



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 27-May-2022 | Report No: PIDC34117



BASIC INFORMATION

A. Basic Project Data

Country Burundi	Project ID P177842	Parent Project ID (if any)	Project Name Burundi Digital Governance (P177842)
Region Eastern and Southern Africa	Estimated Appraisal Date Nov 07, 2022	Estimated Board Date Mar 15, 2023	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Republic of Burundi	Implementing Agency Ministry of Finance	

Proposed Development Objective(s)

The project development objective is to strengthen, digitize and improve transparency in core government systems.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	40.00
Total Financing	40.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	40.00
IDA Credit	40.00

Environmental and Social Risk Classification
Moderate

Concept Review Decision
Track II-The review did authorize the preparation to continue



B. Introduction and Context

Country Context

- 1. The Republic of Burundi is a low-income, landlocked country in East Africa re-engaging with development partners and neighboring countries.** A contested election for a third term by the ruling party in 2015 upended a decade of political and economic stability and led to the withdrawal of most bilateral and many multilateral partners. Domestic unrest, internal displacement and external migration put strain on relations with neighboring countries in the Great Lakes region. A constitutional referendum in 2018 followed by national elections in 2020 appeased tensions and paved the way for renewed dialogue between the government of Burundi (GOB) and its regional and international partners. Tens of thousands of Burundians who fled the country have since returned. The United States lifted sanctions in 2021, and the European Union (EU) followed suit in 2022. The International Monetary Fund (IMF) approved a USD 76 million disbursement under the Rapid Credit Facility in October 2021 to address impacts of the Covid-19 pandemic and concluded its first Article IV consultation in seven years in March 2022. In February 2022, the heads of state of the East African Community (EAC)¹ selected the President of Burundi as Chair of the Heads of State Summit for the 2022-2023 period, the first time for the country in 13 years, and a sign of improving relations.
- 2. Burundi made progress in economic growth and poverty reduction for over a decade before the crisis.** Notable progress was achieved after the signing of the Arusha Peace and Reconciliation Agreement (Arusha Accords) ended a decade-long civil war. From 2004-2014, Burundi's annual Growth Domestic Product (GDP) growth steadily remained over 3 percent despite economic shocks and an international financial crisis. The encouraging outlook was reversed in 2015 following the political crisis that led to a contraction in growth. In 2016, tax revenue dropped due to depressed growth and financial support from donors, which accounted for up to 50 percent of the country's annual budget, also sharply declined. As a result, poverty rates rose from 73 percent in 2015, to an estimated 86 percent and rising in 2020. As the country was once again achieving a fragile economic recovery in 2019, the Covid-19 pandemic shock hit.
- 3. The economic growth, however, did not result in measurable progress toward achievement of the Sustainable Development Goals and Burundi scored 0.433 in the 2020 Human Development Index (HDI), the bottom of the low-income category (LIC).** Notwithstanding the positive impacts from commitment to human capital development with impressive increases to primary school enrollment rates and standardized test results, Burundi's fragility and poverty are underpinned by inter-related economic, demographic, environmental and institutional factors. Burundi's fragility is exacerbated by limited economic diversification and growth; high population growth and density; susceptibility to climatic shocks; political instability, and weak governance and institutions. Burundi is one of the most densely populated country in the region with a total population of 12.3 million. Over 86 percent of the population is estimated to be living below the international poverty line of \$1.90/day. This modest purchasing power creates a stark access gap to most services, public and otherwise. The fragile political environment, declining food production due to climate shocks, reliance on modest revenues from key exports like coffee and tea, high public-debt, and low foreign currency reserves that restrict the importation of fuel and essential products such as medicines have all contributed to the deteriorating economic performance and a strained fiscal space.
- 4. Accumulated setbacks from years of conflict, combined with structural and historical challenges, have left most Burundians in a state of vulnerability, ensnaring the country in a fragility trap.** Burundi ranks 185th in the world out of

¹ The East African Community is a regional intergovernmental organization with membership of the following countries: Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda, and the Democratic Republic of Congo (as of April 2022).



