

**REPUBLIC OF BURUNDI****PRESIDENCY OF THE REPUBLIC  
Secretariat-General of the Government****MEDIA RELEASE CONSECUTIVE TO THE CABINET MEETING  
HELD ON WEDNESDAY 08 APRIL 2020**

A Cabinet Meeting was held on Wednesday 08 April 2020 under the chairmanship of His Excellency Pierre Nkurunziza, President of the Republic of Burundi. The following items have been analyzed:

**1. Bill pertaining to the ratification by the Republic of Burundi of the grant agreement n ° D5670 amounting to 100,000,000 US dollars between the Republic of Burundi and the World Bank / International Development Association, relating to financing of the “Solar energy (Soleil-Nyakiriza) in the rural communes of Burundi” project, signed in Bujumbura on March 05, 2020, presented by the Minister of Hydraulics, Energy and Mining.**

The government of Burundi is committed to supporting economic and social development as indicated in the National Development Plan where the energy deficit is described as one of the main obstacles to economic growth.

At the heart of this Plan, the focus is on rural areas where many Burundians live without reliable access to energy and for which the government intend to allocate more than 60% of all its resources for the next ten years.

It is in this context that the "Nyakiriza" Project is introduced. Its objective is to widen access to energy services by households, small and medium-sized enterprises, schools and health centers in rural areas of Burundi, in particular those where access to the electrical energy supplied by Regideso is difficult.

After discussion, the project was adopted with a team appointed to finalize some of its form aspects.

**2. Bill pertaining to the ratification by the Republic of Burundi of the financing agreement n ° D5620 for the Integrated Community Development Project in**

**Burundi (PRODECI-TURIKUMWE) signed in Bujumbura on March 05, 2020 in the amount of 43,400 .000 SDR between the Republic of Burundi and the International Development Association,** presented by the Minister of the Interior, Patriotic Training and Local Development.

Burundi received a donation from the World Bank to finance the Integrated Community Development Project in Burundi in the amount of 43,400,000 SDR equivalent to sixty million US dollars.

It is a local development project that provides access to basic services, rural livelihoods as well as food security and nutrition. Emphasis will be placed on agriculture, economic opportunities as well as the construction or rehabilitation of socio-economic infrastructure in the Project area. The project will also support the municipal development planning process.

Following the Council analysis, the project was adopted.

**3. Draft decree on the general framework for the specifications of general ministerial inspections and internal control services of the Burundian public administration in matters of governance monitoring,** presented by the Minister to the Presidency in charge of Good Governance.

The promotion of good governance and the fight against corruption are enshrined in the Constitution of the Republic of Burundi and other reference documents such as Vision 2025, the National Development Plan and the National Strategy for Good Governance.

In its mission of monitoring Governance in public administration, the Ministry to the Presidency in charge of Good Governance plans, to be effective, to collaborate closely with the relevant internal control structures of public administration.

In addition to the classic missions generally carried out by the General Inspectorate of the State, sectoral inspections and internal control bodies housed in public entities with autonomous management, it is proposed that these structures also take care of monitoring governance.

It should be underlined that a text related to the draft decree had been analyzed but in the form of an ordinance and the Council observed that it was necessary to provide a more general draft decree which must serve as a reference in the establishment and

organization of internal control structures as well as sectoral inspections. It is in this context that the draft decree is presented.

Upon the analysis of this project, the Council of Ministers adopted it with a few touch-ups.

**4. Draft decree revising decree n ° 100/186 of July 20, 2013 regulating the activities of private security and surveillance companies in Burundi, presented by the Minister of Public Security and Disaster Management**

In the modern world, security is no longer the preserve of the defense and security forces alone. Non-state actors must be involved in finding solutions to security problems.

Among non-state actors, private security and surveillance companies occupy a prominent place in terms of security and are constantly increasing in our country. It has been noted that most of these companies favor, in their recruitments, either the demobilized, or the military or police retirees. However, the field of private security is different from public security. It is therefore necessary to harmonize the basic knowledge for all the agents of these companies through training offered in specialized centers. The Ministry in charge of public security must ensure that the contents taught in these centers are not likely to compromise public order in general.

In addition, it is necessary that the wages and social security system for the staff of these companies be clarified to prevent this staff from being abused or deceived. Likewise, the use of trained dogs is very important in terms of private security, hence the need to specify the conditions.

It should be noted that this domain is governed until now by decree n ° 100/186 of July 20, 2013 and that it needs to be updated since it has not stopped evolving. This project contains innovations likely to improve the regulation of guarding and surveillance activities by private companies.

After discussions, the project was adopted with a few corrections.

**5. Draft convention relating to the granting of tax advantages within the framework of the Investment Code to METALUSA.**

**6. Draft conventions relating to the granting of tax and customs benefits within the framework of the Investment Code to the companies Life Way Company and Modern Diary Burundi.**

Both projects were presented by the Minister of Finance, Budget and Development Cooperation.

METALUSA has been operating in Burundi since 1953. Its main activity is metal construction, the study, manufacture and assembly of boats, frames, water or fuel tanks, bridges, pylons, safes and metal joinery. The company wants to proceed with its extension for an amount equivalent to 35.1 billion Fbu.

At the end of the planned extension phases, permanent jobs will drop from 61 to 450. The State will benefit from them because the increase in production will generate a surplus for export which will allow the return of foreign exchange in the country and the State will save foreign exchange which was previously used for the import of finished products. The advantages requested by METALUSA are:

- Exemption from customs duties and VAT on raw materials imported or purchased locally, in particular construction materials, raw materials for exploitation such as steel ingots as well as fuels (fuel and diesel) and lubricants for a period of ten years;
- Exemption from property tax for a period of ten years;
- Exemption from all taxes and charges on raw materials imported or purchased locally during the construction period that go into the manufacturing process of metal profiles for a period of ten years;

The Modern Dairy Burundi Company works in the collection and processing of milk in Burundi with the objective of achieving a large production capacity, of diversifying export products. Its current production capacity is 40,000 liters per day, but with the planned extension, production will be 100,000 liters.

