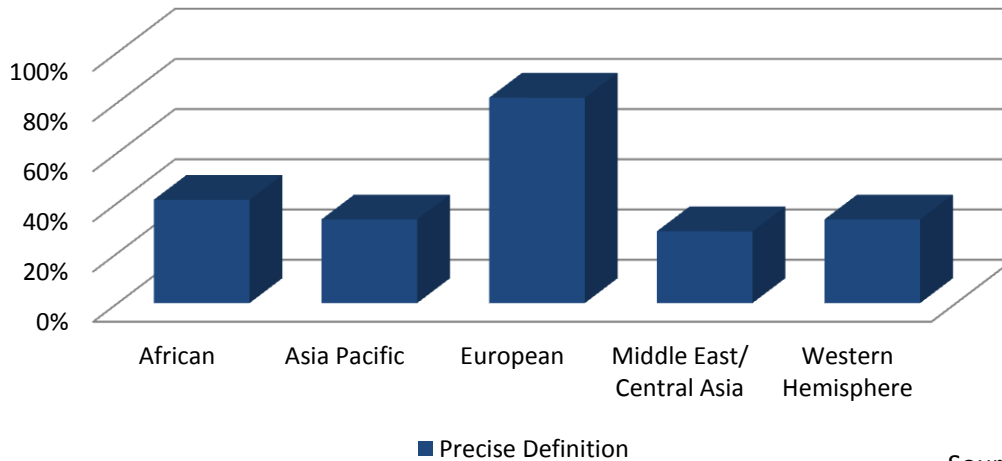


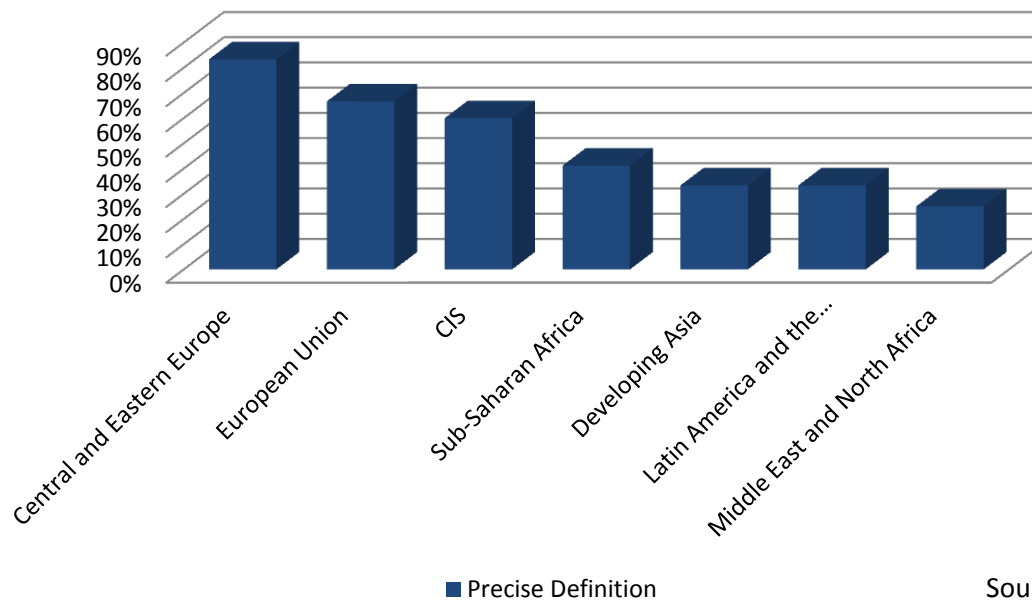
## ONLINE APPENDIX

### Definitions of Government in IMF-Supported Programs

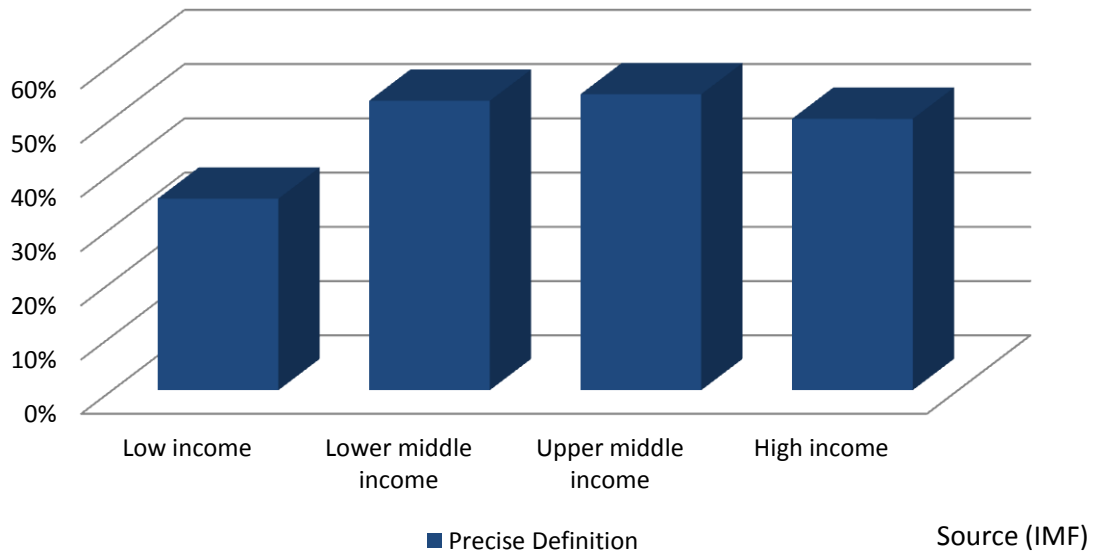
**Chart 1.**  
**IMF-supported Programs with Precise  
Definitions of Government by IMF Department**



**Chart 2.**  
**IMF-supported Programs with Precise  
Definitions of Government by WEO Regional  
Group**

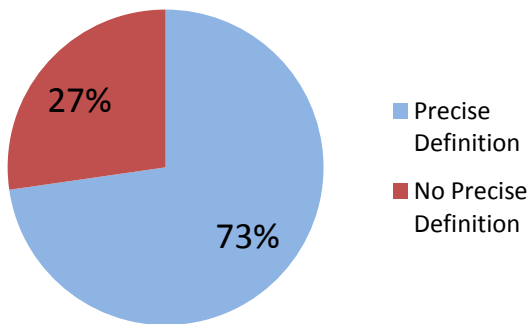


**Chart 3.**  
**IMF-supported Programs with Precise**  
**Definitions of Government by WEO Level of**  
**Income**

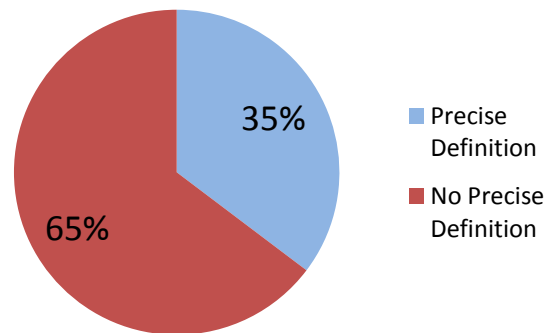


**Chart 4. Data Dissemination**

**Special Data Dissemination**  
**Standard Subscribers**



**General Data Dissemination**  
**System Participants**



## Definitions of Government in IMF programs

Overall Results	Yes:	No:	Total:	Percentage Yes:
<b>Precise Definition</b>	22	25	47	47%
<b>References the GFSM 2001</b>	8	39	47	17%
<b>Consult the IMF for changes in coverage</b>	9	38	47	19%

<b>Precise Definition Breakdown</b>				
<b>By IMF Department</b>				
African	7	10	17	41%
Asia Pacific	1	2	3	33%
European	9	2	11	82%
Middle East/ Central Asia	2	5	7	29%
Western Hemisphere	3	6	9	33%
<b>By WEO Regional Group</b>				
Central and Eastern Europe	5	1	6	83%
European Union	2	1	3	67%
CIS	3	2	5	60%
Sub-Saharan Africa	7	10	17	41%
Developing Asia	1	2	3	33%
Latin America and the Caribbean	3	6	9	33%
Middle East and North Africa	1	3	4	25%
<b>By WEO Levels of Income</b>				
Low income	6	11	17	35%
Lower middle income	8	7	15	53%
Upper middle income	6	5	11	55%
High income	2	2	4	50%
<b>Precise Definition</b>				
Special Data Dissemination Standard (SDDS) Subscribers	8	3	11	73%
General Data Dissemination Standard (GDDS) Participants	12	22	34	35%