189 countries on the 2020 Human Development Index. The state's limited capacity to provide public services is exacerbated by demographic pressures, including high fertility rates and a large percentage of youth. Population density is the second highest in continental Sub-Saharan Africa (463 per km²) and continues to rise with 5.2 births per woman in 2020². Inequalities between the capital and the rest of the country were high even prior to the 2015 crisis, when the share of the population with consumption below the basic needs stood at 60 percent in rural areas versus 40 percent in Bujumbura³. 86 percent of the population lives in rural areas where basic services and infrastructure are limited, and only 12 percent of Burundians have access to electricity.

5. **Burundi's weak policies and institutions have undermined its capacity to address its development challenges and improve basic service delivery.** Currently classified as medium-intensity conflict, Burundi was classified as a core fragile state based on Country Policy and Institutional Assessment (CPIA) ratings in FY06 and has remained under the FCV classification annually, even as the criteria have been refined. Governance indicators have been on a downward trend, lagging behind both the Sub-Saharan Africa and Low-Income Country regional averages. Governance quality—as measured by the Mo Ibrahim Index—declined from over 40 percent in 2010 to under 37 percent in 2019, below both the African (48.8) and the regional average for Central Africa (38.8) averages and ranking 44th of 54 countries. Burundi ranks in the lowest tenth percentile on government effectiveness, voice and accountability, the rule of law, and control of corruption⁴.

6. **Going forward, strengthening government effectiveness will be key to improve basic service delivery, sustain a more inclusive economic growth, and reduce the risks of renewed conflict.** Doing so will require a modern public administration that is able to effectively implement public policies in order to build trust and address grievances. Authorities will also need to balance the need for spending with debt sustainability. Measures have already been taken to increase revenue collection and decrease current spending, which, along with an increase in grants, have resulted in a decreasing the fiscal deficit from 6.5 percent of GDP in 2020 to 5.1 percent of GDP in 2021⁵. However, the fiscal deficit is expected to widen again as public investments pick up after the slowdown due to the pandemic, highlighting the need for prudent spending.

Sectoral and Institutional Context

7. **Since taking office in June 2020, President Ndayishimiye has signaled his commitment to modernizing the country, improving governance and curbing corruption.** Good governance was noted as a priority from the inaugural address and reiterated regularly at domestic, regional and international events, including the 2021 UN General Assembly⁶. Provisions related to governance under the IMF RCF include transparency on COVID-related expenditures through semi-annual audited reports, the identification of the ultimate beneficiary ownership of companies that will be awarded COVID-related contracts and publishing audited budget execution reports⁷. The reform momentum and high-level focus on governance provides a window of opportunity to support the government in rapidly addressing some of the major constraints.

Human Resource Management

² World Bank data (2020), <https://data.worldbank.org/>

³ Burundi Poverty Assessment (World Bank), June 2016.

⁴ Worldwide Governance Indicators 2020, World Bank

⁵ Macro Poverty Outlook for Burundi : April 2022 (Report Number 170532).

⁶ <https://news.un.org/en/story/2021/09/1101002>

⁷ <https://www.imf.org/en/News/Articles/2021/10/25/pr21309-imf-executive-board-approves-76-million-disbursement-to-burundi-to-address-pandemic>



8. **An important underlying cause of weak governance is the lack of adequate data and tools to manage human resources and harness the civil service's productive capacity.** Open PRH⁸, the human resource and payroll management system deployed in 2011, provides career management, management processing and payroll modules. The module connecting Open PRH with the computerized system for budget management (SIGEFI) to control and validate payroll data, is not in use. In addition, human resource management systems are fragmented. The Ministry of Public Service, Labor and Employment (*Ministère de la fonction publique, du travail et de l'emploi*, - MFPTTE) centralizes some information on civil servants⁹, but many sectoral ministries and departments maintain their own HR management systems without integrating with OPEN PRH¹⁰. A civil service census conducted in October 2020 by the MFPTTE in all the 18 provinces was not disclosed, following a public outcry regarding a question about the respondent's ethnic group. As a result, updated and accurate data on the number and location of civil servants is not readily available. Inability to accurately manage the public workforce contributes to significant inequalities and poor service delivery. For example, the student-to-teacher ratio ranges from 26:1 in the province of Gitega, to 61:1 for Kirundo or Muyinga¹¹. Recruitments are not systematically based on needs, but rather according to quotas determined by budgetary constraints, leading to such disparities.

