REPUBLIC OF BURUNDI



PRESIDENCY OF THE REPUBLIC Secretariat-General of the Government

MEDIA RELEASE CONSECUTIVE TO THE CABINET MEETING HELD ON WEDNESDAY 26 AND THURSDAY 27 FEBRUARY 2020

A Cabinet Meeting was held on Wednesday 26 and Thursday 27 February 2020 under the chairmanship of His Excellency Pierre Nkurunziza, President of the Republic of Burundi. The following items have been analyzed:

1. Bill establishing the comprehensive state budget for the financial year 2020/2021, presented by the Minister of Finance, Budget and Economic Development Cooperation. This finance bill for the 2020/2021 financial year comes in an environment characterized by international economic recovery.

At the national level, this bill is prepared in a particular context where the country is approaching elections on the one hand, and in a context marked by a moderate recovery in the economy and by the pursuit of prudent fiscal policy and prioritization in the management of the state budget, on the other hand. Fiscal policy will continue to focus on the implementation of the National Development Plan while ensuring alignment of sector budgets with the various programs and projects of this Plan.

It is in this spirit that the preparation of the 2020/2021 Budget was made on the basis of the priorities sent by the various ministries and institutions. To this end, account has been taken of the priorities selected in the 2018-2027 National Development Plan, which puts particular emphasis on growth sectors.

Po Box. 2800; Telephone: 212747; Fax: 213545; E-mail: segegouv@cbinf.com

For the 2020/2021 fiscal year, the policy of prioritization in the execution of the state budget will be maintained in order to properly control and manage any activity or event involving public spending. The budget year will also be marked by a policy aimed at supporting local businesses so that they can be more competitive on foreign markets.

At the social level, certain measures will be implemented during the 2020/2021 financial year. Thus, in order to continue to support its civil servants even during retirement, the government will grant a subsidy representing the expenses linked to user fees for health care paid by state retirees not covered by the Mutual Fund for the Civil Service.

In order to increase revenue, further steps will be taken to broaden the tax base, combat tax evasion and avoidance, strengthen the collection of arrears, and contain tax exemptions. For the 2020/2021 financial year, the total resources of the General State Budget are estimated at 1,415.51 billion Fbu against 1,327.08 billion Fbu for the 2019/2020 financial year, an increase of 6.66%.

As for expenses, they increased from 1,516.4 billion Fbu in 2019/2020 to 1,569.3 billion Fbu for FY 2020/2021, an increase of 3.4%. The overall deficit of the 2020/2021 General Budget thus amounts to 153.8 billion Fbu against 189.3 billion Fbu for the 2019/2020 financial year, a decrease of 35.5 billion francs bu.

After an in-depth debate on this bill, the Council adopted it with a few recommendations to be taken into account.

2. Bill governing the regulatory authority for capital markets in Burundi, presented by the Minister of Finance, Budget and Economic Development Cooperation.

Pursuant to the provisions of the Treaty establishing the East African Community relating to the implementation of financial market development plans, the Republic of Burundi has initiated reforms aimed at improving the business environment in general and modernizing the financial sector in particular. It is in this context that Law No. 05/05 of February 27, 2019 governing the capital market in Burundi was promulgated.

This bill provides in its article 5 that "a specific law creates the authority of regulation of the capital market and defines the missions, the organization and the functioning". This project is proposed within this framework. The capital market regulatory authority is in place to protect investors and ensure a fair, efficient and transparent market.

After the analysis, this bill was adopted with a few corrections. A team has been put in place to take care of its finalization.

3. Multisectoral Strategic Plan for Food Security and Nutrition, second generation (PSAM II), presented by the Services of the Second Vice-Presidency of the Republic.

The nutritional status of children under the age of 5 is a good indicator of the nutritional and dietary status of a country's population. Without adequate nutrition, children cannot grow properly or develop to their full potential. Malnourished children are generally weak or unhealthy to attend school and will be less productive as adults.