Source: <http://www.imf.org/external/country/index.htm>

Country Name	Precise Definition	Type of Government Defined	IMF Area Department	IMF World Economic Outlook	Economic Development (WB)	References the GFSM 2001	Clause on consulting the fund on changes to data coverage	GDDS	SDDS
Angola	N	Central Government	AFR	Sub-Saharan Africa	Lower middle income	N	N	Y	N
Antigua and Barbuda	N	Central Government	WHD	Latin America and the Caribbean	High income	N	N	Y	N
Armenia	N	Public Sector, General Government, Central Government, Nonfinancial Public Sector	MCD	CIS	Lower middle income	Y	N	N	Y
Benin	N	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Bosnia	Y	General Government, Federation government, RS government, and Extrabudgetary funds	EUR	Central and Eastern Europe	Upper middle income	N	N	N	N
Burkina Faso	Y	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Burundi	N	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Comoros	Y	Government	AFR	Sub-Saharan Africa	Low income	N	N	N	N
Congo, Dem.Rep.of	N	Central Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Cote d'Ivoire	Y	Government	AFR	Sub-Saharan Africa	Lower middle income	N	N	Y	N
Djibouti	N	Government	MCD	Middle East and North Africa	Lower middle income	N	N	Y	N
Dominican Republic	N	Central Government	WHD	Latin America and the Caribbean	Upper middle income	N	N	Y	N
El Salvador	Y	Non-financial public sector, General Government, Nonfinancial Public Sector	WHD	Latin America and the Caribbean	Lower middle income	N	Y	N	Y
Ghana	Y	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Greece	Y	Central Government, State Budget, General Government, Local Government, Social Security, and Extra-budgetary.	EUR	European Union	High income	N	Y	N	Y
Grenada	N	Central Government, Public Sector	WHD	Latin America and the Caribbean	Upper middle income	N	N	Y	N
Guinea-Bissau	Y	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Haiti	N	Central Government, Non Financial Public Sector	WHD	Latin America and the Caribbean	Low income	N	N	Y	N
Honduras	Y	Central Government	WHD	Latin America and the Caribbean	Lower middle income	N	N	Y	N
Iraq	Y	Central Government	MCD	Middle East and North Africa	Lower middle income	N	N	Y	N
Ireland	N	No definition provided	EUR	European Union	High income	N	N	N	Y
Jamaica	Y	Central Government	WHD	Latin America and the Caribbean	Upper middle income	Y	N	Y	N
Kenya	N	Central Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Kosovo	N	General Government	EUR	Central and Eastern Europe	Lower middle income	N	Y	Y	N
Kyrgyz Republic	N	Public Sector, State Budget, General Government	MCD	CIS	Low income	N	N	N	Y
Latvia	Y	General Government	EUR	Central and Eastern Europe	Upper middle income	Y	Y	N	Y
Lesotho	N	Central Government	AFR	Sub-Saharan Africa	Lower middle income	N	N	Y	N
Liberia	N	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Macedonia	Y	Central Government, General Government, and Public enterprises.	EUR	Central and Eastern Europe	Upper middle income	Y	Y	N	Y
Malawi	N	Central Government	AFR	Sub-Saharan Africa	Low income	Y	N	Y	N
Maldives	N	Central Government	APD	Developing Asia	Lower middle income	N	N	Y	N
Mali	Y	Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Mauritania	N	Government	MCD	Middle East and North Africa	Low income	Y	N	Y	N
Moldova	Y	General Government, Central Government	EUR	CIS	Lower middle income	N	N	N	Y
Portugal	Y	General Government, Central Government and Local Government.	EUR	European Union	High income	N	Y	N	Y
Romania	Y	General Government, Central Government	EUR	Central and Eastern Europe	Upper middle income	Y	Y	N	Y
Sao Tome	Y	Government	AFR	Sub-Saharan Africa	Lower middle income	N	N	Y	N
Serbia	Y	Consolidated General Government	EUR	Central and Eastern Europe	Upper middle income	Y	N	Y	N
Seychelles	N	General Government	AFR	Sub-Saharan Africa	Upper middle income	N	Y	Y	N
Sierra Leone	N	Central Government	AFR	Sub-Saharan Africa	Low income	N	N	Y	N
Solomon Islands	Y	Central Government	APD	Developing Asia	Lower middle income	N	Y	Y	N
Sri Lanka	N	Central Government	APD	Developing Asia	Lower middle income	N	N	Y	N
St. Kitts and Nevis	N	Central Government, Nonfinancial Public sector	WHD	Latin America and the Caribbean	Upper middle income	N	N	Y	N
St. Vincent and The Grenadines	N	General Government	WHD	Latin America and the Caribbean	Upper middle income	N	N	Y	N
Tajikistan	Y	General Government	MCD	CIS	Low income	N	N	Y	N
Ukraine	Y	General Government	EUR	CIS	Lower middle income	N	N	N	Y
Yemen, Republic of	N	Public Enterprises, Budget	MCD	Middle East and North Africa	Low income	N	N	Y	N

Source: <http://www.imf.org/external/country/index.htm>

## Works Cited

[Angola -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, November 03, 2009](#)

This memorandum sets out the understandings between the Angolan authorities and the IMF staff regarding the definition of performance criteria and indicative targets, their adjustors, and data reporting requirements for the duration of the Stand-By-Arrangement. Where these criteria and targets are numeric, their unadjusted number values are stated in Table 1 of the Letter of Intent and Memorandum of Economic and Financial Policies. The values against which program compliance will be assessed will be adjusted up or down according to the adjustors specified in this Memorandum.

### **Ceiling on the Overall Non-Oil Primary Deficit on Accrual Basis of the Central Government**

#### ***Definition***

The Central Government will observe a ceiling on its Overall Non-Oil Primary Deficit on an Accrual Basis. The observance of this floor is an indicative target. **Overall Non-Oil Primary Deficit on Accrual Basis of the Central Government** is defined as the cumulative balance since the start of the calendar year of its revenues, except oil-related, and expenditures of the Central Government, except interest payments. It is measured on an accrual basis and therefore it does not include accumulation or clearance of arrears.

#### ***Data Reporting Requirements***

Data on the implementation of the budget compiled by the Treasury will be provided on a quarterly basis, to be submitted no later than six weeks after the end of each reporting period.

The data to be reported are:

Flows of (i) government revenue by category (including oil revenues received by the treasury); (ii) government expenditure, including primary current expenditure, domestic and external interest payments, and capital expenditure, of all donor-financed expenditures and resulting from agreements with the Paris Club; (iii) the gross clearance and gross accumulation of domestic and external arrears; (iv) external loan receipts and principal payments; (v) bank and nonbank financing, discriminating the domestic assets from liabilities; (vi) debt cancellation and debt swap operations; (vii) any other revenue, expenditure, or financing not included above.

Stocks of public domestic debt and external debt.

The monthly debt service projected for the next 12-months and annual debt service for the outer years.

### **Ceiling on Net Credit to the Central Government by the Banking System (NCG)**

There will be a ceiling on the Net Credit to the Central Government by the Banking System. The observance of this ceiling is a performance criterion. **Net credit to the central government from the banking system** is defined as the overall position of the main central government institutions vis-à-vis the banking system—that is, the stock of all outstanding claims on the central government (loans, advances and arrears), and all other government debt instruments, such as long-term government securities, held by the BNA and commercial banks less all deposits held by the central government with the BNA and with commercial banks.

#### ***Data reporting requirement***

Data on the implementation of the budget compiled by the Ministry of Finance and Public Administration will be provided on a quarterly basis, to be submitted no later than five weeks after the end of each quarter, including (i) government domestic revenue by category; (ii) external budget support grants; (iii) government expenditure, including primary current expenditure, domestic and external interest payments, and capital expenditure, including domestically and budget support financed capital expenditure and estimates of externally project financed capital expenditure; (iv) the gross payment and gross accumulation of domestic accounts payable; (v) the gross payment and gross accumulation of domestic payments arrears; (vi) external loan receipts and principal payments; (vii) external arrears payments and accumulation; (viii) bank and nonbank financing; (ix) privatization and land sale receipts; and (x) any other revenue, expenditure, or financing not included above.

### **Ceiling on Nonconcessional External Debt Contracted or Guaranteed by the Central Government**

#### ***Definition***

There will be a ceiling on Nonconcessional External Debt Contracted or Guaranteed by the Central Government for the program horizon starting effective from the date of Board

approval of the arrangement. Sonangol and other SOEs will not contract nonconcessional debt on behalf of the central government. The observance of this ceiling is a performance criterion. Under the program, observance of continuous ceilings on short-, medium- and long-term nonconcessional external debt constitute performance criteria.

Antigua and Barbuda [Antigua and Barbuda -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, March 18, 2011](#)

For the purpose of the program, the **central government** will cover all items included in the government budget.

The **nonfinancial public sector** is defined as the total central government and nonfinancial public enterprises. Public enterprises consist of Agricultural Development Corporation, Antigua and Barbuda Hospitality Training Institute, Antigua and Barbuda Institute of Continuing Education, Antigua and Barbuda Investment Authority, Antigua and Barbuda Social Security Board of Control, Antigua Barbuda Airport Authority, Antigua Barbuda Bureau of Standards Board, Antigua Barbuda Development Bank, Antigua Barbuda Tourism Authority, Antigua Barbuda Transport Board, Antigua Pier Group Limited, Antigua Port Authority, Antigua Public Utilities Authority, Board of Education 1994 Limited, Central Housing and Planning Authority, Central Marketing Corporation, Development Control Authority, Financial Services Regulatory Commission, Industrial Development Board, Medical Benefit Scheme, Mt. St. John Medical Centre, National Parks Authority, National Solid Waste Management Authority, PDV Caribe, St John's Development Corporation, State Insurance Corporation and Youth Empowerment Corporation.

