1. Project Data:

<table>
<thead>
<tr>
<th>PROJ ID</th>
<th>P081964</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
<td>Burundi Emergency Demobilization, Reinsertion And Reintegration Program</td>
</tr>
<tr>
<td>Project Costs (US$M):</td>
<td>84.4</td>
</tr>
<tr>
<td>Country:</td>
<td>Burundi</td>
</tr>
<tr>
<td>Loan/Credit (US$M):</td>
<td>33.0</td>
</tr>
<tr>
<td>Sector Board:</td>
<td>SDV</td>
</tr>
<tr>
<td>Cofinancing (US$M):</td>
<td>47.8</td>
</tr>
</tbody>
</table>
| Sector(s): | Other social services (95%)
| Health (5%) |
| Theme(s): | Conflict prevention and post-conflict reconstruction (29% - P)
| Social safety nets (29% - P)
| Other accountability/anti-corruption (14% - S)
| HIV/AIDS (14% - S)
| Gender (14% - S) |
| L/C Number: | CH076 |
| Board Approval Date: | 03/18/2005 |
| Partners involved: | GTZ, Multi-County Demobilization and Reintegration Program (MDRP) |
| Closing Date: | 12/31/2008 |

2. Project Objectives and Components:

a. Objectives:

The Development Credit Agreement (DCA) states that the objective of the project was to “assist the Recipient in creating long-term sustainable social development and supporting macroeconomic stability in its territory through:

1. The demobilization of approximately 55,000 Ex-Combatants from the Forces Armées Burundaises - Burundi Armed Forces (FAB), Armed Political Parties and Movements (APPMs), and the National Defense Force (NDF), up to 20,000 members of the Gardiens de la Paix, and up to 10,000 of Combattants Militants, while providing support for their reinsertion and social and economic reintegration; and
2. Contribution to reallocation of the Recipient’s resulting budget savings from defense to social and economic sectors.”

The PAD statement of objectives has slightly different wording and splits the first objective into two parts: “The overall goal of the DRRP was to help consolidate peace in Burundi and the Great Lakes region through the implementation of relevant articles of the Arusha Peace Accord and subsequent cease-fire agreements. There were three principal
b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components (or Key Conditions in the case of DPLs, as appropriate):

1. Demobilization. Planned US$4.8 million; actual US$2.3 million.
   - STAGE 1: The demobilization of 9,000 ex-combatants from the APPMs and 5,000 soldiers of the FAB would be completed in a period of approximately six months during stage I of the DRRP. This component includes verification of combatant status, registration and distribution of ID cards, socioeconomic data gathering, pre-demobilization orientation, medical screening and voluntary counseling and testing for HIV/AIDS and transport to communities of return.
   - STAGE 2: Stage II demobilization would be undertaken during years 2-4, during which 41,000 personnel of the NDF would be demobilized. This process would be more gradual during stage II, and would be undertaken from a single Demobilization Centre. The procedures would be identical to those in stage I.

   - All ex-combatants receive a TSA based on salary levels of FAB soldiers and providing for basic resettlement needs of ex-combatants over a period of 18 months.

   - Reintegration assistance was provided to help ex-combatants return and/or settle in a community and establish sustainable livelihoods. This included: information and referral; counseling; advocacy from the implementing agency to local communities; - training (vocational, on-the-job training, and apprenticeship); micro-projects (small-scale agriculture, livestock keeping, fisheries, handicraft, construction services or trade) and micro-finance; access to land (facilitation for ex-combatants’ requests according to established procedures, but not amounting to the acquisition of land); and social reintegration.

