) and complete interventions to be undertaken with unplanned activities adapting to evolving needs.

Coordination

Burundi can be considered remarkably well covered by donor coordinating mechanisms even if it could certainly be further improved. While some nuances must be made between donor meetings, information sharing and actual coordination, the level of interagency, governmental and non-governmental dialogue, is rather exceptional. As said, this is mostly a reaction of solidarity to insecurity. Each province has a focal point, coordinated by the UN system, but bilaterals, NGOs and the Commission benefit from it and take part in it, transcending usual tensions. Similarly, OCHA is the lead agency coordinating sectoral meetings, but ECHO takes a very active part in them. However, risks of duplications remain, for instance, the rehabilitation programmes of the Commission (PREBU) are very similar to UNDP's PCAC (*Programme Cadre d'Appui au Communautés de Base*). A reinforcement of cooperation to avoid duplication of efforts could therefore be useful.

5 Challenges and Opportunities for an Improved EC Response

This country case study has attempted to analyse ways and means for **improving development aid** in Burundi, focusing on donors' responses and challenges faced. This last chapter looks at points where action is still needed, mostly listed under the *dilemmas*. In the Conclusion part, *Opportunities* for further improvement of development interventions to maximise EU interventions in the country are presented.

5.1 Challenges Dilemmas

5.1.1 Strategic Dilemmas

Positive instruments vs. critical engagement

While the EC position clearly favours the use of positive instruments, there are, at EU level, many differing positions. Sweden and others believe that development resumption has to remain conditional on the arrival of a transitional government. Belgium has significant development programmes running but still refrains from resorting to direct budgetary support due to the risk of diversions for belligerent purposes (critical engagement). Maintaining policy coherence is particularly important in this transitional period, in order to give a strong sign of support to the Burundian people. Finding the balance between reinforcing the state's capacity to respond effectively to the population's basic needs (social services), without discouraging the political transition process, is currently one of the major challenges facing the donor community.

Conciliate development and political priorities at the EU level

Burundi's involvement in the Great Lakes crisis, and its own 'internal' conflict give rise to strong differences in foreign policy interest among Member States. These differences are expressed in the political and development response individual Member States see as most appropriate for Burundi and the region. Yet divergent views interfere with development policies and severely hamper the political clout that the EU could muster if it would speak as one. Balancing development and political priorities at the EU level remains a major endeavour, for the stakes and political interests in the regional conflict are particularly high.

Absorption capacity vs. substantial pledging

Paradoxically while donor conferences may pledge high amounts of ODA, the money can remain unspent for months despite very acute needs. This may be due to the country's scant capacity of absorption, too heavy and ill-adapted administrative procedures or to incapacity for implementation (i.e. lack of human resources). This is linked to the modalities of aid delivery and the dilemmas donors face in choosing appropriate financial instruments with which to address development needs in instable countries.

Differentiated areas vs. integrated country strategy

In Burundi, portions of the needy population live in areas with extremely difficult access, due to ongoing insecurity and permanent "hit-and-run" operations from the rebels. How can the Delegation address fully the needs of these populations if they are nearly impossible –or too risky– to be reached in insecure zones? And how to combine the differentiated regional security constraints with an integrated country strategy? Implementing a differentiated approach inside one country without appearing to take sides in the conflict is particularly challenging.

Regional strategy vs. country strategy

Many EU Member States are present throughout the region (or have the capacity to be so), and the EC

itself covers the whole region between its delegations and ECHO offices. Yet the interference of foreign affairs in development policies in a region considered to be the battlefield of the *first African world war* makes it particularly difficult to design a regional integrated development framework. Some donors are already attempting to address the regional nature of the root causes of the conflict.

Centralised vs. decentralised cooperation

The dilemma of choosing the privileged interlocutor in a conflict-ridden country is particularly tricky. In the framework of the Partnership Agreement, governments are the EC's privileged partners, with new roles defined for non-state actors and local communities (in programming, implementation, evaluation and accessing resources). While maintaining support to the government to avoid unbalancing the situation or weakening the state further is crucial, supporting local communities directly remains the only way to address specific local needs. Nevertheless, this entails risks, namely, giving too much power to local authorities, at the danger of fuelling the conflict. The introduction of ODA on a selective sub-regional basis always has the potential to increase sub-regional disparities and therefore tension and instability. But there is also a need to grab opportunities and accompany positive processes. Burundi has a record of self-development initiatives, having resulted in communities' organising their own local private education system for instance (there are several private universities in stabilised areas, mainly urban).