**External debt** is defined as all debt owed to creditors residing outside of Antigua and Barbuda, while domestic debt covers all debt owed to residents of Antigua and Barbuda. All bonds issued at the Regional Government Securities Market (RGSM) will be regarded as domestic debt.

The **central government's overall balance** will cover all its revenue, grants, expenditure, and transfers. Revenues will exclude any proceeds from the sale of public assets, which will be considered as financing.

The **central government's overall deficit** will be measured from the financing side as the sum of the net domestic financing plus net external financing.

#### **Central Government's Overall Deficit**

The **central government's overall balance** will cover all its revenue, grants, expenditure, and transfers. Revenues will exclude any proceeds from the sale of public assets, which will be considered as financing.

The **central government's overall deficit** will be measured from the financing side as the sum of the net domestic financing plus net external financing.

#### **Stock of Central Government Short-Term External Debt**

The **limit on short-term external debt** applies to debt owed or guaranteed by the central government of Antigua and Barbuda, with an original maturity of up to and including one year.

#### **External Debt Contracted or Guaranteed by the Nonfinancial Public Sector**

The ceiling on external debt will be applied to contracting or guaranteeing of debt by the nonfinancial public sector. The contracting and guaranteeing of debt will be monitored and reported to the Fund staff by the Debt Management Unit on a monthly basis.

To enable monitoring of performance relative to the above quantitative performance criteria and indicative targets, the Antigua and Barbuda authorities will provide Fund staff with the following specific data and information within 6 weeks after the end of each month.

Armenia

[Republic of Armenia -- Letter of Intent and Technical Memorandum of Understanding, May 30, 2011](#)

The **program fiscal balance** is cumulative from the beginning of the fiscal year and is measured from the financing side as the negative of the sum of net domestic banking system credit to the central government, net domestic nonbank financing, and net external financing to the central government. Should a general subsidy or any other fiscal transaction be introduced off-budget, the overall balance will be measured including the subsidy and other fiscal transactions as part of government spending

**Net banking system credit to the central government** equals the change during the period of net credit to the central government.

**Net nonbank financing** equals the sum of: (1) the change during the period of outstanding treasury bills and bonds to nonbanks (including accrued interest for

treasury bills and excluding accrued interest for treasury bonds)

any other

disbursement or transaction that increases nonbanks' claims on the central government plus withdrawals from the special privatization account or the treasury sub-account containing privatization proceeds in drams, less amortization paid by the central government to private resident nonbank agents.

**Net external financing** equals total debt-increasing disbursements from nonresidents to the central government (including Fund net purchases credited directly to the government accounts at the CBA) less total amortization from the central government to non-residents. All foreign currency-denominated transactions are recorded in drams using the prevailing exchange rate at the time of the transaction. The public sector comprises the general government, the central bank, and nonfinancial public enterprises (enterprises and agencies in which the government holds a controlling stake—typically owns more than 50 percent of the shares, but which are not consolidated in the budget).

The public sector is defined following the *Government Financial Statistics Manual* (GFS 2001) and *System of National Accounts* (1993 SNA). It includes the general government and nonfinancial public enterprises (as defined in paragraph 12).

Benin

[Benin -- Letter of Intent, and Technical Memorandum of Understanding, August 16, 2011](#)

This technical memorandum of understanding (“the Memorandum”) defines the quantitative performance criteria and benchmarks, and structural benchmarks for the Republic of Benin’s program supported by the Extended Credit Facility (ECF). It also sets out the frequency and deadlines for data reporting to the staff of the International Monetary Fund (IMF) for program monitoring purposes.

#### **DEFINITIONS**

Unless otherwise indicated, “government” is understood to mean the central administration of the Republic of Benin and does not include any political subdivisions (such as local governments), the central bank, or any other public or government-owned entity with autonomous legal personality not included in the government’s flow-of-funds table (*Tableau des opérations financières de l’État*, TOFE).

#### **Ceiling on Net Domestic Financing of the Government**

##### **Definitions**

Net domestic financing of the government is defined as the sum of: (i) net bank credit to the government, defined below; and (ii) net nonbank financing of the government, including the proceeds of the sale of government assets, which includes proceeds from the divestiture of parts of public enterprises, that is, privatizations, Treasury bills, and other securitized obligations issued by the government and listed in CFA francs on the WAEMU regional financial market, and any Central Bank of West African States (*Banque centrale des États de l’Afrique de l’Ouest*, BCEAO) credit to the government, including any drawings on the CFA franc counterpart of the allocation of Special Drawing Rights (SDRs).

Net bank credit to the government is defined as the balance between the debts and claims of the government vis-à-vis the central bank and the national commercial banks. The scope of net credit to the government is that used by the BCEAO and is in keeping with general IMF practice in this area. It implies a definition of government that is broader than the one indicated in paragraph 2. Government claims include the CFA franc cash balance, postal checking accounts, customs duty bills, and all deposits with the BCEAO and commercial banks of government owned entities, with the exception of industrial or commercial public agencies (*établissements publics à caractère industriel et commercial*, EPICs) and government corporations, which are excluded from the calculation. Government debt to the banking system includes all debt to the central bank and the national commercial banks, including Treasury bills and other securitized debt.

The figures deemed valid within the framework of the program will be the figures for net bank credit to the government and for the net amount of Treasury bills and bonds issued in CFA francs on the WAEMU regional financial market calculated by the BCEAO and the figures for nonbank financing calculated by the Treasury of Benin.

*Gross* external budgetary assistance is defined as grants, loans, and debt relief operations (excluding project-related loans and grants, use of IMF resources, and debt relief under the Highly Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiatives).

*Net* external budgetary assistance is defined as the difference between gross external budgetary assistance and the sum of total debt service obligations on all external debt (defined, in turn, as the sum of interest payments and amortizations on all external loans, including interest payments and other charges to the IMF and on project-related loans, but excluding repayment obligations to the IMF), and all payments of external payments arrears.

#### **Floor for Government Revenue Definition**

Total government revenue includes tax and nontax revenue as shown in the TOFE, but excludes external grants, revenue of autonomous agencies, and privatization receipts.

Bosnia and  
Herzegovina

[Bosnia and Herzegovina -- Letter of Intent and Technical Memorandum of Understanding, June 16, 2009](#)

**The general government** is defined to include the governments of the State, the Republika Srpska Entity (RS), the Federation of Bosnia and Herzegovina Entity (Federation) and the District Brcko. The Federation government is defined to include the central government, the cantonal governments, the municipal governments, the extrabudgetary funds and the road fund. The RS government is defined to include the central government, the municipal governments, the extrabudgetary funds and the road fund. Extrabudgetary funds include, but are not limited to, the pension funds, health funds, unemployment funds, and children's fund in the two Entities.

Burkina Faso

[Burkina Faso -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, June 28, 2011](#)

This technical memorandum of understanding (TMU) defines the quantitative performance criteria and indicative targets, as well as structural benchmarks to assess performance under the program supported by the Extended Credit Facility (ECF). It also sets deadlines for data reporting.

**Government.** Unless otherwise indicated, “government” means the central administration of Burkina Faso and does not include any local administration, the central bank, or any other public or government-owned entity with autonomous legal personality not included in the government flow-of-funds table (TOFE).

#### **Overall Deficit Including Grants**

##### **Definition**

For the program, the overall deficit including grants is valued on a commitment basis (*base engagement*). It is the sum of foreign and domestic financing (net) of the government measured from the financing side plus cash basis adjustment. Net foreign financing is the sum of foreign borrowing minus amortization. Net domestic financing is the sum of (i) net bank credit to the government, including both net bank credit to the treasury as defined below and other government claims on and debts to national banking institutions; (ii) unredeemed government bills and bonds held outside national commercial banks; and (iii) privatization receipts. Net bank credit to the treasury is the balance of the treasury's claims and debts vis-à-vis national banking institutions. Treasury claims include the cash holdings of the Burkinabè Treasury, deposits with the central bank, deposits with commercial banks, secured obligations, and government deposits with the postal system (CCP). Treasury debt to the banking system includes funding from the central bank (including statutory advances, consolidated advances, IMF financing, and refinancing of secured obligations), government securities held by the central bank, funding from commercial banks (including government securities held by commercial banks), and CNE (*Caisse Nationale d'Épargne Postale*)/CCP securitized deposits. Net bank credit to the government is calculated by the Central Bank of West African States (BCEAO), whose figures are recognized as valid for program purposes. The stock of treasury bills and other government debt, as well as net foreign financing, is calculated by the Ministry of Finance. Cash basis adjustment is the sum of (i) expenditure commitments not paid (*engagées nonpayées*); and (ii) change in treasury deposits.