4. Customized reintegration assistance for special groups. Planned US$12.4 million; actual US$5.5 million.
   - Special groups included children ex-combatants (as defined by the Cape Town Principles), who were initially assisted via a Multi-Country Demobilization and Reintegration Program (MCRP) special project implemented by the United Nations Children Fund (UNICEF); female excombatants and disabled ex-combatants. The customized assistance entailed, *inter alia*, separate facilities for the encampment of women and children ex-combatants, medical assistance and rehabilitation for disabled ex-combatants, counseling activities at the community level with partners and women associated with ex-combatants, and gender awareness for the implementing agency and implementing partners.


d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

This was an Emergency Loan approved through a Memorandum of the President. Project financing came from two sources. First the IDA grant of US$33.0 million equivalent; second through access to US$41.8 million from the Multi-Donor Trust Fund of the Multi-Country Demobilization and Reintegration Program (MDRP). Twenty percent (US$6.6 million) of the IDA Grant was used for retroactive financing. Total project costs were 65% of the appraisal estimate because the number of individuals to be demobilized was overestimated at appraisal.
While the Borrower committed to contribute US$3.0 million no counterpart funding was provided. Similarly, the GTZ bilateral commitment of US$6.0 million was not utilized because GTZ revised its assistance portfolio of Burundi and Rwanda to meet other strategic priorities.

- The project closed on schedule in December 2008. Although the ICR does not show any cancellations, the Operations Portal indicates that US$4.00 million of the IDA Grant and US$12.63 million of the MDRP Trust Fund were canceled in October 2010.

3. Relevance of Objectives & Design:

Relevance of Objectives: High

- Project objectives are highly relevant to the Arusha Peace and Reconciliation Agreement of August 2000 that laid the groundwork for constitutional and institutional reform to foster national reconciliation between the nine co-signatory parties following the civil war in Burundi. Protocol IV of the Agreement included specific provisions for the rehabilitation of war-affected populations. The project objectives fully support the government’s National Commission for the Demobilization, Reinsertion and Reintegration of former combatants and military and its request under the MRDP for Bank assistance that was supported by the African Union Mission in Burundi and the Joint Cease-fire Commission chaired by the UN. Project objectives are also highly relevant to the Bank’s 2008 Country Assistance Strategy that emphasized the importance of improved reintegration of ex-combatants and vulnerable groups.

Relevance of Design: Modest

- The focus of the project on demobilization, transitional assistance and economic reintegration under a single civilian agency was highly relevant to mitigating the risks of discontented ex-combatants posing a threat to social stability and the peace process. Similarly, the project’s focus on improving the welfare of ex-combatants and promoting reconciliation within the communities of resettlement recognized that both aspects were required to ensure harmonious reintegration. Recognition that the official government combatants and the informal militias required differing levels and types of support was pragmatic. However, the reintegration component did not contain design measures to mitigate the institutional weaknesses of the National Commission for Demobilization, Reinsertion and Reintegration (NCDRR) or adequate information campaigns to explain the project to the public and donor community.
- The inclusion of the special programs to focus assistance on vulnerable groups - child, female and disabled ex-combatants - was fully in accord with the Cape Town Principles, supported UNICEF’s humanitarian efforts and was fully in-line with the Bank’s safeguard policies. However, while the project was able to assist disabled ex-combatants, catering for the special needs of women and children demanded more resources and skills than the project could mobilize partly because of the difficulties in classifying women as ex-combatants (ICR page 16) and partly because the project tried, with modest success, to circumvent the problem by including families and spouses in the reintegration activities.
- Finally, the cofinanciers (ICR Annex 7) indicate that insufficient attention was given to the design of the project’s sensitization and communications activities.

4. Achievement of Objectives (Efficacy):

Objective (1): Demobilization of ex-combatants into civilian life was substantially achieved but reintegration appears to be partial and delayed. Efficacy is rated modest.

100% of the eligible ex-combatants from the FAB were demobilized

- The actual number of 26,283 was 48% of the appraisal estimate of 55,000. The ICR (page 12) states that the initial target numbers were the result of (a) an overestimation of the size and composition of the different fighting forces in Burundi and (b) the delays in the political negotiations with the last rebel force FNL (Forces Nationales de la Libération) in the country. With the notable exception of the combatants of the FNL-Rwasas and the FNL-Dissidents, whose inclusion was beyond the control of the project, the demobilization objective was fully achieved.