If the company obtains the extension agreement, foreign currency from the export of powdered milk will be repatriated, the number of partner breeders will increase from 8,000 to 25,000 and new jobs will be created. These are the tax incentives requested:

- Exemption from customs import duties on raw materials, equipment, vehicles intended for the use of the Project, spare parts, accessories for machines and fuel intended for the supply of generator sets and boilers for a period of five years;
- Exemption from value added tax on imports of equipment, raw materials, machine accessories, rolling stock and fuel, intended for the exclusive use of the project for a period of five years;
- Exemption from transfer duties over a period of five years;

- Exemption from consumption tax or excise duty, royalties on raw materials, imported equipment and vehicles intended for the use of the project for a period of five years

Regarding Life Way Company, it operates in the livestock and milk production sector. It has its headquarters in Gihanga Commune, Bubanza Province.

The company wants to contribute to the improvement of the collection, the supply of quality dairy products as well as the increase of the income of dairy producers. The company plans to expand the farm from 200 to 500 dairy cows, each of which producing at least 20 liters per day. The project plans to set up a distribution program of 150 cows per year to all categories of breeders grouped in cooperatives.

These are the tax incentives requests by the company:

- Exemption, over a period of ten years, from import customs duties and taxes on capital goods, construction and extension materials intended for the factory and the farm, cows, raw materials, medicines and vaccines for veterinary pharmacy for the farm, rolling stock, intermediate products, spare parts for machines and vehicles, packaging of all kinds, laboratory products, generators and spare parts and accessories for production machines and cold chains.
- Exemption from Value Added Tax on imports on cows, equipment, intermediate products, raw materials, packaging, equipment of all kinds intended for the factory or the farm, feed and feed supplements for livestock, laboratory and veterinary pharmacy products, accessories for production machines and cold chain as well as tractors, refrigerated trucks, motorcycles, vehicles for supply, distribution, supervision, monitoring -evaluation, supervision and awareness of breeders and other plant construction materials over a ten-year period.
- Exemption from duties and taxes on consumables including fuel, water and electricity over a period of ten years.
- Exemption from property tax over a period of five years.
- The exemption from Value Added Tax on turnover for a period of ten years.
- Exemption from consumption taxes or excise duty on equipment, intermediate products, accessories for machines, raw materials or accessories for machines purchased locally or imported over a period of ten years.

After analyzing these two projects, the Council supported the idea of supporting these companies by granting them tax advantages, but set up a team which will refine the related conventions.

These projects will be brought back to the Council of Ministers for adoption within one month.

**7. Note relating to the construction project of a twelve-storey building which will serve as the headquarters of the Burundi Revenue Authority (OBR),** presented by the Minister of Finance, Budget and Development Cooperation.

The idea of a building that would serve as the headquarters of the Burundi Revenue Authority dates from 2012 when a study firm named TRIADE ARCHITECT had carried out a related study. In 2015, the Government granted the Burundi Revenue Authority a 1.5 hectare site in Kigobe, intended for the construction of this building.

In July 2019, the National Directorate of Public Procurements validated the study for the design, the preparation of plans, the budget and the drafting of the tender dossier for the execution of construction work for a twelve levels building which will serve as the headquarters of the Burundi Revenue Authority.

After the feasibility studies, the owner analyzed the project and the latter doubted the overall cost of more than 97 billion Fbu which he considered to be overestimated. Three scenarios to analyze in order to reduce the cost of the project were given to a technical team, namely:

- A project to build a 12-storey building with no meeting room and no furniture;
- A project to build a 12-storey building with a meeting room but no furniture;
- A project to build a 12-storey building with meeting room and equipment without taking into account duties and taxes.

By analyzing and using the above three ways to further reduce the cost of the project, the technical team proposed six scenarios.

Finally, after presentation of the technical team's report, the client adopted the scenario of constructing a twelve-storey building with a meeting room but without movable, unpredictable or related equipment, exempt from duties and taxes, for an amount of 66,459,716,727 Fbu. The Note proposes to the Council to adopt this scenario in order to alleviate the problems associated with the rental of offices.

Once the project has been adopted, the Government will finance up to 60% while the remaining 40% will be contracted in the form of credit with local banks.

After analysis, the Board adopted the Note's proposal.

## **8. Any Other Business**

- The Minister of the Environment, Agriculture and Livestock informed the Council that the agricultural production of the past season has been good despite the climatic vagaries which have been observed.
- The Minister of Public Health and the Fight against AIDS informed the Council that the state of health of the three people hospitalized for Coronavirus is good and that the results of the second test carried out after 7 days of hospitalization are awaited.

On the same issue, the Minister at the Presidency in charge of East African Community Affairs informed the Council that the meeting of Ministers of the East African Community held by videoconference resulted in resolutions within the framework of prevention and the fight against Coronavirus and that each country is called upon to implement them.

The Minister of Public Security and Disaster Management also indicated the measures taken by the Ministry to support in the implementation of the measures adopted by the Government.

To conclude, His Excellency the President of the Republic indicated that Burundi is in a rather special fight against the Coronavirus because there are people or organizations that only wish harm for Burundi and consequently do everything to put it in trouble. He asked the Burundians to pray a lot during these three days before Easter so that the Mighty Hand of God continues to protect Burundi.

**Done at Bujumbura, April 09, 2020**

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