All these items are valued according to the statement of government budgetary execution established monthly in the central government's financial operations table. This is prepared by the Permanent Secretariat for the Monitoring of Financial Policies and Programs (SP-PPF), in collaboration with the other departments of the Ministry of Economy and Finance.

##### **Public Finance**

The government will report the following to Fund staff:



Complete monthly data on domestic budgetary financing (net bank credit to the government and stock of unredeemed treasury bonds and bills), to be provided within six weeks after the end of each month;

Burundi

[Burundi -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, June 27, 2011](#)

This technical memorandum of understanding covers the agreements on monitoring implementation of the program supported by the Extended Credit Facility (ECF) Arrangement. It sets out the definitions of program variables to monitor implementation of the program and the reporting requirements for the government of Burundi and the Bank of the Republic of Burundi (BRB). It defines quantitative performance criteria, indicative targets, and applicable adjusters.

#### **Definitions and measurement**

**The net foreign assets of the BRB** are defined as the difference between (i) gross official reserves (valued at market prices) and other claims; and (ii) foreign exchange liabilities to nonresident entities (including the use of Fund resources, and liabilities arising from the use of any SDR allocation). The gross official reserves of the BRB are defined as those foreign assets that are liquid and freely available to the BRB.

**The net domestic assets of the BRB** are defined as the difference between (i) reserve money, comprising currency in circulation, reserves of commercial banks, and other deposits held at the BRB; and (ii) net foreign assets of the BRB.

#### **Adjuster for changes in the compulsory reserves coefficients**

The ceiling on net domestic assets of the BRB will be adjusted symmetrically for any change in the compulsory reserves coefficient applied to deposits in commercial banks by the amount of the new coefficient minus that stipulated in the program, multiplied by bank deposits subject to compulsory reserves. The rate stipulated in the program is currently 3 percent.

**Net domestic financing of the government** is defined as the change in (i) outstanding loans, advances, and other credit to the government from the BRB and all of Burundi's commercial banks; (ii) plus the stock of all government securities held by the nonbank public denominated in Burundi francs, including that held by nonresidents; (iii) less government deposits held in the BRB or in Burundi's commercial banks. The coverage of government is defined as central government and any other special funds or operations that are part of the budgetary process or have a direct impact on the government's financial position.

The program includes a ceiling on **new nonconcessional external debt** contracted or guaranteed by the government or the BRB. This performance criterion applies to the contracting or guaranteeing by the government, local governments, or the BRB of new nonconcessional external debt (as specified below) with an original maturity of one year or more, including commitments contracted or guaranteed for which value has not been received. The coverage of government is defined as central government and any other special funds or operations that are part of the budgetary process or have a direct impact on the government's financial position. Debt contracted by state-owned enterprises is included in the overall ceiling, if guaranteed by the government. The term "debt" shall be understood as defined in the Executive Board Decision 6230-(79/140), as revised on August 31, 2009 (Decision No. 14416-(09/91)). Debt rescheduling and restructuring are excluded from the criterion. Included are financial leases and other instruments giving rise to external liabilities, contingent or otherwise, on nonconcessional terms. In determining the level of concessionality of these obligations, the definition of concessional borrowing shall apply. Concessional debt is defined as having a grant element of 50 percent or more. The grant element of debt is the difference between the present value (PV) of debt and its nominal value, expressed as a percentage of the nominal value of the debt. The PV of debt at the time of contracting is calculated by discounting the future stream of payments of debt service due on this debt. The calculation of concessionality will take into account all aspects of the loan agreement, including maturity, grace period, payment schedule, upfront commissions, and management fees. For loans with a maturity of at least 15 years, the 10-year average commercial interest reference rates (CIRRs) published by the OECD should be used as the discount rate for assessing the level of concessionality, while the 6-month average CIRRs should be used for loans with shorter maturities. To both the 10-year and the 6-month

average CIRRs, the following margins should be added: 0.75 percent for repayment periods of less than 15 years; 1 percent for 15–19 years; 1.15 percent for 20–29 years; and 1.25 percent for 30 years or more. The performance criterion is defined to exclude the use of Fund resources and any Burundi franc-denominated treasury securities held by nonresidents. **The stock of short-term external debt** with a maturity of less than one year owed by the government is to remain at zero under the program. The coverage of government is defined as central government and any other special funds or operations that are part of the budgetary process or have a direct impact on the government's financial position. Normal import credits are excluded from this ceiling. Loans with an initial maturity, as recorded in the original loan agreement, of one year or more are considered medium-term or long-term loans. This performance criterion applies not only to debt as defined in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt, adopted August 24, 2000, but also to commitments contracted or guaranteed for which value has not been received (including leases). Excluded from this performance criterion are rescheduling arrangements, borrowing from the IMF, and any Burundi franc-denominated treasury securities held by nonresidents. As of September 2007, the stock of short-term debt outstanding was nil.

Comoros

[Union of the Comoros -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, November 29, 2010](#)

Unless otherwise specified below, "the government" is meant to include the government of the Union of the Comoros and the autonomous island governments. Local governments, the central bank, or any government-owned entity with separate legal personality are excluded from the definition of government. The units covered under this definition of government are consolidated for the needs of the program.

#### **Change in Net Domestic Credit to the Government Definitions**

Net domestic credit to the government is defined as overall net credit extended to the government from domestic bank and nonbank sources. Net bank credit to the government reflects the net debt position of the government vis-à-vis the central bank, commercial banks, and the National Postal and Financial Services Company (SNPSF), as well as microfinance institutions. It is the difference between the government's gross indebtedness to the banking

system and its claims on the banking system. These government claims include all deposits at the central bank and commercial banks, as well as Treasury cash holdings. The government's debt to the banking system includes central bank credit (statutory advances as well as any long-term credit and IMF net credit) and commercial bank credit, as well as net deposits at the SNPSF. Domestic nonbank credit to the government includes changes in the stock of Treasury bills placed in the domestic market, privatization receipts, and any other domestic financial debt of the government held outside the banking sector, other than arrears.

#### **Domestic Payments Arrears Definition**

New domestic payments arrears of the government are defined as any of the following: (i) any invoice that a spending ministry has received from a supplier of goods and services, delivered and verified, and for which payment has not been made within 90 days after the date the payment order (*ordonnancement*) was cleared; (ii) in the case of specific contracts between the suppliers and the government, any invoice received and not paid on the due date stipulated in the contracts; (iii) tax credits confirmed by the proper authorities after review, and not paid within 60 days from the date when the payment order was issued; and (iv) wages and salaries and any payments to a government employee that were due to be paid in a given month but remained unpaid on the 15<sup>th</sup> day of the following month.

#### **Government Revenue Definition**

Government revenue is defined as reported in the consolidated government financial operations table (TOFE), and includes all tax and nontax receipts and excludes external grants.

Congo, Dem. Rep. of [Democratic Republic of the Congo -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, April 11, 2011](#)

**Institutional coverage:** The **central government** comprises all units of government that exercise authority over the entire economic territory. However, unless otherwise indicated for the purposes of this memorandum, the central government does not include nonprofit organizations controlled and financed by the central government. The **banking system** is understood to mean the Central Bank of the Congo (BCC) as well as existing or newly licensed commercial banks.

#### **QUANTITATIVE PERFORMANCE CRITERIA**

The quantitative performance criteria at end-June 2011 have been modified, and quantitative performance criteria have been established for end-December 2011 and indicative targets for end-September 2011 with regard to the following variables:

Changes in the net foreign assets of the BCC;

Changes in the net domestic assets of the BCC;

Changes in net banking system credit to the government (central government);

Payments of government expenditures (including emergency expenditures) by the BCC without the prior authorization according to proper budgetary procedures by the Ministries of Budget and Finance;

Nonconcessional medium- and long-term foreign loans contracted or guaranteed by the central government, local governments, or the BCC;

Nonconcessional short-term foreign loans contracted or guaranteed by the central government, local governments, or the BCC; and

The accumulation of external payment arrears.

### **Floors on the Net Foreign Assets of the BCC**

**Definition:** Net foreign assets (NFA) are defined as the difference between the BCC gross foreign assets and its total foreign liabilities. **Gross foreign assets** are defined as the sum of the following items: (i) monetary gold holdings of the BCC; (ii) SDR holdings; and (iii) convertible claims on nonresidents, such as foreign deposits and foreign securities. The following items are excluded from the definition of gross reserves: claims on residents in foreign exchange, nonconvertible currency holdings, and reserves that are encumbered or pledged in one form or another, including but not limited to reserve assets used as collateral or security for foreign third-party liabilities, and swap transactions. **Foreign liabilities** are all BCC foreign exchange liabilities to nonresidents (including SDR allocations), including the IMF.

### **Ceilings on the Net Domestic Assets of the BCC**

**Definition:** The net domestic assets (NDA) of the BCC are defined as base money minus NFA. Based on this definition, the NDA of the BCC include: (i) net credit to the government (central government, see 10 below); (ii) credit to the private sector; (iii) credit to public enterprises; (iv) credit to commercial banks; and (v) other net assets.

