

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA65744

Project Name	BI-Social Safety Nets (P151835)
Region	AFRICA
Country	Burundi
Lending Instrument	Investment Project Financing
Project ID	P151835
Borrower(s)	Ministry of Finance and Planning for Economic Development
Implementing Agency	Ministry of Human Rights, Social Affairs and Gender
Environmental Category	B-Partial Assessment
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Estimated Date of Appraisal Completion	
Estimated Date of Board Approval	15-Dec-2016
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

Burundi's economic performance improved over the last decade until 2015 but the gains are fragile and poverty and vulnerability remain widespread. After the Arusha breakthrough peace agreements in 2000 and the ensuing reduction in violence by 2005, the Government of Burundi managed to stabilize the country's economy in a fragile environment. However, since early 2015, the political crisis has reversed some of these previous gains and triggered a severe economic crisis, which impacts the most vulnerable and their ability to meet basic needs. The economy contracted by seven percent in 2015 and prospects for recovery are still uncertain. At the same time, several donors suspended aid (which decreased from 13 to 10.3 percent of GDP between 2014 and 2015). Public debt is increasing.

The latest poverty data (ECBM 2013/14) showed that nearly two-thirds of Burundians were poor before the crisis and the 2015 MDG target on poverty reduction (17.1 percent) was missed. Per capita gross national income more than doubled between 2005 (US\$130) and 2013 (US\$280) in nominal terms, but fell to US\$ 270 in 2015. The country is now the second poorest in Africa after Malawi. To start reducing poverty significantly, the economic growth rate would have to reach at least seven percent; growth would need to become more inclusive, especially in rural areas; and a strong safety net would be key to prevent the deepening of poverty, provide some redistribution, and a foundation for poverty reduction.

Among the structural drivers of poverty and fragility is the growing scarcity of land, a major threat to the livelihoods of the poor. About ninety percent Burundians live in rural areas. Population growth steadily decreases average land ownership, despite the fact that women cannot inherit land. Burundi has a very high population density (340 inhabitants per km², up to 500 in some collines), and close to 30 percent of farm households own less than one hectare of land, a major factor of vulnerability. The conflict in the 1990s and early 2000s had caused large displacement (up to half of the population in some areas) and loss of valuable assets such as productive land for many refugees and internally displaced. This structural vulnerability is exacerbated by the cumulative effect of successive adverse shocks like droughts, high food prices and the present political crisis. Inequalities measured by the Gini index increased at national level (from 43.5 percent in 2006 to 46.3 percent in 2012) and in rural areas, confirming that economic growth was insufficient to pull people out of poverty and needed to be complemented by targeted interventions.

While access to health and education had improved, malnutrition remains a serious threat to human development and is rising again. 58 percent of children between 6 and 59 months of age were stunted (low height-for-age, an indicator of chronic malnutrition) in 2010 (Demographic and Health Survey) and an estimated 49 percent in 2014 (WFP). According to the latest available data, the country was the most food insecure of the world in 2013 (IFPRI, 2013). Chronic malnutrition among children reflects the overall extreme food insecurity in Burundi linked to the small landholdings, declining soil fertility and plant diseases as well as climate and man-made shocks. It is also associated with micronutrient deficiencies such as anemia. While the country has developed successful protocols for severe acute malnutrition, it has advanced less in terms of addressing chronic malnutrition through nutrition education, community-based prevention and treatment and related issues on early childhood development and parenting practices.

Sectoral and institutional Context

Burundi ranks 184th out of 188 countries on the 2014 Human Development Index but has registered progress on some key Millennium Development Goals such as MDG2 on universal access to primary schooling and MDG3 on gender parity in primary education. While the proportion of women in parliament has also more than tripled from 12.3 percent in 1993 to 36.4 percent in 2015, which places the country well in the sub-region, cultural norms still limit the full recognition of women's contribution to the economy, especially in rural areas. In particular, women cannot inherit land. Progress on child and maternal mortality (from 954 to 712 per 100,000 live births between 2000 and 2015) is significant albeit slower than needed to reach MDGs 4 and 5. The progress reflects the results of the free provision of key health services since 2005 and performance-based financing since 2010. However, further progress on these indicators may have stalled since the beginning of the present crisis and depends on the improvements on other dimensions of the MDGs such as access to drinking water and sanitation, which lag behind.