Reintegration outcomes were mixed.

- The reintegration component as planned was poorly implemented partly due to institutional weaknesses of the NCDRR, the lack of qualified local implementation partners to carry out reintegration activities, and insufficient communication by the NCDRR about the aims of the project. As a result, it was perceived by many beneficiaries as individual monetary compensation rather than funding for the support for training and development of sustainable income-generating activities (ICR page 14).
- According to the project team, reintegration activities were outsourced to implementation partners in charge of the socio-economic reintegration of ex-combatants along with a medical center contracted for rehabilitation and referral, and a partner providing psycho-social assistance. Reintegration payments were paid out and then training and reintegration occurred later, sometimes much later. To make ends meet in the interim, many ex-combatants, particularly in urban settings, went into debt, and were forced to sell their reintegration activity inputs to settle their accounts (ICR page 21).
- While the amount of the Reinsertion Grant paid substantially met targets (98%) and beneficiaries were assisted within 9 months of demobilization, full payment following demobilization took 12 months (target was not more
than 9 months). 83% received reintegration assistance, 21,456 received funds and training for income-generating activities, 469 received vocational training and 71 enrolled in formal education. Even so, the ICR reports (page 14) that only 40% of ex-combatants were engaged in sustainable income-generating activities with 18-months of demobilization. At project completion, it was too early, according to the ICR, to determine if the 24-month income target (that ex-combatant's income was similar to average income of the community of resettlement) was achieved.

- According to the project team, there was a pending caseload of 1,529 ex-combatants from this project. The follow-on project is providing partial reinsertion and reintegration services to these ex-combatants. This follow-on project addresses all remaining armed groups and caseloads, and concludes the DDR process in Burundi.
- Subsequently the project team confirmed that 87% of ex-combatants reported being employed. Furthermore, 61.5% of income-generating activities were still ongoing, and about 50% of ex-combatants interviewed reported being equally or more well-off than the rest of the community. In 2008, the average monthly income of an ex-combatant with an income-generating activity was 55,862 FBU. The 2008 average per capita Gross National Income (GNI) was 140 USD, which amounts to approximately 14,374 FBU/month (World Bank Development Data Platform 2008). While ex-combatants' average income is clearly better than the national average there is still no data allowing income comparisons between those of the ex-combatants and community of resettlement.

**Vulnerable Groups were assisted by implementing partners**
- A total of 3,261 children and 516 adult women were assisted.
- 3,261 child soldiers were released from the armed forces and 3,259 of them were reunited with their families through a special UNICEF parallel MRDP project. Women had some difficulties because of the unwillingness of government to classify them as ex-combatants and they were frequently reintegration as part of family units with spouses. Women and their children were accorded separate living accommodation at demobilization centers that provided specialized medical screening via gender-sensitized implementing agencies, promotion of female associations and, where applicable, involvement of spouses.
- 1,907 disabled ex-combatants received medical support and 1,195 of these received specialized socio-economic reintegration support. However, much of this assistance was delayed due to late contracting of implementing partners that led to prosthetic material only becoming available in late 2008. According to the project team, an implementation partner has been recruited recently by the follow-on project to provide medical rehabilitation support to all disabled ex-combatants, including the pending caseload from the this project. The follow-on project to date (June 2010) has provided emergency health care to 63 of these disabled ex-combatants.

**Objective (2)** to provide reinsertion assistance to 20,000 Gardiens de la Paix and 10,000 Combattants Militants was fully achieved. **Efficacy is rated high**.
- Each eligible beneficiary received a one-time payment of 100,000 FBU (US$80) "in recognition of service allowance" to assist reinsertion. In all 18,709 Gardiens de la Paix and 9,674 Combattants Militants were paid off.

