

**REPUBLIC OF BURUNDI****PRESIDENCY OF THE REPUBLIC  
Secretariat-General of the State****MEDIA RELEASE NO 15 CONSECUTIVE TO THE CABINET  
MEETING HELD ON WEDNESDAY 17 MARCH 2021**

A Cabinet Meeting was held in Bujumbura on Wednesday 17<sup>th</sup> of March 2021, under the chairmanship of His Excellency Evariste Ndayishimiye, President of the Republic of Burundi.

After the presentation of the agenda, His Excellency the President of the Republic invited the Prime Minister to present the summary of the observations resulting from the preparatory meeting of the Council of Ministers chaired by the Prime Minister on Friday 12 March 2021, and which was devoted to the analysis of the same items on the agenda.

After restitution of the Prime Minister to the President of the Republic, the following items were analyzed:

- 1. Bill fixing the overall state budget for Fiscal Year 2021/2022**, presented by the Minister of Finance, Budget and Economic Planning.

This finance bill was prepared on the basis of spending priorities sent by the various ministries and institutions.

It is prepared in the context of continued prudent fiscal policy and prioritization in the management of the state budget. The objective is to achieve a growth rate of 3.6% in 2021/2022.

It also operates in an international environment characterized by a recession in the economy in all corners of the world due in particular to the consequences of the covid-19 pandemic.

On the macroeconomic level, this project is being prepared when the Government is in its third year of implementation of the National Development Plan and is working to place particular emphasis on the structural transformation of the Burundian economy for strong and sustainable growth, creating decent jobs for all, primarily by financing growth-promoting sectors.

In correlation with the National Development Plan, the Government is working to focus its intervention on the main priorities contained in this project, in particular:

- Support for development projects for hill cooperatives.
- The implementation of a fair wage policy in the public sector.
- Availing a road maintenance fund.
- Continuation of the national organic-mineral fertilizers subsidy program.
- Continuation of the construction of administrative buildings.
- Subsidy and production of selected seeds.
- Recruitment of teaching and health personnel.

In order to increase revenues, important measures are planned to ensure that the set target is met. Thus, the OBR will continue or undertake the following actions:

- The expansion of the tax base.
- The fight against fraud and tax evasion through electronic tracking of goods from borders to customs clearance offices and the installation of scanners to secure them.
- Strengthening the collection of arrears.

- Control of exemptions, etc ...

For Fiscal Year 2021/2022, the overall resources of the General State Budget are estimated at BIF 1,557.5 billion against BIF 1,422.81 billion in 2020/2021; an increase of 9.5%.

As for charges, they go from BIF 1,576.03 billion in 2020/2021 to BIF 1,708.4 billion in 2021/2022; i.e. an increase of 8.4%.

The overall deficit amounts to 150.9 billion BIF in 2021/2022 against 153.2 billion BIF in 2020/2021, a decrease of 1.5%.

After analysis, the project was adopted with, among other recommendations:

- To integrate, in collaboration with the sectoral ministries, the items that have been omitted or forgotten.
- Correct the project by transferring the budget lines to the ministries where the activities will be carried out.
- Ensure that the allocated budget is used to achieve the objectives set and provide added value.
- Avoid budget overruns as well as implementation delays.
- To institute a road charge for vehicles.
- Introduce a tax on electronic transactions.
- Avoid wasting State resources by using the means at its disposal where possible (example: some houses rented while there are houses belonging to the State).
- Limit domestic debt as much as possible and at best start to clear it.

**2. Draft strategy document for the implementation of trade policy over the period 2021-2025**, presented by the Minister of Trade, Transport, Industry and Tourism

Burundi's trade policy was formulated in 2015 but it was never followed by the production of a strategy for its implementation.

This strategy document under analysis constitutes a roadmap that describes how the Government's commitment will materialize, and presents a mapping of interventions, deadlines and responsible institutions.

It aims to improve business performance and the investment climate.

This strategy constitutes a reference document for all interventions in the trade sector and for all actors and partners over the period 2021-2025.

It is based on eight orientations which are as follows:

- Maintain good business ethics and protect consumers and producers.
- Monitor the supply of essential strategic products.
- Invest in improving the trade balance.
- Strengthen organizational and institutional capacities to assess quality standards.
- Promote trade in services and electronic commerce.
- Promote and strengthen the business and investment climate.
- Strengthen the trade opening partnership.
- Develop transport and communication partnerships.

The overall budget required for the implementation of this policy is estimated at US \$ 14,450,000.