5.1.2 Institutional Dilemmas

Centralised vs. decentralised decision-making

Although most development agencies still work in a highly centralised manner with important decisions depending on their headquarters, there is a need for institutional changes towards greater decentralisation of decision-making mechanisms to field level in order to better respond to the highly volatile environment.

Increased linkages between ECHO offices and the delegations

While too often the arrival of a rehabilitation programme or resumption of EDF is synonymous with the ending of ECHO's presence (regardless of whether its interventions are still needed), Burundi benefits from ECHO, rehabilitation programmes and other EDF instruments, all relevant and useful to cope with the multifaceted needs of the country.

The EC could make better use of the coexistence of parallel instruments; difficulties in achieving coherence and complementarity are mostly institutional problems. Although their mandates differ and built-in institutional mechanisms are lacking, the EC will need to harmonise its overall coordination between ECHO and the Delegation, which are not even in the same office. If the ambitions of the Commission are to increase integrated approaches, it will have to render integration possible with enabling institutional processes. At this stage there is still the general perception of a strong distinction between ECHO and the Delegation. ECHO activities are broadly recognised as effective and necessary, but it is important to allow flexibility in ECHO's legal framework when no other EC instrument is available.

Human resources turnover vs. complex and volatile environment

Attracting and retaining qualified staff to work in Burundi is a problem for all agencies, due to the unstable security situation and the fact that it is a 'non-family station'. The EC is no exception. The EC Delegation in Burundi suffers from a severe shortage of staff to cope with the complexity of the work, the substantial amounts pledged and the fast evolving needs. Furthermore, it requires not only more human resources, but also the right mix of experience and abilities so as to be mutually complementary and able to deal with the complex environment. Agencies must create the conditions necessary to attract the right kind of staff. At this stage, too much depends on specific individuals, in terms of positive or negative impact, adding to the consequences of staff turnover.

5.1.3 Implementation Dilemmas

Limited choice of implementing partners and working via international NGOs

The Commission, as all donors, is confronted in unsafe areas with limited numbers of implementing partners, despite existing funds and strategies. The absence of direct implementation can hinder the execution of a defined strategy, raising questions about the adequacy of instruments. While working with international NGOs solves the security problem it also reduces the scope for local capacity building.

Working with civil society vs. 'playing it safe'

Few EU Member States work with local organisations, for they consider it a too high political risk. Yet working with civil society is generally recognised as a priority for democratisation and peace-building. The EC at this stage is particularly ill-tooled for it, but its neutral political nature should enable it to cope better with the risk in the future. However, in emergency activities local organisations team up with international NGOs to implement ECHO-funded programmes in areas where no one else can go for security reasons.

EC procedures and funding mechanisms vs. flexibility and rapidity

The EC suffers in Burundi, as elsewhere, from the reputation of being slow, over-centralised, too complex and inflexible. Overcoming institutional heaviness and integrating greater levels of flexibility and faster response mechanisms is a main endeavour for the EC to improve its impact. Another need is for coherence of funding mechanisms. Delegations have significant latitude in spending large amounts of accumulated outstanding Stabex funds, while other quite small amounts are managed from Brussels.

The pressure to spend, coming mainly from Member States on outstanding Stabex may result in bad decisions being made. Pressure to spend also brings the danger of choosing unsuited instruments. Taking into account the recipient country's absorption capacity and the potential risks associated with spending large amounts at once in a fragile country, the spending rate of the delegation should not be the main indicator of their performance.

Last, the Commission still lacks programming flexibility, though the framework approach used by ECHO and PREBU in Burundi is better adapted. As all donors, it will have to find the balance between adaptability to evolving needs (short-term timeframe) and sustainability (long-term timeframe).

Budgetary support vs. fund diversion for warfare

The use of budgetary support in Burundi can carry great risks, as the country has large military expenditures. As in other countries of the region, in Burundi recourse to budgetary aid has generated criticism and tension among Member States. In its communication on ACP countries involved in armed conflicts (May 1999), the Commission recommends avoiding use of direct budgetary support in countries where there is a high risk of fund diversion to warfare purposes (or other purposes diverging from development objectives). Therefore, the Commission needs to find satisfactory control mechanisms for the use of this instrument that is necessary to provide structural support to the country. It must also increase the complementary use of other financial instruments.

Will to intervene vs. incapacity to monitor

Evaluation of activities funded in unsafe areas is particularly hard, forcing the donors to find a pragmatic balance between acting in the most vulnerable areas and keeping strict control over the activities. Further, some results require new dynamic mechanisms of evaluation and monitoring, for they are slow and evolving and sometimes intangible (social reconstruction issues such as reconciliation, justice, confidence building, re-education, etc.). Institutionally, there would be a need to accept funding and supporting of processes with a very long-term perspective: dynamic programming, long-term funding and, most important, an assessment of progress based not upon the visible results, but rather upon the dynamics, supported by non-quantitative monitoring systems.

