

REPUBLIC OF BURUNDI**PRESIDENCY OF THE REPUBLIC
Secretariat-General of the State****MEDIA RELEASE NO 12 CONSECUTIVE TO THE CABINET MEETING HELD ON WEDNESDAY 03 FEBRUARY 2021**

A Cabinet Meeting was held in Bujumbura on Wednesday 3rd of February 2021, under the chairmanship of His Excellency Evariste Ndayishimiye, President of the Republic of Burundi.

On the onset, His Excellency the President of the Republic first expressed his satisfaction for the work that the Government has done for the past year. He was sure that the government holiday allowed members of the government to assess what they have accomplished, and that they will start the year with more energy so that the results will be even better.

After presenting the agenda, His Excellency the President of the Republic invited the Prime Minister to summarize the observations resulting from the preparatory meeting of the Council of Ministers which he himself chaired on Friday, January 29, 2021, and which was devoted to the analysis of the same dossiers on the agenda.

After restitution of the Prime Minister to the President of the Republic, the dossiers analyzed are as follows:

- 1. Expenditure ceilings for the third quarter of 2020/2021**, presented by the Minister of Finance, Budget and Economic Planning.

The expenditure ceilings are subject to regulations prescribed in certain texts, in particular the decree on budgetary governance, the decree establishing general regulations for the management of public budgets, etc.

They also comply with the law establishing the general budget of the Republic of Burundi for the fiscal year 2020/2021 which introduces in its article 38, the development of quarterly expenditure ceilings which must be validated by the Council of Ministers.

These ceilings are made on the basis of cash inflows and therefore constitute an essential tool for regulating expenditure. They comply with the state treasury plan, concern all state spending, except those that are mandatory and irreducible, such as salary and debt spending.

Thus, during the 2020/2021 budget management, the pace of commitments will depend on the pace of revenue collection.

After analyzing these expenditure commitment ceilings for the third quarter of 2020/2021, the Council of Ministers adopted them with, among other things, the recommendation to accelerate the procurement process during this third quarter in order to facilitate their payment during this period.

The Council of Ministers also requested that in the preparation of the annual state budget, it will first be a question of analyzing the activities to be carried out before voting on the related budget. Members of the Government were asked to prepare in time.

2. Supporting note for the revision of the Agreement granting tax advantages to the company MODERN DAIRY BURUNDI within the framework of the Investment Code between the State of Burundi represented by three ministries respectively that in charge of finance, that in charge of livestock and the one in charge of trade, presented by the Minister of Finance, Budget and Economic Planning.

On July 29, 2020, the Council of Ministers analyzed and adopted the draft agreements relating to the granting of tax benefits under the Investment Code to METALUSA, LIFE WAY COMPANY AND MODERN DIARY BURUNDI. It had been recommended that the three conventions be harmonized in terms of the benefits to be granted to these companies.

However, it was found that an error slipped into the agreement with the company MODERN DIARY BURUNDI because it benefited from two additional advantages, namely the exemption from income tax for 10 years and the exemption value added tax on sales for ten years.

The purpose of the Note is to request approval of the revision of the Convention relating to the granting of tax advantages under the Investment Code to the company MODERN DIARY BURUNDI in order to remain in the logic of harmonization of tax advantages for the three companies and thus treat them fairly.

Following the analysis, the Note proposal was adopted.

3. Draft national professional retraining program for public / political representatives and civil servants (period 2021-2025), presented by the Minister of Public Service, Labour and Employment

This retraining program aims to capitalize the skills of public / political officials and state officials to contribute to the development of the country and the reduction of youth unemployment through the creation of small and medium-sized enterprises.

It aims to encourage them to retire earlier in order to take up new jobs of their choice.

Indeed, statistics show that 75% of political representatives and other State officials still of working age at the end of their mandate prefer to request reinstatement in the public service instead of finding other alternatives of integration by creating their own projects.

It is for this reason that the ministry in charge of the public service offers integration programs through socio-professional reconversion for anyone who wants to undertake new projects.

During the discussions, the Council appreciated this program but noted that its implementation must be deeply considered.

The Council of Ministers then asked the Prime Minister to carry out a study on the feasibility of the program, taking into account the diversity of the target groups. But already, certain activities can be carried out, in particular raising the awareness of public and political officials as well as State officials on, for example, the interest of subscribing to the supplementary pension.

4. Roadmap for the implementation of the digitized general census of civil servants, executives and agents of ministries and state institutions, presented by the Minister of Public Service, Labor and Employment

On November 13, 2020, the Council of Ministers analyzed a Note on the progress report of the digital census of civil servants, executives and agents of ministries and state institutions. The overall objective of this census is to control and properly manage the human resources of the State.