**Objective (3):** to contribute to the reallocation of Government expenditure from defense to social and economic sectors was only partially achieved. **Efficacy is rated modest**.
- While it was expected that defense expenditures would fall from FBU 49 billion in 2005 to FBU 24 billion in 2007, actual expenditures rose from FBU 43 billion to FBU 54 billion over the same period because the increase in the police force more than offset the savings brought about by demobilization of the armed forces.
- Even so, public expenditure on health and education rose substantially over the period from 2004 to 2007 - from FBU 38 billion FBU to a budgeted FBU 104 billion. Much of this increase is the result of external support rather than internal budgetary adjustment as a result of demobilization.

**Overall efficacy is rated modest**. While demobilization of ex-combatants into civilian life was substantially achieved, reintegration appears to be partial and delayed. The reduction in the defense budget and increased expenditure on health and education was partially achieved.

5. Efficiency (not applicable to DPLs):
- There were no formal measures of economic efficiency. At appraisal it was estimated that the benefits of demobilization of government ex-combatants would be considerable if the savings of downsizing from the defense budget were transferred to the health and education sectors. Apart from practical difficulties of tracing the impact of demobilization program on the national budget allocations, as noted in the ICR (page 15) the anticipated savings did not materialize.
- The only other measure of efficiency is the relationship of project financial inputs to expected outputs, and on this basis the program management was not very efficient. Although less than half of the planned numbers of beneficiaries were assisted, 76% of the budget for reintegration was utilized.
- The Executive Secretariat allowed significant cost overruns while failing to provide timely reintegration assistance and efficiently award contracts to implementing partners. Overstaffing was a problem also: the level of 'counselors' was identified [by the Bank in 2005] as superfluous and later removed (ICR page 20) - but according to the project team, there was no layoff of surplus staff. Expenditure on program management was 8% greater than planned. **Overall, efficiency is rated modest**.
6. Outcome:
High relevance of objectives, allied with modest design relevance, efficacy and efficiency leads to a moderately unsatisfactory outcome rating.

a. Outcome Rating: Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:
The overall political situation in Burundi remains unstable given the uncertainties about the outcome of the 2010 elections. In addition, the linkage between the short-term support provided by the project to longer-term support to be provided by other donor programs and assistance was poor and the effect of this weakness on ensuring sustainable reintegration is not known. Finally there remains a risk that some ex-combatants may attempt to reenter the demobilization process for financial gain.

a. Risk to Development Outcome Rating: High

8. Assessment of Bank Performance:
Quality-at-entry was moderately unsatisfactory.
- The matching of an IDA Grant with the MDRP Trust Fund was an effective instrument. Financial management was well designed, as was the establishment of a robust management information system to keep track of the flow beneficiaries through the three stages of project assistance. Appraisal overestimated the NCDRR’s institutional capacity to implement the project at national, provincial and commune levels, and procurement risks. Similarly, insufficient attention was given to developing a communications strategy about project objectives and their relationship to other donor-supported activities. As a result other donors working on parallel and supporting activities were unclear about the division of responsibilities between the Bank and Borrower.

Supervision was moderately unsatisfactory.
- There were three TTLs during the life of the project and this adversely affected continuity in supervision and data collection. Thus, despite extended missions at least 4 times a year from 2004 to 2008, and a full-time position 2005-2008 in the Bujumbura country office to supervise the project, the special circumstances of the project and country conditions required even more intensive supervision according to the donor community and other stakeholders (ICR Annex 7). In practice, the MDRP Trust Fund proved to be less flexible than anticipated given low local capacity and insufficient detailed supervision and technical assistance to improve targeting (ICR page 17). The consequences of this were delays in the selection of implementing partners and a possible case of financial mismanagement currently under internal investigation by the Government. Neither the Bank nor the Government were effective at providing guidance to resolve conflicts over the contracts between implementing partners and the Executive Secretariat.

a. Ensuring Quality-at-Entry: Moderately Unsatisfactory

b. Quality of Supervision: Moderately Unsatisfactory

c. Overall Bank Performance: Moderately Unsatisfactory

9. Assessment of Borrower Performance:
- Government. Government ownership at the appraisal stage was high. Subsequently, weak local capacity during the transitional phase to government elections in 2005 slowed executive decision-making and progress, particularly on procurement. Following the successfully conducted elections in 2005 government priorities changed, leading to a decrease in oversight from the NCDRR over the Executive Secretariat and a
loss of interest in the reintegration component. The NCDRR did not fulfill its policy role until a delegate was appointed to act in the President’s stead near the end of the project. This active guidance was crucial to resolving challenges at many levels (ICR page 23).