After analysis, the Council of Ministers adopted this strategy with, among other recommendations, to express the necessary budget in Burundian francs and to

show the part of the financing which goes to the State and that which goes to other partners.

**3. Draft decree on the creation, structure, missions, organization and functioning of the Provincial Directorates of Family and Social Development,** presented by the Minister of National Solidarity, Social Affairs, Human Rights and Gender

Known under the name of “Family and Community Development Centers”, these structures have undergone, over the last decades, major changes on the institutional and structural levels which have not allowed them to function in a stable manner.

However, experience has shown that the success of the ministry's programs and activities largely depends on the work of these centers.

The current analysis of the functioning of these centers shows that their field of competence remains limited, due to insufficient material, human and financial resources as well as their weak accountability.

Considered as promoters of community initiatives and called upon to constantly ensure the promotion of community and social development, it is necessary that the missions, role and responsibilities of these centers be redefined to make them more effective.

It is within this framework that decree n ° 100/084 of October 12, 2020 on the missions, organization and functioning of the Ministry of National Solidarity, Social Affairs, Human Rights and Gender has set up these centers into Provincial Directorates of Family and Social Development as decentralized

structures of the Ministry. This project determines their organization and functioning.

At the end of the debate, the Council of Ministers noted that the project needed to be reworked in particular to comply with the organization chart of the Ministry and above all to ensure that the Communal Directorate referred to in the text was provided for. It will also be necessary to ensure that the text has no budgetary impact.

The reworked project will be brought back to the Council of Ministers within two weeks.

#### **4. Draft decree on the missions, organization and functioning of the General Inspectorate of Public Service, Labor and Employment, presented by the Minister of Public Service, Labor and Employment**

This project is proposed in application of decree n ° 100/060 of April 24, 2020 laying down the general framework of the specifications of the general ministerial inspections and internal control services of the Burundian public administration in terms of governance monitoring which specifies that each administrative entity must have an internal control system.

In addition, decree n ° 100/083 of 12 October 2020 on the missions, organization and functioning of the Ministry of the Public Service, Labor and Employment provided for the establishment of the General Inspection of the Public Service, of Labor and Employment. This project complies with these two texts by setting up this structure.

After discussion and debate, the project was adopted with some retouching.

**5. Draft decree revoking the iron-titanium-vanadium exploration permit on the Mukanda perimeter in favor of the company CVMR Energy Metals Burundi surl, presented by the Minister of Hydraulics, Energy and Mines**

The perimeter of Mukanda was granted to the company CVMR by decree n ° 100/219 of November 24, 2017 to carry out research there.

The agreement signed between the Government of Burundi and this company concerned the execution by this company of a complete research program with a view to establishing the existence of exploitable iron-titanium-vanadium deposits in this perimeter with an area of 144 km<sup>2</sup>.

The term of the three-year research permit granted to this company has expired.

However, it was found that this company did not respect the clauses of the agreement it signed.

In addition, this company has shown no interest in applying for the renewal of its license and it has no known address or contact person in Burundi.

It is under these conditions that this project proposes the revocation of the iron-titanium-vanadium exploration permit on the Mukanda perimeter in favor of the company CVMR Récy Metals Burundi surl.

After the analysis, the project was adopted with some tweaking.

**6. Draft Public-Private Partnership contracts between the Republic of Burundi and the company Songa Energy for the development of two hydroelectric power stations on the Murembwe and Ruvyironza rivers, presented by the Minister of Hydraulics, Energy and Mines.**

In Burundi, improving energy supply and access remains one of the Government's priorities.

The participation of the private sector in the development of the energy sector is a means to substantially and sustainably improve access to electricity by the Burundian population.

It is within this framework that the company Songa Energy Burundi signed with the Ministry of Hydraulics, Energy and Mines on 8/17/2015 a Memorandum of Understanding for the realization of energy production studies on the Murembwe and Ruvyironza rivers, with a power of 9 Mw and 1.65 Mw respectively.

The Council of Ministers had analyzed this file and found that it required a technical reanalysis to ensure that the assembly was done well and that the contribution of the State as capital was correctly valued.

These included:

- Reanalyze contract terms.
- Review whether the rate per Kw / h is appropriate in relation to the use of the country's natural resources forming part of the State's heritage, in this case water, state land, etc. ...
- Provide for depreciation related to wear and tear of infrastructure and accounting depreciation during the entire operating time of the plant, etc.

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 provide an amount of US \$ 4,738,569 as



a sinking fund for these infrastructures during the duration of twenty-five years of operation.

**Done at Bujumbura, March 18<sup>th</sup>, 2021**

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