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Malnutrition is a multifactorial problem that requires a multisectoral, multi-actor and multi-level response. Hence the need for effective coordination so that the interventions complement each other and converge towards reversing the trend and make it possible to break the vicious circle where malnutrition perpetuates poverty which, in turn, perpetuates malnutrition. It is therefore essential to bring all stakeholders together around a common framework of actions which is the Multisectoral Strategic Plan.

With the end of the implementation of the Multisectoral Food Security and Nutrition Strategic Plan 2014-2017, it became necessary and urgent to develop a second plan, to not only ensure the continuity of the first plan, but also to put new strategies that can help improve the nutritional situation in Burundi.

The cost of this Plan is 810,943,482,412 Fbu for the period from 2013 to 2023.

After discussion and debate, the Council noted that certain indicators needed to be corrected and set up a team which will rework the document. The reworked document will be brought back to the Council of Ministers within two weeks.

4. Draft decree establishing and operating a toponymic standardization steering committee, presented by the Services of the Second Vice-Presidency of the Republic.

Toponymy is the study of place names in general and geographic names in particular. To name a place is to distinguish it from the others by a precise name to recognize it. Toponymy provides the expected services only if it is precise and exact and if the names are actually those of the designated entities, identifiable and recognizable in the field.

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However, there is often more than one known name for a given place. For various reasons, this can produce different spellings that confuse databases. Conferences and seminars under the aegis of the United Nations on the standardization of geographical names have taken place with the aim of inventorying the problems facing African countries for the collection and processing of toponyms, to compare the experiences of and each other in this area and to benefit from each other.

For Burundi, it is time to think about the normalization of its different geographical names because although toponymy exists, there is no lack of ambiguity among users of the latter.

The purpose of this project is to comply with the various UN resolutions relating to geographical names by setting up a toponymic standardization steering committee which will define the strategic guidelines in terms of toponymy.

After analyzing this project, the Council adopted it but appointed a team that will support it in its finalization. The text will also be written in Kirundi.

5. Bill revising Law No. 1/22 of December 30, 2011 reorganizing higher education in Burundi, presented by the Minister of Higher Education and Scientific Research

Higher education in Burundi is today organized by Law No. 1/22 of December 30, 2011. Although not very old, this law needs to be revised for various reasons. This revision integrates the relevant elements related to the national qualification and certification framework. The latter is indeed a tool intended to show the relations which exist between the various qualifications at various levels of basic education, post-basic education, higher education as well as

technical and professional training. This project also regulates, without distinguishing them, the public sector and the private sector as regards to the organization of higher education. This project also refers to the norms and standards of the East African Community in the matter.

This project also fits with the National Development Plan in its axis 5 which relates to the strengthening of the educational system and the improvement of the training offer with the objective of developing an efficient system in accordance with national needs and international standards. It is in this context that the national qualification and certification framework is part of the innovations of this bill in order to associate all training sectors, from the bottom to the top. This project also organizes the orientation of the winners of the schools of excellence who will soon be accepted in higher education.

After fruitful discussion, the project was adopted with a few recommendations to be taken into account.

6. Draft national qualification and certification framework in Burundi, presented by the Minister of Higher Education and Scientific Research.

The national qualification and certification framework in Burundi is a reference and orientation tool allowing to describe and define the levels of training of the education system, the conditions of admission as well as the titles delivered at the end of a training. It shows the relationships between the different levels of basic education, post-basic education, higher education as well as technical and vocational training. It also makes it possible to identify diversified training programs allowing career choice or lasting integration into the job market.

Designed on the basis of regional and international references, the national qualification and certification framework encourages lifelong learning. It aims to promote education and training adapted to the requirements of the labor and employment market.

It responds to the regional need for harmonization of the education systems of the East African community in accordance with the Common Market protocol for East Africa which establishes the mobility of students and workers. It should be noted that Burundi remained the only country in the East African Community that did not have this reference tool.

At the end of the analysis of this project, the Council adopted it.