- **Implementing Agency.** The Bank’s 2005 institutional capacity assessment highlighted numerous structural issues that were only partially addressed. The heavily hierarchical structure of the Executive Secretariat created a top-heavy and over-centralized system whose inefficiency led to significant delays in implementation. There was a lack of transparency in the division of labor, roles and functions and this adversely affected the effectiveness of staff particularly on procurement and sound financial management.

While some institutional streamlining was implemented following advice from Bank, recommendations for greater decentralization were mostly ignored. Insufficient supervision of ongoing contracts was a major problem, as was resolving contractual disputes that led to significant delays.

<table>
<thead>
<tr>
<th>a. Government Performance</th>
<th>Moderately Unsatisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Implementing Agency Performance</td>
<td>Moderately Unsatisfactory</td>
</tr>
<tr>
<td>c. Overall Borrower Performance</td>
<td>Moderately Unsatisfactory</td>
</tr>
</tbody>
</table>

### 10. M&E Design, Implementation, & Utilization:

- **Design.** A robust Management Information System (MIS) was established to trace the progress of ex-combatants from the time they entered the project to the final stage on reintegration as well as data on service providers and benefits. The MIS was designed at all levels: central, provincial and in the communes: sample surveys were planned biannually to verify that benefits had been delivered to the beneficiaries and that reintegration activities were ongoing. Independent evaluations were designed to include statistics on the reintegration of ex-combatants along with a beneficiary assessment in order to capture qualitative data.

- **Implementation.** The MIS was an efficient management tool. Beneficiaries were tracked using digital fingerprint scanners and cameras and a fully automated payment system for the delivery of reinsertion support worked well. Four verification surveys were conducted throughout the project with a substantial sample size (an average of 10% of the total number of beneficiaries) and yielded a wealth of data on the situation of beneficiaries after demobilization. Independent evaluations were also carried out by consultants competitively selected by the implementing agency.

- **Utilization.** The progress of beneficiaries and disbursements was effectively used to monitor progress against key indicators and provided all the information required by the Bank’s project supervision team.

| a. M&E Quality Rating | Substantial |

### 11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

- **Safeguards.** The project was classified as a category B for purposes of OP 4.01 due to its income generating activities component. In practice there were minimal adverse social and environmental impacts due to the widely dispersed and small-scale of the reintegration components. Social mitigation measures included ensuring: (i) involuntary resettlement was taking place and (ii) vulnerable populations such as female ex-combatants and child soldiers, were targeted for assistance and equal access to benefits. As noted in Section 4 above, some of this targeting was not very effective. Environmental mitigation measures included systematic screening of reintegration sub-project and adequate disposal of medical waste.

- **Fiduciary.** The Executive Secretariat did not implement procurement procedures agreed with the Bank and a high number of unconventional procedures such as sole source selection were adopted. An independent evaluation commissioned by the Government in 2008 found that the 18-month-long absence of an Administration and Finance Director resulted in project mismanagement and that internal auditing was unsatisfactory. Subsequently the head of the Executive Secretariat was dismissed. A potential financial mismanagement case is currently under investigation by a special commission of the Government. This case has been transmitted to the World Bank’s Department of Institutional Integrity and is currently being reviewed.