An estimated 60 percent of Burundians lived below the food consumption poverty line before the present crisis (Vulnerability assessment, 2014, based on the PMS data from 2012-13) and an estimated 40 percent faced extreme deprivation. Large families with a high dependency index (especially single parent families) are more likely to not be able to satisfy their basic food needs, especially if the head of household works in agriculture. Regionally, the highest levels of deprivation are found in the North (despite improvements in Ngozi and Kirundo) and in the Center East (especially in Mwaro and Cankuso). In both regions, multiple deprivations affect up to 75 percent of households. On the other hand, food deprivation is lower in urban areas (48 percent) and

in Bujumbura (41 percent).

Burundi was the most food insecure country in the world in 2013, before the present combined political and climate crisis and food insecurity is increasing again. The area in the Northern and Eastern depressions of the country in the Integrated Food Security Phase Classification (IPC) Phase 3, which corresponds to an acute food security and livelihood crisis, has more than doubled and the rest of the country is in Phase 2 (under pressure) at any given moment. The Emergency Food Security Assessment of 2016 lists Bujumbura, Bubanza, Citiboke, Kirundo, Makamba, Rumonge, and Ruyigi in critical situation and up to 1.1 million individuals needing humanitarian assistance.

Social safety nets

Burundi faces both a humanitarian, emergency context in some areas while still needing to deal with the structural vulnerability of its poorest members and the safety nets need to address both issues. Donors still fund and implement the majority (approximately 80 percent) of safety net interventions in the country although their funding was decreasing (from 4.3 percent of GDP in 2010-11 to 3.6 percent in 2013). Support to public works programs represented 26 percent of this expenditure in 2013. Humanitarian assistance for the return and resettlement of refugees and supplements for the treatment of acute malnutrition each accounted for 16 percent of the total. The other areas of concentration included agricultural inputs and livestock distribution (12 percent), support for demand-side measures on education such as school feeding, provision of school kits and support to vulnerable children (both 9 percent of donor expenditure in 2013).

Government funding for safety nets is limited. Social assistance spending was increasing and amounted to 0.97 percent of GDP in 2013 but that was reversed in 2015 as social spending was re-directed to security and military expenditures. Tertiary scholarships represented one third of this expenditure followed by agricultural inputs and livestock distribution (19.5 percent in 2013). Humanitarian assistance (8.9 percent of total social assistance spending in 2013) covered mainly returning refugees and relief items for communities affected by natural disasters. Medical assistance (8.4 percent of social assistance expenditure in 2013) consisted of two items: subsidies for the medical assistance card (CAM), through the Ministry of Health, and the medical assistance provided by the Ministry of Human Rights, Social Affairs and Gender to settle the hospital and pharmacy bills of destitute patients. Government funding of school feeding (7.3 percent of the total) started in 2011, still accounts for a small part of overall expenditure on school feeding and is decreasing.

As a whole, the safety net programs do not focus on reducing structural poverty or improving the resilience of vulnerable households, and do not constitute an efficient social safety net. Most of the interventions are short-term, dispersed, and small-scale. For example, school feeding covers only 15 percent of children in primary school. Interventions use different targeting methods with little monitoring and evaluation of impacts, which makes it difficult to assess their contribution to poverty reduction and their impacts on human development outcomes.

Burundi has little experience with cash transfer programs but some NGO and donor-run pilots are showing promising results. The World Food Program is experimenting with cash-for-work in some refugee camps and is planning to scale-up cash-based humanitarian assistance and the Belgian Technical Cooperation piloted a cash-for-work with a strong technical and life skills training component in poor neighborhoods of Bujumbura and Kirundo. With funding from Irish Aid, since mid-2012, Concern has also been running a pilot cash transfer program, using the BRAC graduation

approach. The pilot covered 2,000 households in three communes of Citiboke (the province with the highest rate of landlessness) and two communes of Kirundo (the province with the highest population density also resulting in severe land shortage). Even if the intensity of these interventions may not be replicable at large scale, they provide an important basis of experience for future cash transfers operations.

Burundi needs both humanitarian responses and an effective system of medium- and long-term programs built around national objectives. The country has set up some key institutional elements to put in place these programs. The national objectives were set in the Cadre Stratégique de Lutte contre la Pauvreté (PRSP) and the National Social Protection Policy (2011). An inter-ministerial coordinating body, the National Social Protection Commission, was established in April 2013. A secretariat (SEP-CNPS) to support the implementation of the PNPS is operational since early 2014 and set up provincial structures in 2015 and thematic groups in 2016. With support from the World Bank and UNICEF, through a participatory process, the SEP-CNPS has developed a Social Protection Strategy that delineates the Government's priorities

II. Proposed Development Objectives

The objectives of the proposed Project are to provide regular cash transfers to extreme poor and vulnerable households with children in selected areas while strengthening the delivery mechanisms for the development of a basic social safety net system.