5.2 Opportunities for an Improved EU Response

Observing good practices in the field has opened the pathway to enhanced EU development response in politically fragile countries. Here are the opportunities identified for EU response to Burundi, building on EU assets, such as its political clout, positive engagement and the presence of complementary instruments.

5.2.1 Strategic Opportunities

Maintain and mainstream constructive engagement

Burundi has been, to some extent, a laboratory for experimenting with some of the Cotonou innovations and related shifts in strategy: extensive use of incentives rather than sanctions (article 8 and 96), maintenance of permanent political dialogue (article 8) and use of all available instruments to support the peace process (article 11). The EC has recognised the limits of exclusive use of unilateral sanctions and field-tested the greater impact of positive instruments, such as moving towards a **constructive engagement**, ensuring a critical dialogue with the state and combine different EC instruments (beyond humanitarian aid). The EC gave strong support to the Arusha peace process, including facilitation and pledging serious aid support in December 2000 at a donor conference in response to the signing of the peace accords. Ultimately, these actions aimed to help implement the transition to peace. While the immediate results of such approaches are sometimes difficult to see, they have proven profound and sustainable.

The EC as an umbrella for divergent interests

In the face of divergent political interests among the Member States, the EC could act as a **neutral balancing force** in Burundi. EC Member States recently overcame their own bilateral politics to enable EDF funds to be voted for, but this may or may not happen in the future. Therefore, the EC could promote more intensive ‘technical’ dialogue with the Member States, based on its own field expertise and the results of recent developments, trying to prevent political disagreement from hampering development.

Taking advantage of the available funds

The EC is by far the donor with the most financial clout (EDF and ECHO), allowing from constructive political engagement to be combined with the necessary structural financial support. But pledging large amounts can be simultaneously a challenge and opportunity. Matching actions with the expectations generated is of paramount importance in this crucial transition phase. Current bottlenecks in disbursing funds, despite the available financial resources, create tension and damage EC credibility among Burundians. Moreover, the peace-dividend approach is weakened when the dividend is slow to come. In future, there will be increasing scope under the Cotonou regime, calling for **use of ‘all available instruments’** (article 11) to articulate simplified and a reduced number of financial instruments³² with CFSP initiatives, humanitarian and humanitarian-plus programmes. Again, this capacity to combine the use of all instruments is of course only feasible if the country in question is not under sanctions and if the Delegation is fully operational.

Developing and implementing an integrated regional strategy

The EC and Member States now have the instruments **to develop a coherent and integrated regional strategy**: the EU Special Envoy, the EC Regional Political Adviser, the presence throughout the region of field offices of the EC and Member States, an EC common regional unit in Brussels and ECHO regional offices for the implementation of region-wide strategies. The Cotonou Convention

³² The 9th EDF financial instruments have been significantly simplified, with the disappearance of Stabex and Sysmin for the benefit of two envelopes (first tranche and second tranche after a midterm review and re-programming) geared towards two areas of concentration. This should allow for more focused interventions, as well as greater potential for complementarity.

establishes the possibility for an open regional dialogue with relevant actors. Paradoxically, the limited number of EU actors in and around Burundi makes it easier to agree on a common strategy for assisting Burundi settle its own crisis, as well as addressing regional spillovers (such as armed forces outside the country and refugee flows). But regarding the Congo crisis and larger regional matters, the interference of national interests is much higher, including those of Member States considered ‘friends of’ neighbouring countries.

At the level of the EC there is scope for to improve the interlinkages and connections between EC actors through regular meetings of the delegates and headquarters staff charged with follow-up in all the countries involved in the regional war. In this sense, the EC’s added value could be in establishing tight contacts across the borders on interrelated development matters such as security and refugees. Nevertheless, the complexity of funding instruments and different arms of the Commission and the Council and the fact that there is no regional indicative programme, are still difficult issues that currently undermine the capacity to address the development and political challenges of the Great Lakes countries from a regional perspective.