### **Ceiling on Net Banking System Credit to the Government**

**Definition:** Net banking system credit to the government (NCG) is defined as the sum of net BCC and commercial bank claims on the central government, plus the BCC's net cash deficit. For purposes of program monitoring, government deposits related to externally financed projects are excluded from NCG. All foreign currency denominated flows to the budget will be converted to domestic currency by using the market exchange rate prevailing at the time of the disbursement.

### **Ceilings on Nonconcessional External Debt Contracted or Guaranteed by the Public Sector**

**Definition:** The public sector comprises the central government, local governments, the central bank (BCC), key public enterprises (La Générale des Carrières et des Mines (Gécamines), Société nationale d'électricité (SNEL), and Société Minière de Bakwanga (MIBA)), and nonprofit organizations controlled and financed by the central government.

Cote d'Ivoire

[Côte d'Ivoire -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical](#)

### **Government Revenue (IT)**

Total government revenue is defined as revenue collected by the Tax Administration (DGI), the Directorate-General of the Treasury and Public Accounting (DGTCP), and the Customs Administration (DGD), the CNPS, and the CGRAE; and other nontax revenue as defined in the fiscal reporting table (TOFE).

### **Treasury Advances**

Within the framework of the program, Treasury advances are defined as spending paid for by the Treasury outside normal execution and control procedures, and which have not been subject to prior commitment and authorization. They exclude the 'régies d'avances', externally-financed expenditure, wages, subsidies and transfers, and debt service as set out through ministerial decree. The cumulative amount of expenditures by treasury

advance as defined by the program will not exceed cumulative quarterly ceilings representing 10 percent of quarterly budget allocations (excluding externally-financed expenditures, wages, subsidies and transfers, and debt service). The nominative and restrictive list of expenditures eligible as treasury advances is as defined by ministerial decree no. 178/CAB-01/26 of March 13, 2009.

#### **Net Domestic Financing (PC)**

Domestic financing by the central government is defined as the issuance of all debt instruments in CFAF to domestic creditors and the WAEMU financial market, borrowing from the BCEAO (including drawings from the IMF), and the contraction of any kind of other liability in CFAF toward these creditors. The program ceiling on net domestic financing applies to net amounts of domestic/WAEMU borrowing defined as the gross amount of domestic/WAEMU borrowing less amortization during the period under consideration. This ceiling includes a margin of CFAF 10 billion above the net cumulative flow projected for each quarter.

#### **Net Bank Credit to the Government**

Net bank credit to the government is defined as the difference between government debts and government claims with the central bank and commercial banks. The coverage of net bank credit to the government is that used by the BCEAO, and is the same as that shown in the net government position (NGP). For example, the level of net bank credit to the government amounted to CFAF 806.7 billion at end-December 2010.

Djibouti

[Djibouti -- Staff-Monitored Program: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, August 04, 2005](#)

**Net Central Bank credit to the government** is defined as all Central Bank claims on government departments minus the deposits of government departments at the Central Bank. These deposits include: the Reserve Fund, the cash holdings of the Treasury, and miscellaneous deposits. Miscellaneous deposits are primarily made up of: deposits on blocked accounts, deposits related to the payment of exceptional grants, current accounts, deposits on special accounts, and offsetting funds related to loans and grants received by way of external fiscal assistance. These deposits do not include the offsetting funds from external loans and grants that are not earmarked for fiscal support.

**Net commercial bank credit to the government** is made up of all commercial bank claims on the government (including overdrafts and securities and bonds issued by government departments, held by commercial banks), current accounts, deposits on special accounts, and balancing funds related to loans and grants representing external fiscal assistance. These deposits do not include the balancing funds generated by external loans and grants that are not earmarked for fiscal support. Commercial banks are the two banking institutions currently operating in Djibouti.

Dominican Republic

[Dominican Republic -- Letter of Intent, and Technical Memorandum of Understanding, December 03, 2010](#)

This Technical Memorandum Understanding (TMU) presents the definitions of the variables included in the quantitative performance criteria annexed to the Letter of Intent (LOI), and the information requirements needed to ensure adequate monitoring of economic and financial developments.

#### **Quantitative Performance Criteria: Definition of Variables**

##### **Cumulative Floor on the Central Government Balance**

The overall balance of the central government covers government activities as specified in the budget.

Revenues are recorded when the funds are deposited in the Treasury account. Revenues also include grants. Central government primary expenditures are recorded on an accrual basis and include transfers to other government units as well as all transfers to the public electricity sector. Interest payments, however, will be recorded on a due basis. Capital expenditure will include any in-kind capital expenditures defined as the externally financed investment projects (through loans and grants) in case they are not included in the execution of the budget.

The balance of the central government will be measured from below-the-line as the change in the central government's net financial position (assets minus liabilities). The net financial position of the central government includes: (a) non-bank central government debt, external and domestic, including debt with the IMF for budgetary support and short-term debt approved by the Ministry of Finance; (b) external and domestic bank borrowing (net of deposits), including deposits in the central bank; and (c) any other nonbank financing, domestic or external, including the net change in the stock of domestic and external arrears, including arrears to electricity distributors, and the sale of public assets. Domestic arrears of the nonfinancial public sector are defined as delays in the payment of contractual obligations beyond the grace period set in the respective loan or debt contract or 30 days in case the grace period is not specified. Capitalizations or purchases of equity in public companies will be treated as an above-the-line expenditure transaction. Privatizations and sales of public assets will be recorded below-the-line as offsetting financing items with no impact on the deficit. External debt flows (i.e., disbursements and debt service), will be converted to Dominican Republic pesos at the exchange rate of the day in which the transaction takes place.

El Salvador

[El Salvador -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, March 17, 2011](#)

**This Technical Memorandum of Understanding (TMU) describes the understandings** reached between the authorities of El Salvador and IMF staff for monitoring performance under the Stand-By Arrangement (SBA). In particular, it defines concepts employed in measuring the quarterly fiscal and debt quantitative performance criteria; the continuous performance criteria on external debt and domestic payments arrears; the adjusters on performance criteria; triggers for consultation clauses; structural benchmarks; and reporting requirements under the SBA.

#### **Performance Criterion on the Balance of the Nonfinancial Public Sector**

**The fiscal balance pertains to the operations of the nonfinancial public sector (NFPS), which comprises** the central government, the rest of the general government (Instituto Salvadoreño del Seguro Social (ISSS), municipal governments, public hospitals, the national university, and other decentralized agencies), and the nonfinancial public sector enterprises (Comisión Ejecutiva Hidroeléctrica del Río Lempa (CEL), Comisión Ejecutiva Portuaria Autónoma (CEPA), Administración Nacional de Acueductos y Alcantarillados (ANDA), and Lotería Nacional de Beneficiencia (LNB)).

Ghana

[Ghana -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, May 12, 2011](#)

The government is defined as comprising the central government, all special funds (including the Education Trust Fund, the Road Fund, the District Assembly Common Fund, and the National Health Insurance Fund), and all subvented and other government agencies that are classified as government in the Bank of Ghana (BoG) Statement of Accounts (SOA). The Social Security and National Insurance Trust (SSNIT) and public enterprises, including Cocobod, are excluded from the definition of government. The government's **total tax revenue** includes all revenue collected by the Ghana Revenue Authority (GRA) (direct taxes, indirect taxes, trade taxes) whether they result from past, current, or future obligations. Receipts are recorded on a cash basis.

**Oil tax revenue** is defined as the government's net proceeds from the sale of oil, including corporate tax and royalties paid by oil companies, excluding any revenue associated with GNPC's carried interests in oil fields.

**Non-oil tax revenue** will be measured as total government tax revenue less oil tax revenue (as defined in paragraph 9).

**The fiscal deficit** is measured as total financing extended to the government (as defined in paragraph 7 above), comprising the sum of net foreign borrowing (as defined in paragraph 15 below), net domestic financing (defined in paragraph 14 below), exceptional financing (including HIPC and MDRI relief against loan repayments falling due), and receipts from net divestitures.

Greece

[Greece -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, February 28, 2011](#)

This Technical Memorandum of Understanding (TMU) sets out the understandings regarding the definitions of the indicators subject to quantitative targets (performance criteria and indicative targets), specified in the tables annexed to the Memorandum of Economic and Financial Policies. It also describes the methods to be used in assessing the program performance and the information requirements to ensure adequate monitoring of the targets. We will consult with the Fund, European Commission and ECB before modifying measures contained in this letter, or adopting new measures that would deviate from the goals of the program, and provide the European Commission, ECB and the Fund with the necessary information for program monitoring.

### **General Government**

**Definition:** For the purposes of the program, the general government includes:

The central government. This includes:

The entities covered under the State Budget as defined in Chapter 2 of the Law 2362/1995 as being modified by Law 3871/2010 regarding “Public Accounting, Auditing of Government Expenditures and Other Regulations,” and other entities belonging to the budgetary central government.