The note indicated the progress of the census, the difficulties encountered and the prospects for the future.

The Council appreciated the work that has been carried out and formulated, among other recommendations, the development of a proposal for the implementation of the future perspectives.

It is within this framework that this roadmap for the implementation of the digitized general census of civil servants, executives and agents of ministries and state institutions was prepared.

As among other proposed activities, it involves capacity building in human resource management, training in digital acculturation, setting up a human resources information system, setting up a Government data center as well as the extension of the census to mixed companies and the private sector.

After discussion and debate, the Council of Ministers appreciated the roadmap proposal but recommended that the work of the Ministry be limited to the level of the census of civil servants, executives and agents of ministries and state institutions.

The work that should follow at the ministerial level is to align the specifications from the minister's office to the service level and assign civil servants according to skills.

The aspect related to the establishment and management of a government data center is to be managed at the level of the ministry in charge of information technology to avoid duplication.

But while waiting for the establishment of this center, the data can be kept in structures which have large capacity and secure servers such as the Ministry in charge of Finance, the BRB and the OBR.

Given the importance and the sensitivity of the data collected in this census, the Council recommended that the collaboration between the State and the MEDIABOX Company which technically supported the census be framed in an official format so that each party knows its obligations.

5. Draft decree on the missions, organization and functioning of the General Inspectorate of the Ministry of the Interior, Community Development and Public Security, presented by the Minister of the Interior, Community Development and Public Security.

This project is proposed in order to comply with decree n ° 100/082 of October 12, 2020 on the organization and functioning missions of the Ministry of the Interior, Community Development and Public Security which combined the missions of three former ministries namely:

- The Ministry of the Interior, Patriotic Training and Local Development
- The Ministry of Decentralization and Institutional Reform
- The Ministry of Public Security and Disaster Management

This project repeals decree n ° 100/089 of 05 June 2019 on the organization, missions and operation of the General Inspectorate of Public Security and Disaster Management, which has become obsolete due to the fusion of these three ministries.

Following the analysis of this project, the Council of Ministers adopted it with some corrections.

5. Draft decree reorganizing the National Communal Investment Fund, presented by the Minister of the Interior, Community Development and Public Security.

The National Communal Investment Fund is governed by Decree No. 100/270 of November 22, 2013 while the Rural Microcredit Fund is governed by Decree No. 100/158 of September 23, 2008.

Following the 2020 elections, the Government changed certain orientations of the institutions, leading to a reduction in their number by merging certain ministries as well as certain other structures.

It is within this framework that the current Ministry of the Interior, Community Development and Public Security has merged three Ministries.

Decree No. 100/082 of October 12, 2020, which organizes the Ministry of the Interior, Community Development and Public Security, cites, among other structures under the supervision of the Ministry, the National Communal Investment Fund.

In order to make the services offered to the population by the Rural Microcredit Fund efficient, its missions have been combined with those of the National Communal Investment Fund.

This project comes to concretize this merger.

After discussion and debate, the Council of Ministers noted that the missions of the National Communal Investment Fund and those of the Rural Microcredit Fund cannot be merged due to the fact that the National Communal Investment Fund monitors government funding at the local level while the Rural Microcredit Fund grants loans with interest.

It was then recommended that the National Communal Investment Fund remains with its missions and carry them out as initially conceived and that the Rural Microcredit Fund also keep its missions.

But as the Ministry responsible for the Rural Microcredit Fund no longer exists, it is necessary to review the decree which organizes it by specifying that it is placed under the supervision of the Ministry of the Interior, Community Development and Public Security.

6. Public-private partnership and electricity purchase contract for the development and operation of the run-of-river hydroelectric power station on the Mpanda River with a capacity of 10.2 MW, presented by the Minister of Hydraulics, Energy and Mining.

The Mpanda hydropower plant construction project was initiated and launched by the Government of Burundi with the objective of increasing the country's electric power capacity. Construction stopped in 2017 due to budgetary constraints.

In order to save this project, the Government of Burundi has sought a private partner to resume Construction.

It is in this context that on September 23, 2020, the Council of Ministers analyzed this file relating to this plant and authorized the continuation of the Project with the following prerequisites:

- Review the distribution key to verify that the contract between the parties is a win-win by ensuring that the State contribution, (water, land, etc.) has been correctly taken into account;
- That the technicians evaluate the capital, deduct the charges and that the profit be shared in proportion to the contribution of each;
- Provide for depreciation costs during the entire operating time of the plant;

Other recommendations were made, namely:

- Seek out all subcontracts that have been concluded in foreign currency when the legal tender currency is the Fbu and seek the traceability of the use of the latter and sanction the offenders in accordance with the law;
- Make an amendment for contracts which were badly negotiated and which risk causing losses to the State (case of contracts between REGIDESO and the company INTERPETROL, etc.).
- Check why REGIDESO does not sell all the energy available when customers ask for it.