5.2.2 Institutional Opportunities

Decentralisation at the EC level

The wave of internal EC reforms is aimed at decentralising decision-making power more to the field level, matching it in future with sufficient staff in delegations to take over some of the responsibilities carried out thus far by Brussels. The impact of the reform on the efficiency, visibility and credibility of the Commission has been fairly negative up to now, including on staff morale and the daily management of aid (also due to unclear task division). Nonetheless, the combined effect of the new ACP-EU Partnership Agreement and its accompanying changes in financial procedures and the internal decentralisation process creates **large scope for faster response and more flexible management** particularly necessary for fragile states. Examples of other donors’ decentralised mechanisms have long shown results.

Reinforcing and attracting specialised human resources

At this stage, there are few institutional incentives for accepting a position in a country like Burundi, as postings in difficult countries are not rewarded as such on career schemes. Apart from increased leave days (for regular breaks) and risk allowances, there is little real peer recognition of the specificity of the expertise gained (but also required). The reform foresees substantial recruitment, and the new Cotonou provisions acknowledge the particularity of fragile states. The Commission might envisage attracting **more specialised staff** in newer areas of development such as governance, democratisation and peace-building.

Improved integrated EC response, coordinated with other donors and international NGOs

As mentioned, the coexistence of ECHO and Delegation programmes offers opportunities that have to be grasped to **strategise the presence of parallel instruments** and to design integrated approaches based on each one’s added value, including the Member States. The lesson is also to recognise the operational and political clout of integrated country strategies in all countries covered by the delegation, ECHO and Member States.

There is also space for **cross-fertilisation of ideas** and exchange of technical expertise in managing such complex emergencies. This is even more important when movements are limited due to security constraints. Since most donors fund international NGOs which, in turn, craft new means of intervention, there is scope for these NGOs to feed back to donors and headquarters-level staff their valuable experience and first-hand knowledge of the field. This could also help break the unhealthy donor-recipient relation between NGOs and donors.

Improving linkages between relief and rehabilitation

Burundi is a mix of emergency and sustainable development needs and demands. These are highly difficult to combine due to history, mandate and donors' narrowly oriented expertise. The complexity of the whole range of interventions needed in fragile states makes even more critical good complementarity and coordination between ECHO and development initiatives. There are possibilities for working hand in hand in **shared overall programmes** addressing different needs within a single area or sector. In such a case, ECHO could be allowed to enlarge its mandate in areas where development work cannot be implemented due to security constraints. The underlying principle is to design and establish complementary projects calling upon special expertise from the different units and building in transfer mechanisms between the two (from relief to rehabilitation but also back to relief if need be).

5.2.3 Implementation Opportunities

PREBU experiences confirm the utility of decentralising decision-making mechanisms to the delegations, to increase decentralised cooperation with local actors and to base interventions on the country's assets so as to link development and peace-building.

Decentralising cooperation and spurring participatory processes

Working directly with local actors can be simultaneously a capacity-building exercise, a direct means to address specific local needs, a way to build new networks of partners, a way to provide direct support to local initiatives and a means of applying local labour forces and capacities towards sustainability and peace-building. Here again, the Cotonou Convention provides for the future a legal framework encouraging direct partnership between 'new actors'³³ of development and the Commission. The approach is particularly relevant in fragile states, where government capacity to reach needy populations and provide basic social services can be hampered by the crisis.

In fragile states participatory and decentralised approaches require more caution, to respect existing channels and avoid artificially unbalancing the power structures. In other words, means must be found to support and involve local communities with the government and not against it, without creating the feeling that one is opposed to the other. This can be done through joint fund management, involving government in donor priorities and choices and by monitoring to ensure sustainability and future handover mechanisms to national responsibilities.

As Cotonou foresees the possibility of using up to 15% of the EDF for **direct partnership with civil society, local actors and the private sector**, there will be scope for stronger integration of local forces and initiatives in a peace-building and social-reconstruction framework, overcoming the present reluctance to work with civil society arising from the polarisation of the society.

Flexible programming and locally managed funds

The new Convention is accompanied by a **rolling programming** system in addition to the new spending procedures of the 9th EDF.³⁴ Rolling programming means that the Commission will do a midterm review (of the five-year planned NIP) after two years. Progress made will be assessed before allocating the second tranche of the EDF in accordance with performance (the amount can be increased in recognition of progress or on the contrary decreased). The midterm assessment already introduces a higher degree of flexibility in the programming timeframe, as it will not be fixed for five years as it was. But the experience of fragile states shows that two years can already be a long period for fast evolving environments.

In response to the difficulty of the programming timeframe, among others, Member States and donors such as UN agencies have developed the capacity to **manage locally owned funds directly from the**

³³ Namely civil society, local governments and the private sector, see ECDPM Cotonou Infokit (2000).