Other entities or extra-budgetary funds (EBFs) not part of the State budget, but which are, under European System of Accounts (ESA95) rules (“*ESA95 Manual on Government Deficit and Debt*”), classified under central government. This includes ETERPS

The following state enterprises and organizations included by the National Statistical Service (ELSTAT) under the definition of central government (ATTIKO METRO, ETHEL, ISAP, HLPAP, TRAM, ELGA, HELLENIC DEFENCE SYSTEMS S.A., OSE, TRAINOSE, ERT, ELECTROMECHANICA KYMI LTD, OPEKEPE, KEELPNO, EOT, INFORMATION SOCIETY IN GREECE, Unit for the Organization and Management of Development Projects S.A.). References to individual

companies are understood to include all of their subsidiaries which are to be consolidated under IFRS requirements.

Local government comprising municipalities, prefectures, and regional governments including their basic and special budgets, including all agencies and institutions attached thereto, which are classified as local governments according to ESA 95.

Social security funds comprising all funds that are established as social security funds in the registry of ELSTAT.

Other extra budgetary entities included by ELSTAT under general government, which are not yet counted under central government.

This definition of general (central) government also includes any new funds, or other special budgetary and extra budgetary programs that may be created during the program period to carry out operations of a fiscal nature. The government will inform IMF, European Commission and ECB staff of the creation of any such new funds, programs, or entities immediately. The general (central) government, as measured for purposes of the program monitoring in 2010, shall not include entities that are reclassified from outside general (central) government into general (central) government during the course of 2010. During the course of 2011, such reclassified entities will be included, as specified below. Entities that are reclassified during the course of 2011 from outside general (central) government into general (central) government will be excluded for the 2011 program monitoring.

Grenada

[Grenada -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, March 23, 2010](#)

The **central government primary balance excluding grants** covers the activities specified in the budget using above-the-line items. Expenditure will include out-of-budget transfers to nonfinancial public enterprises.

**Net domestic financing** of the central government is the sum of (a) net domestic bank financing, (b) net nonbank financing, (c) change in the stock of domestic arrears

of the central government, (d) gross receipts from divestment and (e) any exceptional financing, where:

a. **net domestic bank financing** will be measured by the change in the domestic banking system credit to the central government minus government deposits in the banking system, as reported by the consolidated balance sheet of the monetary authorities<sup>4</sup> and commercial banks. Domestic banking system credit to the central government is defined as the sum of ECCB and commercial banks' financing to the central government. ECCB financing is comprised of treasury bills, debentures, temporary advances and other claims while commercial banks' financing is in the form of loans and advances, treasury bills, and other securities.

b. **net nonbank financing** will be measured by the net changes in holdings of government securities by nonbanks, and net borrowing from nonbank institutions;<sup>5</sup>

c. **the change in the stock of domestic expenditure arrears** of the central government will be measured as net changes in unpaid checks issued, unprocessed claims, pending invoices, plus accrued interest payments, arrears to the oil companies resulting from the fuel price subsidization arrangement, and other forms of expenditures recorded above the line but not paid;

d. **gross receipts from divestment** are defined as proceeds received from any privatization/divestment; and

e. **any exceptional financing** (including rescheduled principal and interest).

**Net external financing** of the central government is defined as the sum of:

a. net disbursements of project and budget support loans, including securitization;

b. net proceeds from issuance of external debt, other than the Treasury bills and bonds issued on the RGSM;

c. any exceptional financing (including rescheduled principal and interest),

d. net changes in the stock of short-term external debt;

e. any change in arrears on external interest payments and other forms of external expenditures recorded above the line but not paid; and

f. decrease in cash deposits held outside the domestic banking system.

#### **INDICATIVE TARGET ON THE NET CREDIT OF THE BANKING SYSTEM TO THE PUBLIC SECTOR**

The **public sector** is defined as the total of the central government and all public enterprises.<sup>9</sup>

<sup>9</sup>Excluded are the Banana, Cocoa, and Nutmeg Associations and the Minor Spices Co-operative Society as these are cooperative entities owned largely by private sector shareholders.

Guinea-Bissau

[Guinea-Bissau -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, November 14, 2011](#)

Unless otherwise indicated, "Government" means the central administration of the Republic of Guinea-Bissau and does not include any local administration, the central bank, or any other public or government-owned entity with autonomous legal personality not included in the government flow-of-funds table (TOFE).

**The domestic primary fiscal deficit on a commitment basis** is calculated as the difference between government revenue and domestic primary expenditure on a commitment basis. Government revenue includes all tax and nontax receipts and excludes external grants. Domestic primary expenditure consists of current expenditure plus domestically financed capital expenditure, excluding all interest payments. Government commitments include all expenditure for which commitment vouchers have been approved by the Ministry of Finance; automatic expenditure (such as wages and salaries, pensions, utilities, and other expenditure for which payment is centralized); and expenditure by means of offsetting operations.

**New domestic arrears of the government** are defined as accounts payable (rest-apayer) accumulated during the year, still outstanding one month after the quarter for wages and salaries (including pensions), and three months after for goods and services and transfers, at end-March, end-June, end-September, and end-December.

**Net domestic financing consists of bank and nonbank financing** (Table 3). Bank financing consists of net changes in the balances of the treasury accounts at the BCEAO (excluding net disbursement from the IMF) and commercial banks (excluding balances in those accounts that are not available for budget financing, such as accounts held under double signature arrangements with donors) and in the outstanding amounts of loans, including T-bills, from the BCEAO and commercial banks, local and regional. Nonbank financing encompasses privatization receipts and any other financial debt held outside the banking system other than new domestic arrears.

Haiti

[Haiti -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, February 02, 2009](#)

The central government comprises the presidency, prime minister's office, parliament, national courts, treasury, line ministries and "organismes déconcentrés". It includes expenditures financed directly by foreign donors through ministerial accounts (comptes-courants)

The change in net BRH credit to the central government is defined as, and will be measured using:

- a. Change in net domestic credit to the central government from the BRH according to Table 10R of the BRH for end-September 2008.
- b. Change in the stock of project accounts ("Comptes de projets") included in Table 10R of the BRH will be excluded from change in net domestic credit to the central government as defined above.

Project accounts ("Comptes de projets") refer to government accounts at the BRH which can only be used with the authorization of donors (similar to escrow accounts), i.e., their use is beyond the control of the central government. If included, movements in these accounts would appear as BRH credit to the government. See Section E for the treatment of PetroCaribe-related resources.

- c. Change in the stock of Special Accounts ("Comptes Speciaux") and seized values ("Valeurs Saisies UCREF") included in Table 10R of the BRH will be excluded from the change in net domestic credit to the central government as defined above.

Special Accounts ("Comptes Speciaux") refer to US\$-denominated central government sight deposits at the BRH. The balance of these accounts increase with the proceeds of the sales of in-kind aid (in the form of wheat, maize, rice, etc.) received by the Haitian government; these proceeds are earmarked to finance specific projects and cannot be used by the Central Government without the explicit authorization of respective donors. Thus, resources under the direct control of the government do not form part of 2.b and/or 2.c as defined above.

Honduras

[Honduras -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, April 12, 2011](#)

This memorandum sets out technical understandings between the Honduran authorities and the Fund staff for monitoring of the economic program agreed for the period October 2010–March 2012. It defines the concepts used to assess observance of quantitative performance criteria, structural benchmarks, and indicative targets specified in Tables 1 and 2, and 3 of the Memorandum of Economic and Financial Policies (MEFP). It also specifies the frequency of the data to be provided to the Fund to monitor the developments under the program.

**The deficit of the combined public sector (CPS)** will be measured from the financing side (i.e., "below the line"), and will correspond to the net borrowing of the CPS, from both external and domestic sources. The CPS comprises the nonfinancial public sector (NFPS) and the operating result (quasi-fiscal balance) of the central bank. The NFPS covers the central government, local governments and decentralized agencies, the social security institute (IHSS), the pension institutes (INJUPEMP, INPREMA, IPM), and the public enterprises.

**The deficit of the central government** also will be measured from the financing side. The central government includes the executive, judicial, and legislative branches, and the so-called decentralized agencies (*desconcentradas*).

**The central government wage bill** is defined as all central government wages and salaries, including severance payments, plus employer social security and pension contributions; other remunerations (such as bonus payments) are also included in the definition.

**The operating balance of the public enterprises** is defined as the difference



between the operating revenue (excluding interest earnings and transfers) and the operating expenditure (excluding interest payments and transfers) of the enterprises.

**Net International Reserves (NIR) of the central bank (program definition).** For program purposes, the NIR of the central bank will be measured as gross international reserves that are readily available minus (i) short-term reserve liabilities (including purchases and credits from the Fund), as described in the international reserves table prepared by the central bank according to the MFSM); (ii) foreign assets that are counterpart of foreign currency deposits of financial institutions at the central bank and of any other liability of the central bank with residents that is payable in foreign currency; (iii) any conversion of short-term reserve liabilities; and (iv) the transfer to the central bank of foreign currency deposits held abroad by HONDUTEL, INJUPEMP, and IHSS, which amounted to US\$73.4 million at 1 The losses of the Central Bank of Honduras will be explicitly excluded from the calculation of credit to the public sector.

end-June 2010. Readily available reserves also exclude those assets that are pledged or otherwise encumbered, including but not limited to reserve assets used as collateral or guarantee for a third-party external liability. NIR will be valued at program accounting exchange rates. In addition, monetary gold included in the gross international reserves will be valued at the constant price as at December 31, 2010 (US\$1,411.5 per troy ounce).