The analysis of this file focused on the responses to these prerequisites.

After analyzing the responses to the concerns that had been expressed, the Council of Ministers found them satisfactory and adopted the project, the promoter having agreed in particular to develop related projects by building schools and health centers, the agreement of which should specify the number, and provide an amount of 48,000 US dollars per year as infrastructure sinking fund.

To this end, the Council asked REGIDESO to:

- Show that it is able to distribute electricity to the population
- Ensure that the energy available or to be produced subsequently will be distributed
- Anticipate by setting up an extension circuit of the electricity distribution network before the end of the construction of the current dams
- Obtain sufficient supply of electricity meters so that all demands are met.

Regarding the other cross-cutting recommendations (subcontracts and poorly negotiated contracts) which would require high-level coordination to be implemented, the Council recommended to the Ministry in charge of energy to continue the work at its level while waiting for this coordination.

7. Memorandum of Understanding between the Russian State Atomic Energy Company “ROSATOM” and the Ministry of Hydraulics, Energy and Mining of the Republic of Burundi on Cooperation in the Field of Peaceful Use of atomic energy, presented by the Minister of Hydraulics, Energy and Mining.

In Burundi, the need for energy remains a major challenge. According to the National Development Program 2018-2027, Burundi will need at least 400 MW for its industrialization and 412 MW for the mining sector.

With the current energy projects, in 2026 we will have reached a production of 245 MW, but a deficit of 566 MW will be observable compared to the needs.

However, with the various minerals available to Burundi, including uranium, energy production needs to be diversified to meet this need. According to the information available, one gram of uranium produces electrical energy equal to that produced by one tone of oil.

In the past, several organizations have expressed their intention to cooperate with Burundi in this area, but nothing has materialized.

It is therefore imperative that Burundi move forward with solid organizations of international renown in order to be reassured of the fulfillment of the commitments made with regard to this project.

It is in this context that the Russian company "ROSATOM" was approached in order to develop cooperation in the field of the peaceful use of atomic energy through the establishment of a nuclear power plant capable of overcoming this energetic deficit.

The signing of this Memorandum of Understanding will allow the sharing of relevant information between Burundi and ROSATOM to begin.

This Memorandum of Understanding will subsequently enable the negotiation of an intergovernmental agreement between the Russian Federation and the Government of Burundi to begin studies for the implementation of this project.

Following the analysis, the Council of Ministers authorized the signing of this Memorandum of Understanding in order to allow the process to continue.

8. Draft ministerial order fixing the prices for medical acts, hospitalization, preclinical examinations and medical devices in health and public facilities and under agreements, presented by the Minister of Public Health and Fighting against AIDS

The pricing of medical acts, hospitalization, preclinical examinations and medical devices currently used dates from 2001 and no longer corresponds to reality.

This leads to a very low level of income and compromises the viability of health facilities, because medical acts and services are not reimbursed in accordance with real costs.

Those insured by the Public Service Mutual are obliged to pay supplements, which leads to an increase in household charges.

The studies carried out in 2012 and in 2019 have shown that the costs of the Public Service Healthcare Fund are far lower than those fixed after analyzing the cost of the service which has increased over time due to the depreciation of the currency.

This draft ordinance is proposed in order to review the pricing of medical procedures and services in 2001, which no longer corresponds to reality, and which, moreover, was no longer respected in most health facilities.

After discussion and debate, the Council of Ministers adopted the draft ordinance but recommended to ensure that the new tariffs are scrupulously respected.

9. Any Other Business

The Prime Minister spoke about the evaluation of the Ministries. In order to facilitate this evaluation, he informed that the outline for the preparation of reports as well as the evaluation criteria will be sent to them.

His Excellency the President of the Republic engaged on this subject by indicating that the rating can be administratively good while the level of satisfaction of the population on the activities carried out is low. He then invited members of the Government to visit the field often to ensure that the reports produced by their technicians correspond to reality.

He also called on them not to hesitate to release from their functions the officials and officials who constitute obstacles to the accomplishment of the mission entrusted to them by the country.

Regarding the projects financed by the technical and financial partners, His Excellency the President of the Republic recalled that these are Government projects and that the ministers must follow them closely.

In the state budget for Fiscal Year 2021/2022, each ministry will have to show the projects to be carried out as well as the sources of funding.

He also asked that the ministries always have projects to propose to partners who wish to support Burundi.

He finally asked to do everything so that in the projects, there are no more budgets that are canceled for not being used.

Done at Bujumbura, February 4th, 2021

**Prosper NTAHORWAMIYE
Secretary-General and Spokesman.-**