³⁴ See European Commission's 9th EDF *Guidelines* (EC, 2000).

field office. The existence of such a fund at the level of the Delegation allows development programmes to be moved ahead, for instance, at times when the EDF Committee is blocked. It also enables swift action to be taken on demand, without having to follow slow procedures and depend on Brussels. Favouring the use of fast disburseable small funds with ex post control is one of the many lessons learned from humanitarian-plus interventions and should provide the delegations with the capacity to maintain constructive engagement, complement ECHO's interventions, enlarge the scope of beneficiaries and adapt in a flexible manner to the evolving needs.

Make use of ECHO's presence

Systematic recourse to **humanitarian-plus** mandate for fragile countries and chronic crisis would avoid the need to divert emergency funds for sustainable actions. The mandate could be more flexible, allowing for necessary initiatives to be taken at the right moment and, for instance, better articulation between PREBU and ECHO.

Control budgetary support

The Commission has to follow on its use of budgetary support with much stronger control mechanisms. Many fragile states allocate high portions of their scarce resources to military spending, while handing over the provision of social services to international humanitarian and development actors. Recourse to budgetary aid needs to be decided on the basis of solid strategy and carried under **strict control and effective conditionality.**

Annex: Basic Country Data

SOCIAL INDICATORS

1999

Population (<i>millions</i>)	6.7	Bujumbura	320,000
Average annual growth (1993–99)	2.1%		
Urban population	2.4%		
Life expectancy at birth (<i>years</i>)	9%		
Infant mortality (<i>per 1000</i>)	42		
Illiteracy (<i>age 15+</i>)	118		
	53%		
Native displaced persons	827,000		
Foreign refugees	366,000	In Tanzania	300,000

ECONOMIC INDICATORS

	1979	1989	1998	1999
GNP (<i>US\$ billions</i>)	0.8	1.1	0.9	0.7
Total debt/GDP (%)	17.4	79.0	128.7	157.6
Total debt service/Exports	3.7	36.4	73.7	88.9
Present value of debt/GDP			71.3	
Present value of debt/exports			833.6	
Inflation rate				21%
<i>(average growth)</i>		1979–89	1989–99	1999–2003
GDP		4.4	–2.9	3.2
GNP		4.2	–3.0	–
GNP per capita		1.3	–4.5	1.1
Exports of goods and services		3.8	8.2	17.3
Imports of goods and services		2.2	8.1	–
<i>Structure of the Economy (%GDP)</i>	1979	1989	1998	1999
Agriculture	60.6	53.7	53.6	49.8
Industry	16.6	19.7	17.3	18.5
Services	22.8	26.7	29.1	31.7
<i>Trade/Balance of payments (US\$ millions)</i>				
Total exports (fob)	–	93	64	56
Coffee	–	75	51	44
Tea	–	6	9	8
Manufactures	–	4	0	1
Total imports (cif)	–	184	157	118
Food	–	10	10	11
Fuel and energy	–	20	14	19
Capital goods	–	65	49	52
Terms of trade	–	104	73	65
Current account balance	–	–24	–55	–26

Source: World Bank

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Interviewed Organisations

Burundian Embassy in Brussels
DG DEV
ECHO
Belgian Cabinet of Development Co-operation

NAIROBI

EC Delegation in Kenya
EC Regional Political Adviser
ECHO, Regional Office – Great Lakes/Horn of Africa
International Committee of the Red Cross (ICRC), Nairobi Regional Delegation
UNHCR, Directorate for the East, Horn of Africa & Great Lakes Region
Office for the Co-ordination of Humanitarian Affairs (OCHA)
UNOPS
WHO
USAID
International Organisation for Migration (IOM)
International Crisis Group
War-Torn Societies Transitional Programme
Nairobi Peace Initiative
Swedish Embassy in Nairobi
SIDA

BURUNDI

EC Delegation
ECHO
Programme de réhabilitation du Burundi (PREBU)
WHO
UNDP
OCHA
WFP
OHCDH
UNICEF
UNFPA

World Bank
Belgian Embassy
French Embassy
AFVP
Austrian Representation
Comite international de la Croix Rouge (CICR)
Avocats sans Frontières
International HR Law Group
Search for Common Ground
Africare
Dutch Relief and Rehabilitation Agency (DRA)
Ligue Burundaise des Droits de l'Homme Iteka
CAFOB
LBDH
Operation d'Appui à l'Auto-promotion
Association Burundaise des Droits des Prisonniers (ABDP)
Studio Ijambo
Ministère de la Réinsertion Sociale
Ministère des Droits de la Personne Humaine, des Réformes Institutionnelles et des Relations avec
l'Assemblée Nationale

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