- **There was a peace dividend.** The 2008 Burundi CAS noted that “The number of donors has increased as the peace process has progressed. Until recently, only a few donors were active in Burundi; mainly Belgium, the European Union (EU), Germany, the Netherlands, United Kingdom (UK), United States (US), and the World Bank. The EU and the Bank accounted for almost half the total development outlays. During the first donor Round Table meeting held in Bujumbura in May 2007, participation included sixty representatives from the international community that pledged US$656 million, including US$175 million in budget support, to support the PRSP financing gap.”
12. Ratings:

<table>
<thead>
<tr>
<th>Outcome:</th>
<th>ICR</th>
<th>IEG Review</th>
<th>Reason for Disagreement / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>While demobilization of ex-combatants into civilian life was substantially achieved, reintegration appears to be partial and delayed. The reduction in the defense budget was not achieved.</td>
</tr>
<tr>
<td>Risk to Development Outcome:</td>
<td>Significant</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>Bank Performance:</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td>Design weaknesses and inadequate supervision.</td>
</tr>
<tr>
<td>Borrower Performance:</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
<td></td>
</tr>
<tr>
<td>Quality of ICR:</td>
<td>Unsatisfactory</td>
<td>Satisfactory</td>
<td></td>
</tr>
</tbody>
</table>

NOTES:
- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

- **The Bank's short-term transitional support for reintegration of combatants should be linked to longer-term support programs managed by other agencies to avoid duplication and gaps, and maximize synergy.** From the beneficiary perspective, dovetailing the program's transitional reintegration support with long-term global development assistance will multiply activity gains and the likelihood of sustainability. From the programmatic perspective, this will ultimately allow for mainstreaming of ex-combatant reintegration activities, allowing for a phase-out of such activities through the national D&R program. The short-term approach to reintegration in the last phase fell short when other long-term development initiatives did not come on line as expected. This can be avoided through keeping track of other agencies activities as they evolve, continuous outreach to relevant organizations on possibilities for referral or ways to integrate reintegration activities into their overall programming; and a referral mechanism to assist ex-combatants to exploit such opportunities in their communities.

- **Continuity and timeliness of support and adherence to agreed sequencing is essential to ensure that interim transitional support activities lead to sustainable outcomes.** In this project there was frequently a significant lag between payments and subsequent training and reintegration. To make ends meet in the interim, many ex-combatants, particularly in urban settings, went into debt, and were forced to sell their reintegration activity inputs to settle their accounts. Ensuring the correct phasing of transition support and reintegration activities can mitigate this problem, and allow for a more logical progression of support, learning and implementation.

- **When there is weak local capacity ensure that project management does not become an ineffective political pawn.** Project management should be staffed with competitively recruited technical personnel to counter institutional weaknesses brought about by inexperienced political appointees. Similarly highly qualified financial and procurement staff, reinforced by an independent international consultant to verify financial and procurement tasks, can ensure sound financial and procurement procedures are implemented and adhered to.

- **Where possible streamline project implementation through use of a small technical coordination team and outsource reintegration activities to specialized implementation partners.** Most of the implementation is composed of short to medium-term one-off activities that become redundant once the demobilization, reintegration and reinsertion (DRR) of ex-combatants is complete. This major lesson was applied to the follow-on project that completes the DRR process.

- **Communication and sensitization activities must be proactive, not reactive.** The project lacked a preemptive strategic communications effort and this led to negative reactions among beneficiaries, other stakeholder and the donor community. Constant targeted messaging is required to ensure effective communication and sensitization at different levels, including beneficiaries, the communities of return, the general population as...
well as the donor community and other partners such as the UN agencies.

- **Significantly enhanced supervision is required for projects that target combatant demobilization, transitional support and reintegration into the community**. In countries requiring these type of projects civil institutions are generally very weak as a result of conflict and the Bank's supervision planning should be strengthened accordingly.

### 14. Assessment Recommended?  ● Yes ○ No

**Why?** Given the questions raised in the ICR about the Bank's assistance for short-term integration and its link with longer-term support to be provided by other agencies, and the dearth of information about ex-combatant's relative income levels, a follow-up PPAR in 12-24 months is justified.

### 15. Comments on Quality of ICR:

Candid, thorough and well written. A minor issue is that some of the ratings used do not follow the template (e.g. on risks where substantial used when the proper rating was significant).

- **Quality of ICR Rating** : Satisfactory