

Action Matrix

Policy Reforms and Trade-Related Technical Assistance Requirements Policy Reforms

Proposed Measures	Priority	Responsible Institution and Body	Proposed Timeframe	Monitoring Indicators	Technical Assistance Needs	Existing or to be provided by
Macroeconomic Framework:						
Objective: Ensure greater macroeconomic stability						
Action 1. Elaborate poverty reduction and growth strategy: Complete full PRSP.	High	PRSP Secretariat; relevant ministries	As soon as possible	Submission of complete draft; review by IMF and World Bank Executive Boards.	Ongoing policy dialogue	
Action 2. Formulation and implementation of appropriate monetary and fiscal policies.	High	Ministry of Finance Central Bank	Ongoing	Regular consultations with IMF	Ongoing policy dialogue	
Action 3. Support for VAT as well as strategies to improve collection of other taxes to broaden tax base and make up for loss of revenue as a result of COMESA CET.	High	Ministry of Finance	As soon as possible	Regular consultations with IMF	VAT and tax collection experts	
Action 4 Exchange system: liberalization of exchange system; ensure a viable exchange rate.	High	Ministry of Finance and Central Bank.	Ongoing	Regular consultations with IMF; monitoring spread between official and parallel market exchange rates	Ongoing policy dialogue	
Action 5 Achieve sustainable external debt position.	High	Ministry of Finance and Central Bank.	Ongoing; linked to completion of PRSP	Approval of PRGF financing and approach to Paris Club	Ongoing policy dialogue	

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Trade Policy:						
Objective: Liberalize trade system ; remove discriminatory elements; strengthen government revenues						
Action 1: Full implementation of COMESA CET &FTA, and Removal of discriminatory taxes on imports	High	Ministry of Finance, trade and Industry, Planning and Reconstruction	December 2003	Publication of new transaction tax rates	International tax experts	
Action 2: Eliminate tariff exemptions on imports through a switch to uniform low duties	High	Ministry of Finance, Ministry of trade and industry	Six months	Publication of new duties schedule; publication of notice abolishing exemptions systems	International expert in tariffs	
Action 3: Elimination of negative tariff escalation	Medium	Ministry of Finance, Ministry of Trade and Industry	Six months	Publication of new tariff schedules		
Action 4: Phase out of import surcharges (e.g., on textiles); Eliminate export prohibition (e.g., on sugar and cotton)	Medium	Ministry of Finance, Ministry of Trade and Industry	Six months	Publication of government decree	Not required	

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Trade Facilitation:						
Objective:						
Action 1: Preparation of an Action Plan to address all issues related to the transit and movement of consignments to/from Burundi(physical infrastructure, bureaucracy encumbrances, unnecessary paper requirements). The action plan should specify what Burundi can do alone and what they can do with other neighbors.	Medium	Ministry of Transport/ Ministry of Trade/ Ministry of Finance	1 years	Completion of Action Plan , with a clear distinction on what Burundians can do alone and what they can do in collaboration with other countries, to address all trade facilitation issues on all corridors and entry ports in Dar es Salam and Mombassa	Transport experts, trade facilitation experts	
Action 2: Reach agreement with donors on configurations of a possible trade facilitation reform program	Medium	Ministry of Transport/ Ministry of Trade/ Ministry of Finance	2 years	Agreed comprehensive trade facilitation program	Transport experts, trade facilitation experts	
Action 3: Introduce integrated customs tariff and design a program for comprehensive reform of customs administration	High	Ministry of Trade/ Ministry of Finance	6 months	Agreed comprehensive integrated tariff and customs reform program	Customs experts, trade facilitation experts	
Action4: Implementation of a program for comprehensive reform of customs administration	High	Ministry of Trade/ Ministry of Finance	6 months	Program in effect	Transport experts, trade facilitation experts	

Proposed Measures	Priority	Responsible Institution and Body	Proposed timeframe	Monitoring Indicators	Technical Assistance Needs	Existing or to be provided by
<i>Export Promotion / Diversification</i>						
Objective: Increase export of non-traditional exports through implementation of a national export promotion policy						
Action 1: Establish and implement a national export-promotion policy, including Creation of National Export Promotion Council and Trade Promotion Organization.	High	Ministry of Trade and Industry and Trade Promotion Organization	Two years	Preparation of enabling legislation; recruitment of director and staff; provision of budgetary resources; creation of skeleton service for oversees representation	International trade promotion expert, with assistance from international and national experts on short term assignment to set up the National Export Council and Trade Promotion Organization.	
Action 2: Provide support for exports of fruits, vegetables and flowers	Medium	Ministry of Trade and Industry	Two years	Establishment and implementation of coordination and supervision system; elaboration of transportation and marketing	Resident international expert.	
Action 3: Streamline duty-drawback Scheme	Medium	Ministry of Finance, ministry of trade and industry and Central Bank.	Six months	Publication of government decree	Drawback expert	