III. Project Description

Component Name

Component 1: Support to the cash transfer program

Comments (optional)

The first component will support the development and implementation of a cash transfer program to be implemented in phases. The project will support the first phase of the program in reaching extreme poor and vulnerable rural households with children under 12 years of age in sixteen communes of the Gitega, Karuzi, Kirundo, and Ruyigi provinces in the Northern and Eastern regions. The social safety net program will be built around two core elements: (1) regular cash payments, and (2) promotion of foundational human capital, broadly understood as and limited to the set of information, communication and education measures designed to encourage the adoption of positive behaviors towards strengthened health, nutrition, early childhood development among beneficiary households and communities.

Component Name

Component 2: Support to the key delivery mechanisms of a basic social safety net system

Comments (optional)

The second component will support the development and implementation of four key instruments for the implementation of the cash transfer program and the future coordination of other social safety nets targeted to the poorest households in Burundi: a targeting mechanism and potential beneficiary database; core modules of a basic management information system; monitoring and evaluation modules (including process and impact evaluation as well as beneficiary surveys); and capacity-building for the implementation of the NSPS. The instruments will be anchored around the cash transfer program described in Component 1, but with a view to eventually serve a broader set of targeted programs that would contribute to the realization of the National Social Protection Strategy objectives.

Component Name

Component 3: Project management

Comments (optional)

The third component will support an project implementation support unit, responsible for the financial and technical implementation of the project, under the authority of the Ministry of Human Rights, Social Affairs and Gender and coordinating with the SEP-CNPS.

IV. Financing (in USD Million)

Total Project Cost:	40.00	Total Bank Financing:	40.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			40.00
Total			40.00

V. Implementation

The following actors and their responsibilities for implementation include:

- (a) A steering committee, with high-level representatives of key sectoral and central stakeholders, responsible for providing strategic guidance for the Project implementation,
- (b) The Permanent Executive Secretary of the National Social Protection Commission (SEP-CNPS) under the authority of the MDPHASG, responsible for the technical coordination between the implementation support unit and government members of the CNPS and for the coordination and monitoring of social safety nets,
- (c) The Directorate for Social Assistance and National Solidarity in the Ministry of Human Rights, Social Affairs and Gender (MDPHASG), responsible for supporting the implementation of project activities at the provincial and communal levels through the Community Family Development Centers (CDFCs), in coordination with the provincial representations of the SEP-CNPS, and the implementation support unit.
- (d) The Implementation Support Unit, under the authority of the MDPHASG is responsible for the technical and financial implementation of the project at the central and local levels. It will be headed by a Project Coordinator and staffed by a small management team of experienced technicians. The unit will be responsible for procurement, financial management, M&E, mitigation of potential negative social and environmental impacts, and communication about project implementation and results. The unit will coordinate with the SEP/CNPS and the Direction for Social Assistance and National Solidarity in the MDPHASG at the central level. At the provincial and commune-level, the unit will include staff dedicated to the local implementation of the project in coordination with provincial and communal deconcentrated structures of the SEP/CNPS and the MDPHASG.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01		x
Natural Habitats OP/BP 4.04		x
Forests OP/BP 4.36		x

Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11		x
Indigenous Peoples OP/BP 4.10	x	
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

An estimated total 7,000 Batwa households lived in the target provinces in 2015 (approx. 1.15 percent of the total population). The Batwa face severe human endowment gaps (access to reproductive health services, nutrition, access to schools), and very limited access to economic opportunities and productive assets (especially land). These gaps are particularly severe for Batwa women who face high levels of gender-based violence and early marriages, little awareness of their rights, and limited political representation.

The project's expected impacts on the Batwa are mostly positive if they can actually participate. Through fair access to the cash transfers and their accompanying activities, the expected impacts on Batwa beneficiaries include: an improvement in the nutrition of beneficiary children and pregnant and lactating women, a general improvement in health, strengthened cohesion and social inclusion, increased school attendance and decreased drop-out, increase in the participation of Batwa women in the management of their household, and eventually increase in income through own income-generation.

In compliance with OP/BP 4.10, the government has prepared an Indigenous Peoples' Planning Framework which was consulted in September 2016 in the four target provinces and disclosed in-country on November 8, 2016.

VII. Contact point

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