**Net domestic assets (NDA) of the central bank** will be measured as the difference between currency issue and NIR, both measured on the basis of end-of-period data.

**Definition of public debt.** For the purpose of the program, public sector debt is defined as the debt of the combined public sector excluding the debt of local governments. For purpose of the program, the guarantee of a debt arises from any explicit legal obligation of the central government or any other agency acting on behalf of the central government to service such a debt in the event of nonpayment by the recipient (involving payments in cash or in kind), or from any implicit legal or contractual obligation to finance partially or in full any shortfall incurred by the debtor.

**The ceilings on the deficit of the central government and of the CPS** will be monitored below-the-line on the basis of the monthly reports *Financiamiento de la Administración Central* and *Financiamiento del Sector Público Combinado*, respectively, prepared by the central bank, which contain:

Net external financing of the central government and the NFPS, respectively, with detailed information on disbursements, amortizations, exceptional financing, zero coupon bonds, and accumulation of arrears. This information will be prepared by the central bank and reconciled with the Ministry of Finance.

Net domestic financing of the central government and the NFPS, respectively, with detailed information on: (i) net domestic financing from the central bank and the rest of the financial system to the central government and the NFPS, as contained in the *Panorama Financiero* monthly report; (ii) net placement of bonds (including stabilization bonds) by the central government and the NFPS outside the financial system, as reported by the central bank with data from the Public Credit Directorate of the Ministry of Finance; (iii) change in foreign currency deposits held abroad by the central government and the NFPS; and (iv) change in the outstanding stock of suppliers' credit and floating debt of the central government, as reported by the Treasury, and the rest of the NFPS as reported by the central bank. To monitor the net domestic financing to the CPS, the central bank will provide the Fund with detailed data on a cash basis on the operating revenue and expenditure of the central bank.

**The ceilings on the wage bill of the central government** will be monitored monthly on the basis of the Ministry of Finance report: *Información institucional por objeto de gasto - servicios personales y aportes patronales*.

Iraq

[March 16, 2010 -- Iraq: Staff Report for the 2009 Article IV Consultation and Request for Stand-By Arrangement](#)

For program purposes, **central government** is defined to include the central administration, the Kurdish government, as well as agencies included under Section 6 (the local boards, Iraqi media network, Iraqi national Olympic committee, Bait-Al-Hikma, Amman Baghdad, Municipality institutions, as well as the General directorates of sewerage and water).

**Net international reserves (NIR)** are defined as gross usable reserves minus

reserve-related liabilities of the CBI. Gross usable reserves of the CBI are claims of the CBI on nonresidents that are controlled by the CBI, denominated in foreign convertible currencies, and are immediately and unconditionally available to the CBI for meeting balance of payments needs or for intervention in foreign exchange markets, and are not earmarked by the CBI for meeting specific payments. They include CBI holdings of monetary gold, SDRs, Iraq's reserve position in the IMF, foreign currency cash, and deposits abroad, except for the resources of the DFI but including the CBI DFI sub-account. Excluded from reserve assets are any assets that are pledged, collateralized, or otherwise encumbered; claims on residents; precious metals other than monetary gold; assets in nonconvertible currencies; illiquid assets; and claims on foreign exchange arising from derivatives in foreign currencies vis-à-vis domestic currency (such as futures, forwards, swaps, and options). Reserve-related liabilities shall be defined as foreign currency denominated liabilities of the CBI to residents and nonresidents with original maturity of one year or less, and all liabilities to the Fund. They include: foreign currency reserves of commercial banks held at the CBI; commitments to sell foreign currency arising from derivatives (such as futures, forwards, swaps, and options); and all arrears on principal or interest payments to commercial banks, suppliers, or official export credit agencies. Excluded from reserve liabilities are the government's foreign currency deposits at the CBI. As of December 31, 2009, (net) international reserves amounted to US\$44.34 billion, all comprising of in reserve assets. The program floors on the net international reserves of the CBI are reported in Table 1.

**Net domestic assets of the CBI** include (i) net claims on the general government, comprising of gross claims on the general government minus general government domestic and foreign currency deposits at the CBI; (ii) gross claims on commercial banks; (iii) monetary policy instruments, including dinar and foreign currency denominated term deposits and CBI bills; and (iv) gross claims on non-bank, non-government entities. For the purpose of this arrangement, net domestic assets of the CBI excludes other items net, comprising of net fixed and other assets, minus revaluation accounts and capital and reserve accounts. As of end-December 2009, net claims on the general government amounted to ID 2,740 billion; gross claims on commercial banks stood at ID 4 billion; monetary policy instruments amounted to ID -3,988 billion; and gross claims on non-bank, non-government entities were nil, resulting in a stock of the CBI's net domestic assets of ID -1,243 billion. As of end-December 2009, OIN amounted to ID -1,040 billion. The program ceilings of the net domestic assets of the CBI are reported in Table 1.

The **central government fiscal deficit** will be calculated as the sum of domestic and external financing of the central government balance, adjusted for any deviations in the amounts of (i) donor financing for projects and (ii) "other financing" in excess of program projections. Domestic financing includes any form of resident financing of the consolidated budget from (i) the central bank; (ii) commercial banks; (iii) non-bank financial institutions; (iv) nonfinancial enterprises; (v) privatization proceeds; (vi) changes in arrears; (vii) households; and (viii) all other domestic financing not elsewhere classified. External financing includes financing from (i) the Development Fund for Iraq, (ii) donor financing for projects, (iii) other financing not elsewhere classified, net of (iv) the amortization of external debt. The ceilings for end-March 2010, end-June 2010, and end-December 2010 will be measured on a cumulative basis from January 1, 2010. The program ceilings of the central government fiscal deficit are reported in Table 1.

Ireland

[Ireland -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, December 03, 2010](#)

The exchequer balance is the traditional domestic budgetary aggregate which measures the net surplus or net deficit position of the Exchequer Account. The Exchequer Account is the single bank account of the Central Fund and is held at the Central Bank of Ireland. The annual audited accounts of the Exchequer Account produced by the Department of Finance are known as the Finance Accounts. An unaudited summary known as the Exchequer Statement is produced at the end of each month. Under the Irish Constitution, all Government receipts are paid in to the Central Fund and all Government expenditure is funded from it, unless provided otherwise by law.<sup>1</sup> The Exchequer balance is the difference between total receipts into, and total expenditure out of, the Exchequer Account. It measures the sum of the current and capital balances. The current balance is defined as current receipts

(tax and non-tax revenue) minus current expenditure (voted expenditure and non-voted expenditure charged directly on the Central Fund, including the Sinking Fund). The capital balance is defined as capital receipts (Sinking Fund and other capital receipts) minus capital expenditure (voted and non-voted expenditure). The Sinking Fund provision is a transfer from the current account to the capital account to reduce national debt and has no effect on the overall exchequer balance.

Receipts of the Central Fund comprise Exchequer tax revenues, non-tax revenues, receipts from the European Union and other capital receipts. Charges on the Central Fund include the expenditure of Government departments and offices, payments related to the servicing of the national debt, payments to the European Union Budget, the salaries, pensions and allowances of the President, judiciary, and Comptroller & Auditor General and the running costs of the Houses of the Oireachtas (Parliament). Extra-budgetary funds (including the National Pensions Reserve Fund), the Social Insurance Fund, semi-state bodies and local governments are not part of the Exchequer system.

The stock of central government net debt, for the purposes of the programme, is defined as the National Debt, less liquid assets of the National Pensions Reserve Fund (NPRF). The National Debt is defined as the total outstanding amount of principal borrowed by central government and not repaid to date, less liquid assets available for redemption of those liabilities at the same date. These liquid assets comprise the Exchequer cash balances (including cash in the Capital Services Redemption Account), Exchequer deposits with commercial banks and other institutions, investments in investment grade sovereign bills. For the purposes of the programme, NPRF liquid assets include the asset classes listed above, and also all marketable securities such as equities, government bonds and other listed investments. NPRF shares in domestic Irish banks are excluded from the definition of liquid assets.

#### **REPORTING REQUIREMENTS**

Performance criteria under the programme will be monitored using data supplied to the IMF. The Irish authorities will transmit promptly any data revisions in a timely manner.

The Department of Finance will report the Exchequer balance to the IMF staff, with a lag of no more than seven days after the test date.

The National Treasury Management Agency will provide provisional figures on the outstanding stock of net government debt with a lag of no more than seven days after the test date. The revised figures will be provided within three months of the test date.

The National Treasury Management Agency will provide the final stock of the central government system external payments arrears to the IMF staff, with a lag of not more than seven days after the arrears arise in accordance with the definition of external payments arrears as set forth in paragraph 12 of this memorandum.

Jamaica

[Jamaica -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, December 23, 2010](#)

#### **Cumulative Floor of the Central Government Primary Balance**

**Definition:** The central government for the purposes of the programme consists of the set of institutions currently covered under the state budget. The fiscal year starts on April 1 in each calendar year and it ends on March 31 of the following year.