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<i>Market Access</i>						
Objective: Increase export of non-traditional exports						
Action 1: Preparation and begin implementation of an Action Plan for elimination of regional market access issues	Medium	Ministry of Trade/Ministry of Transport	6 months	Agreed Action Plan and begin implementation	Regional integration expert	
Action 2: Preparation and begin implementation of an Action Plan to address market access issues in developed countries	Medium	Ministry of Trade/Ministry of Transport	6 months	Agreed Action Plan and begin implementation	Market access expert	

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Regulatory Environment for Investment						
Objective: Attract both local and foreign investment by revision of the entire macro business framework to ensure simplicity, automaticity, streamlined procedures						
Action 1: Prepare an integrated code covering present investment code, labor code and commercial code; ensure consistency across codes and with COMESA and WTO agreements.	High	Ministry of Trade and Industry; Ministry of Planning and Reconstruction; Ministry of justice.	1 year	Completion of draft integrated code Setting timeframe for training of national officials	Regional team of experts to provide expertise in draft of the code; training specialist to design appropriate training of national officials.	
Action 2: Review the strengths and weaknesses of the judiciary system to ensure implementation and enforcement of the rule of law.	Medium	Ministry of Justice	2 years	Action Plan for strengthening of judiciary system and institution of an ombusman office	Legal experts in judiciary reforms	
Capacity Building in the Ministry of Trade and Industry						
Objective: Enhance the ministry of trade capacity to coordinate, implement and monitor progress on envisaged policy reforms						
Action 1: Purchase of equipment and vehicles; provide staff training; reorganize structure of ministry to enhance ministry's capacity to formulate and implement trade policy.	High	Ministry of Trade and Industry	1 year	Preparation of detailed inventory of needs; set timetable for staff training; provide draft of ministry restructure; and implement.	External expert to identify and verify needs; External trainers in trade policy, increase participation in WTO Training Institute	

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<i>Sectors with High Potential</i>						
<i>Coffee Sector:</i>						
Objective: Introduce modern risk management tools, privatize production and liberalize commercialization						
Action 1: Draft legislation on bankruptcy law and realization of collateral against which credits are advanced.	High	Ministry of Agriculture; ministry of Finance and Central Bank.	Dec 2004	Preparation of enabling legislation; develop staff training program.	Legal experts; international expert in modern financial instruments.	
Action 2: Set up regulatory and financial environment enabling coffee sector access to price protection on international markets	High	Ministry of Agriculture; ministry of Finance and Central Bank.	Dec 2004	Preparation of enabling legislation; develop staff training program.	Legal experts; international expert in modern financial instruments.	
Action 3: Enhance the quality, grading and quality control of Burundi's coffee	High	Ministry of Agriculture; Gitega Laboratory	Three year span	Preparation of training program for national liquorers or testers.	Internationally recruited expert liquorers to be based at	
Action 4: Create effective coffee promotion capacity ; create niches; establish entry into specialty markets	Medium	Ministry of Agriculture/ Trade Promotion Organization ((TPO) National Export council to be created.	Dec 2004	TPO to take on coffee public relations representations , especially in Japan and the USA.	International expert, for intermittent services over 3-4 yrs	
Action 5: Establish and maintain effective research and extension capacity	Medium	Ministry of Agriculture	Three years	Preparation of appropriate program and timeframe	International expert to guide process	
Action 6: Privatization of washing stations and coffee mills	Medium	Ministry of Agriculture/Ministry of Finance	Three years	Preparation of appropriate program and timeframe	International expert to guide process	
Action 7: Liberalization of commercialization	Medium	Ministry of Agriculture/Ministry of Finance	Three years	Preparation of appropriate program and timeframe	International expert to guide process	

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Tea Sector:						
Objective: Reform of production and commercialization						
Action 1: Prepare reforms of the sector which is still entirely under Government control	Medium	Ministry of Agriculture/ Finance	2 years	Full ownership privatization	Privatization expert	
Action 2: Introduction of a “Burundi tea” label	Medium	Trade Promotion Organization	1 year	Burundi tea labels on international markets		
Cotton Sector:						
Objective: Reform of production and commercialization						
Action 1: Prepare reform of the sector which is still entirely under Government control	Medium	Ministry of Agriculture/ Finance	2 years	Full ownership privatization	Privatization expert	
Action 2: Implement agreed changes learning from experience in other parts of the continent	Medium	Ministry of Agriculture/ Finance	2 years	Full ownership privatization	Privatization expert	

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Implementation of WTO Agreements						
Objective: Ensure compliance with WTO Agreements and enhance capacity and understand international agreement						
Action 1: Undertake detailed inventory of existing legislation	Medium	Ministry of Trade and industry, Ministry of Justice	Three months	Completion of inventory;	International expert on WTO Agreements	
Action 2: Prepare action plan and timeframe for compliance with WTO agreements	Medium	Ministry of Trade and industry, Ministry of Justice	Three months	Completion of action plan and timeframe	International expert on WTO Agreements	
Action 3: Compliance with WTO agreements	Medium	Ministry of Trade and industry, Ministry of Justice	Three months	Compliance with WTO agreements	International expert on WTO Agreements	