7. Draft memorandum of understanding between the State of Burundi and AFRITEXTILE for the revitalization of cotton production in Burundi by the modernization of COGERCO, presented by the Minister of the Environment, Agriculture and Breeding.

Summits of Heads of State of EAC and ECCAS of which Burundi is a member have already ruled that the development of the cotton-textile-clothing sector constitutes a strategic objective for the development of their countries. With regard to Burundi, the National Development Plan includes in its strategic objectives the increase in cotton production.

The national strategy for the development of the cotton-textile-clothing sector aims, as its objective, to increase national production up to 5000 tonnes.

However, the Compagnie de Gérance du Coton (COGERCO), which is the only cotton production unit in our country, experienced difficulties which led to a

drop in its production, going from 3400 tonnes in 1971 to less than 500 tonnes today.

AFRITEXTILE has already expressed interest in partnering with the government to increase cotton production by making the necessary investments. The main thrust of this draft Memorandum is for the Government to authorize AFRITEXTILE to make financial investments in the cotton production sector through public-private partnership in accordance with the legislation in force.

After analyzing this project, the Council adopted it with a few corrections to be taken into account and a team was put in place to assist in its finalization.

8. Bill pertaining to the ratification by the Republic of Burundi of the additional loan agreement between the Republic of Burundi and the Arab Bank for Economic Development in Africa relating to the rehabilitation project of the multinational Burundi-Rwanda road, section 1 Bujumbura - Nyamitanga: "Duplication of the Chanic roundabout section at Melchior NDADAYE International Airport" from Bujumbura signed in Washington in April 2019, presented by the Minister of Transport, Public Works, Equipment and Regional Planning

The \$ 7 million in funding is in addition to another loan already made by BADEA for the construction of the Bujumbura-Nyamitanga road. It will mainly be used for the rehabilitation and extension of the section from the "Chanic" roundabout to the level of the Melchior NDADAYE International Airport.

This section of road is approximately 6 km long and will be in four lanes.

The construction of this road is part of the national strategy for the development of the transport sector, which aims to strengthen the national road network, in particular the corridors to open up the country.

After discussion, the project was adopted subject to finalization of the formal aspects by a team designated for this purpose.

9. Note relating to the exploitation of rubble and laterite on the Nyabibuye site in Isare Municipality for the implementation of the modernization project of the Port of Bujumbura, presented by the Minister of Transport, Public Works, Equipment and spatial planning.

This note had been analyzed in the Council of Ministers on December 19, 2019. During this meeting, it was recalled that the Government had already taken the measure to prohibit the exploitation of construction materials on the hills overlooking the City of Bujumbura in view of the dangers that this presented.

It was then recommended in particular to identify another site not far away where the company which won the market for the modernization of the Port of Bujumbura could exploit the materials it needs and in case this site is not identified and that we would be obliged to allocate the Nyabibuye site, to propose measures to be taken to protect the City of Bujumbura.

After analysis of the issue by the team that was put in place, it identified two other sites, namely: the Gakungwe site in Kabezi commune and the Kididaguzo site in Rugazi commune. It was this proposal that was brought to the attention of the Council of Ministers.

After analyzing this proposal, the Council took note of it and asked that the company which won the contract be officially informed, from an authorized source, of this measure to change the site for the exploitation of rubble and

laterite taken by the Government of Burundi so that urgent adaptation measures can be taken for a happy outcome for both parties.

10. Any Other Business

- The Minister of Public Health and the Fight against AIDS informed the Council on the health measures taken for people entering Burundi from countries where the epidemic of Coronavirus is already reported.
- The Minister of Trade, Industry and Tourism spoke of a COMESA delegation visiting Burundi.

He also spoke of the shortage of BRARUDI products that is currently observed.

• The Minister of Human Rights, Social Affairs and Gender informed the Council that given that the International Women's Day celebrated on March 8 will coincide with Sunday, it will be celebrated on Monday 9 March 2020.

Done at Bujumbura, February 27th, 2020

Prosper NTAHORWAMIYE Secretary-General and Spokesman of the Government. -