9. **Administration of the civil service remains centralized and fragmented.** The MFPTTE is centralized with headquarters in Bujumbura and deconcentrated offices (in all 18 provinces) throughout the country. The mandate of the Ministry is to manage the overall public administration by setting up mechanisms and performance standards to increase the efficiency of public administration in Burundi; manage the deconcentration of public services to make service delivery more efficient; implement policies aimed at promoting the employment, development and efficient management of human resources in the public sector and manage employer-employee labor relations. The civil service is the largest employer in Burundi and is estimated to be comprised of between 128,000 – 135,000 civil servants, although the actual number is unavailable. Also, certain categories of civil servants – those who work in public health, education and national defense- have a separate special status and are managed by their respective ministries

10. **Burundi's wage bill remains high by regional standards and freezes on hiring and wage increases since 2016 have had limited impact due to the exemption of the education, health, and security sectors.** At an average of 7.5 percent of GDP, and 46 percent of current expenditures (2015-2020), the wage bill is higher than in other East African Community (EAC) countries.¹² In addition, health and education employees represent 88 percent of the work force, limiting the impact of the freeze. The average gross monthly salary of US\$66 for a primary school teacher and US\$83 for a general practitioner puts them near the poverty line; salaries for more specialized professionals is higher at US\$155 for a university lecturer, and US\$333 for a specialist doctor¹³. Nonetheless, this points to challenges in scaling-up service delivery without an accompanying strategy to ensure the public sector is under a framework of norm-based management and compensation principles that enable a fit-for-purpose work force. In addition, certain categories of staff benefit from significant allowances through a piecemeal and unharmonized approach, which contribute to the large wage bill without incentivizing performance. High spending, compounded by risks of fraud including ghost workers, prevents scarce public revenues from being directed towards productive activities and contribute to a narrowing fiscal space.

11. **The management of civil servants does not take advantage of incentive and performance mechanisms, preventing the modernization of the public sector and efficient career management.** The current system is based largely on process and competencies criteria, such as punctuality, diligence, and human and organization skills, rather than

⁸ OPEN *Paie et Ressources Humaines* (PRH)

⁹ Identification, performance record and deployment

¹⁰ The MFPTTE manages most civil servants, while those in public health, education and national defense are managed by their respective line ministries.

¹¹ Institutional Assessment Review of the Primary Education Sector ASA (forthcoming), 2022.

¹² Where it ranges between 22 and 33 percent of current expenditures (World Bank data for Kenya, Rwanda, Tanzania, and Uganda. No data available for South Sudan.

¹³ Transitional Education Plan in Burundi 2018-2020.



outcome indicators related to functional responsibilities. There has been no high-level effort to identify strategic metrics to track achievements of the public sector's overarching mission. Such challenges are compounded by the lack of a data-driven culture and the unavailability of data. In addition, while the freeze in wage increase has helped control the wage bill, it is also preventing greater meritocracy and career advancement across the civil service.

Digital governance

12. **The GoB has yet to fully harness the opportunities offered by digital governance to modernize its public administration and improve service delivery.** The launch of a government information portal *Isoko* is a significant and positive step¹⁴. However, existing e-Government systems are in their early stages and highly fragmented. Information systems have been developed in silo by various ministries, departments and agencies (MDAs) using inconsistent standards, thus limiting prospects for automated data exchange, including for instance, the current HRMIS which would benefit from being interoperable with the line ministries' HR systems as well as with relevant third parties. Many key sectors are yet to fully digitize their back-office systems and very few are transversal, while a focus on back-end system has generated few front-facing services aiming to improve service delivery.

13. **This fragmented approach to digital governance is largely due to a lack of central strategic and institutional coordination to implement a whole-of-government approach.** There is currently no overarching roadmap on digital governance, the last policy having been developed in 2010 and not implemented¹⁵. The e-government agenda is notionally led by the Ministry of ICT, supported by its implementing arm, the Executive Secretariat of ICT (SETIC), which is responsible for coordinating all large ICT projects within Government. However, they struggle to enforce any shared technology standards. Weak coordination between stakeholders and a lack of key regulations hinders a more integrated and strategic approach to a whole-of-government approach to digitalization. Weak leadership on the issue of digitalization has prevented the country from seizing opportunities for integration into the regional digital ecosystem, which could drive a reinforcing cycle of economic growth, investment, innovation, job creation, and improved service delivery.

14. **Burundi's legal and regulatory framework on many cross-cutting issues that pertain to the digital economy, which shapes the enabling environment for wider and safe digital adoption needs strengthening.**¹⁶ The legal framework that regulates the ICT sector has not kept pace with technology evolutions, and there are important gaps on data access, personal data protection and cybersecurity. The country has yet to leverage the opportunities provided by the EAC's modern regional legal framework for e-Government and e-Commerce, which include electronic transactions, electronic signature and authentication, data protection and privacy, consumer protection and computer crime. The Ministry of Communications, Information Technology and Media. (MINCOTIM), the line ministry in charge of providing the Government's leadership on the digital agenda is in principle responsible for the development of policy, strategy, law and regulations pertaining to ICT. To date, few key documents that have been formally adopted.¹⁷

Monitoring and Evaluation

15. **Country-level monitoring and evaluation (M&E) systems in Burundi are embryonic and fragmented.** Burundi has not yet adopted an integrated mechanism for monitoring and evaluating national development programs and projects. In 2013, a basic M&E system was set up which aggregates program implementation information from the provincial directorates to the general directorate for centralization at Ministry on a quarterly basis. The data collected are presented at government retreats and used for department performance evaluation and does not provide an overall picture of the status of the various national development programs.

¹⁴ <https://isoko.bi/en/>

¹⁵ National ICT Development Policy 2010-2025 – "Politique Nationale de Développement des Technologies de l'Information et de la Communication" (PNDTIC 2010-2025)

¹⁶ Burundi DE4A Report, 2020.

¹⁷ The law on electronic communications and transactions has been developed but it has not yet been promulgated.



16. **There is no institutional framework for a consolidated M&E system.** The Ministry of Finance, Budget and Economic Planning (MFBPE) is responsible for monitoring indicators and targets related to the National Development Plan (NDP), while the Ministry of Community Development is responsible for NDP implementation at the local level with the support of sector ministries. Each entity's precise role in the monitoring of programs has not been clearly delineated. For instance, the MFBPE's mandate to monitor NDP indicators includes technical capacity strengthening for priority structures implementing the monitoring and evaluation of the NDP as well as the development and adoption of an operational guide for monitoring and evaluation. This mandate implies but does not clearly accord the role of monitoring related budgets to the MFBPE. The draft decree and legal framework for the creation, implementation, organization and functioning of the monitoring and evaluation of the NDP was presented by the MFBPE to the Council of Ministers¹⁸. The draft decree aims to clarify the roles and responsibilities of the bodies for coordination and monitoring and evaluation of implementation as initially provided for in the NDP.

There is a lack of capacity on the part of the government to adequately monitor programs and obtain real-time feedback on program implementation and budget execution. Plans to operationalize the M&E framework for the National Development Plan (NDP) are in progress and need support. There is a need to build and support a monitoring and evaluation system at the national level in Burundi. The *Bureau National d'Etudes Stratégiques* (BNEDS), an Economic Governance Unit whose mandate includes monitoring and evaluation of key development indicators at a strategic level informed by progress made in achieving programs and projects indicators has been established at the Presidency. However, the establishment of a centralized monitoring and evaluation system that integrates NDP-related projects and those supported by development partners would be a crucial tool to help the government effectively and effectively the assess implementation of national projects.

Relationship to CPF

17. **The proposed project supports the FY19-FY23 Country Partnership Framework¹⁹ (CPF) foundation of structural reforms and governance to improve service delivery which will in turn contribute to both focus areas, namely (1) Building Human Capital and Inclusion and (2) Strengthening Foundations for Economic and Social Resilience.** Modernizing public administration and government processes by utilizing digital solutions to improve public service delivery public service platforms, align strongly with the CPF's human development objectives, which includes support for reforms that improve governance and service delivery to citizens. The CPF also highlights the critical need to strengthen the state's capacity to deliver services by focusing on public sector digital platforms and governance to promote stabilization, inclusion and resilience; and ii) economic management and improved governance to build state legitimacy and foster growth.

18. **The proposed project is aligned with the World Bank Fragility, Conflict and Violence (FCV) Strategy and the recommendations of the Risk and Resilience Assessment (RRA) for Burundi.** Strengthening the public administration is an investment in human capital that will increase the capacity and legitimacy of core institutions, a pillar to help countries transition out of fragility. It will address some of the underlying causes of fragility identified by the Systematic Country Diagnostic (SCD) such as weak governance and exclusion by supporting equitable service delivery across the country.

19. **The project contributes to the IDA19 Governance and Institutions policy commitments and Digital Economy for Africa (DE4A) Initiative.** Policies supported by IDA19 commitments supported include (i) building client capacity in FCV countries to use digital tools; (ii) supporting the adoption of universally accessible GovTech solutions which emphasizes three aspects of the public sector modernization agenda: citizen-centric public services that are universally accessible; a

¹⁸ Conseil des Ministres; draft decree/April 2021

¹⁹ *Burundi - Country Partnership Framework for the Period FY19-FY23* (Report Number 122878, 2019)



whole-of-government approach to digital government transformation; and a focus on simple, efficient and transparent government systems.

20. **Finally, the project supports Burundi's National Development Plan (NDP) which is its roadmap for achievement of the Sustainable Development Goals (SDGs) and framework document for engagement with its development partners.** A Public Administration Reform program²⁰ was adopted in 2012 and partially implemented. It has been included as a strategic objective of the 2018-2027 NDP²¹ under the Governance pillar. The civil service modernization challenges highlighted in the NDP include decentralization, performance management, and adoption of modern, appropriate technology and tools to support the public administration. The project will also contribute to strengthening the capacity and legitimacy of core institutions by improving public administration capacity for service delivery and also support inclusive access to service delivery which aligns with SDG 10 for reduced inequalities, specifically target 10.2 which aims to empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

C. Proposed Development Objective(s)

The project development objective is to strengthen, digitize and improve transparency in core government systems.

Key Results (From PCN)

21. Progress towards the PDO will be measured by the following indicators which will be refined in dialogue with the client. Wherever possible, data will be disaggregated by gender and other vulnerable groups.

Outcome 1 – Strengthened core government systems – Decrease in irregular HR and payroll records (Percent of censused civil servants verified and enrolled in the HR and payroll system)

Outcome 2 – Digitized core government systems – Increase in citizens access to administrative services in conformity with service standards (Number) and

Outcome 3 – Improved transparency - Increase in disclosure of public service performance (Number of services publishing data on achievement of service standards)

D. Concept Description

22. **The proposed project will be financed by an Investment Project Financing (IPF) grant of US\$40 million over a four-year period.** The project will support modernization of the public sector by establishing the foundations for efficient civil service administration and promoting digital transformation and transparency across government. The project includes four components which are designed to individually and collectively improve core systems and promote data-driven and transparent management.

Project Components

Component 1: Civil Service Modernization (US\$ 18 million)

23. The objectives of this component will be to (a) update and digitize HR management; (b) improve the efficiency of civil service management, including through performance management; and (c) strengthen career management and skills.

Component 2: Digital Government Transformation (US\$ 10 million)

²⁰ Programme National de Réforme de l'Administration publique (PNRA)

²¹ Plan National de Développement du Burundi (PND, 2018-2027)



24. **This component will lay the foundations for digital transformation and build institutional capacity and competencies to promote adoption and use of an enhanced digitalized administration.** The objectives are to: (a) build internal digital skills and competencies to manage and support digitalization and uptake; and (b) support the digitalization of key back-end systems and public services. The component will draw lessons from successful digital government reforms, while streamlining agile and user-centered principles.

Component 3: Public Sector Performance Monitoring (US\$ 6 million)

25. **This component will support monitoring and transparency on the performance of institutions and public services at the strategic initiative/program level, and on the achievement of service standards.** The objectives are to (a) provide high-level authorities, particularly at the Presidency level, tools to monitor accurately government performance in key areas; (b) support disclosure of information on the performance of key public services as well as citizen feedback; and (c) create accountability by using performance data to feed into HRM reforms and create a feedback loop.

Component 4: Project Coordination and Change Management (US\$ 6 million)

26. This component will support the establishment of a dedicated project team to conduct day-to-day coordination and project management of the activities carried out under the project, including financial management and procurement, contract management, development of technical specifications as required, and quality control of vendor deliverables for government approval. It will also support Change Management activities.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

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APPROVAL

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