#### **Cumulative Floor on Overall Balance of Public Bodies**

**Definitions:** The public sector consists of public units, which are institutional units that are themselves government units or are controlled, directly or indirectly, by one or more government units. Whether an institution belongs to the public or private sector is determined according to who controls the unit, as specified in the Government Financial Statistics (GFS) Manual 2001 - Coverage and Sectorization of the Public Sector. For the purposes of the programme, the assessment of whether an entity belongs to the public or the private sector will be based on the guidance provided by the GFS criteria.

Public bodies consist of all self-financed public bodies, including the 20 “Selected Public Bodies”, and “Other Public Bodies”. The 20 “Selected Public Bodies” include: Airport

Authority of Jamaica (AAJ); Human Employment and Resource Training Trust (HEART); Jamaica Mortgage Bank (JMB); House Agency of Jamaica (HAJ); National Housing Trust (NHT); National Insurance Fund (NIF); Development Bank of Jamaica (DBJ); National Water Commission (NWC); Petrojam; Petroleum Corporation of Jamaica (PCJ); Ports Authority of Jamaica (PAJ); Urban Development Corporation (UDC); Jamaica Urban Transit Company Ltd. (JUTC); Caymanas Track Ltd. (CTL); Wallenford Coffee Company Ltd. (WCC); National Road Operating and Constructing Company Ltd. (NROCC); Petro-Ethanol; Air Jamaica (AJ); Clarendon Aluminum Production (CAP); Sugar Company of Jamaica (SCJ). "Other Public Bodies" include: Bauxite and Alumina Trading Company of Jamaica Ltd. ; Road Maintenance Fund; Jamaica Bauxite Mining Ltd. ; Petroleum Company of Jamaica Ltd. (Petcom); Wigton Windfarm Ltd.; Broadcasting Commission of Jamaica; The Office of Utilities Regulation; Spectrum Management Authority; Sports Development Foundation; Bureau of Standards Jamaica; Factories Corporation of Jamaica Ltd.; Kingston Freezone Company Ltd.; Micro Investment Development Agency Ltd.; Montego Bay Freezone Company Ltd.; Postal Corporation of Jamaica Ltd.; Self Start Fund; Betting Gaming and Lotteries Commission; Culture, Health, Arts, Sports and Education Fund; Financial Services Commission; Jamaica Deposit Insurance Corporation, Jamaica Racing Commission, National Export-Import Bank of Jamaica Ltd.; PetroCaribe Development Fund; The Public Accountancy Board; Students' Loan Bureau; National Health Fund; Agricultural Development Corporation; Agricultural Marketing Corporation, Cocoa Industry Board; Coffee Industry Board; Sugar Industry Authority; Overseas Examination Commission; Aeronautical Telecommunications Ltd.; Jamaica Civil Aviation Authority; Jamaica Ultimate Tire Company Ltd.; Jamaica Railway Corporation Ltd.; Ports Security Corps Ltd.; Transport Authority.

Kenya

[Kenya -- Letter of Intent and Technical Memorandum of Understanding, June 14, 2011](#)

The **central government primary balance excluding external concessional project loans** on cash basis is defined as central government revenues and grants minus expenditures and net lending, plus due interest payments and investment expenditure financed through external concessional project loans, adjusted for cash basis.

For program purposes, the **central government primary balance excluding external concessional project loans** on cash basis is cumulative from October 1, 2010 and will be measured from the financing side as the sum of the following: (a) the negative of **net domestic financing** of the central government; (b) the negative of **net external financing of the central government, excluding external concessional project loans**; and (c) **domestic and external interest payments** of the central government. For the December 31, 2011 and June 30, 2012 test dates, the central government primary balance including grants excluding external concessional loans will be measured cumulative from July 1, 2011.

#### COVERAGE

All the references to **central government** in the current TMU will be changed to **general government**, in order to include local governments whenever the fiscal decentralization takes place according to the new constitution.

Kosovo

[Kosovo -- Letter of Intent, and Technical Memorandum of Understanding, June 20, 2011](#)

For the purpose of this memorandum, **general government** is composed of the Executive, the Legislative, and Judiciary branches of the Government, its Municipalities, and any other public authorities that receive direct budgetary appropriations. It excludes publicly owned enterprises and socially owned enterprises.

**Quantitative Benchmarks and Indicative Targets.** The quantitative benchmarks, indicative targets, and their respective test dates are set in Table 1 of the Letter of Intent (LOI).

**Primary expenditures** are measured on a cash basis cumulatively from the beginning of the calendar year. Primary expenditures include current expenditures (wages and salaries, goods and services, subsidies and transfers, reserves), capital expenditures, and net lending. They do not include interest payments or receipts or expenditures designated by donors financed with grants ("donor designated grants"). Net lending comprises loans granted by the general government except that it does not include onlending such as funds borrowed from KfW, which is instead included as a domestic financing item ("below the line"). All expenditures and net lending financed with loans to be serviced by the general

government are in the program's concept of expenditures and net lending, even if the cash did not transit through the Treasury.

**Reporting requirements.** Data on the monthly execution, budget appropriations, and budget allocations of revenues and expenditures will be provided monthly no later than five weeks after the end of each month, including (i) government domestic revenue detailing by components direct taxes, indirect taxes, and nontax revenues; (ii) external budget support grants; (iii) primary recurrent expenditure, (iv) domestic and external interest payments and receipts, (v) capital expenditure detailing all those related to the construction of Route 7 and including domestically and budget support financed capital expenditure and externally project financed capital expenditure; (vi) the gross payment and gross accumulation of domestic payments arrears; (vii) external loan receipts and principal payments; (viii) external arrears payments and accumulation; (ix) bank and nonbank financing; (x) privatization and receipts of the sales of nonfinancial assets; and (xi) any other revenue, expenditure, or financing not included above.

**Primary fiscal balance** of the general government is defined as revenues and grants minus primary expenditures cumulatively since the beginning of the calendar year. Revenues do not include privatization receipts.

The government of Kosovo will consult with Fund staff before contracting or guaranteeing any new debts in circumstances where they are uncertain whether the instrument in question is covered under the quantitative benchmark.

Kyrgyz Republic

[Kyrgyz Republic -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, June 02, 2011](#)

**National Bank of the Kyrgyz Republic (NBKR).** The NBKR is the central bank of the country and is responsible for the formulation and implementation of monetary policy, bank supervision, and the payment system. For the purpose of the program, the NBKR includes all its central and regional offices.

**Public sector.** For the purpose of the program, the public sector comprises the general government, the NBKR, and 10 largest nonfinancial public enterprises (enterprises and agencies in which the government owns more than 50 percent of the shares, but which are not consolidated in the budget, as listed in Table 1). The State budget comprises central and local government budgets. The general government budget includes the State, Social Fund and the Development Fund (hereinafter, KRDF) budgets.

Table 1. Kyrgyz Republic: Ten largest SOEs

Name of SOE

1. JSC KyrgyzAltyn
2. JSC KyrgyzNefteGaz
3. JSC "Electrical Stations"
4. JSC "National Electrical Grid of Kyrgyzstan"
5. JSC "Manas International Airport"
6. JSC KyrgyzTelecom
7. JSC SeverElectro
8. SOE "National Company Kyrgyz Temir Jolu"
9. JSC KyrgyzGaz
10. JSC BishkekTeploset

## **Ceiling on the cumulative overall cash deficit of the general government**

### ***Definitions***

**The overall cash deficit of the general government** will be measured from the financing side (below the line) at current exchange rates and will be defined as the sum of: the change in the stock of net claims of the domestic banking system and nonfinancial institutions and households on the general government. The change in the stock of net claims of the domestic banking system on the general government is defined as the change in the stock of the banking system claims on the general government, less the change in the stock of all deposits of the general government with the banking system. The claims of the banking system on the general government include: bank loans to the general government; any securities issued by the general government and held by domestic banks, with the exception of those issued in relation with bank

rescue operations; and overdrafts on the current accounts of the general government with banks;

#### **Budgetary and extra budgetary data**

In addition to the monthly treasury report, the Social Fund will report monthly on its operations. This information will be provided to the Fund staff within 26 days from the end of each reference month. The ministry of finance will also provide monthly reports on the disbursements and use under the public investment program and budgetary grants with a one-month time lag.

Latvia

[Republic of Latvia -- Letter of Intent, and Technical Memorandum of Understanding, May 09, 2011](#)

The general government includes: (i) the central government, including all ministries, agencies and institutions attached thereto, as defined in the basic budget; (ii) derived public persons, including universities; (iii) the social security fund (first pillar), as described in the special budget; (iv) municipalities, provincial, regional governments including their basic and special budgets, including all agencies and institutions attached thereto, which are classified as part of general government according to the budget documents and which are included by the BoL in its monthly submissions to the IMF of balance sheets of the central bank and the consolidated accounts of the commercial banks. No off-budgetary funds will be maintained or created. This definition of general government also includes any new funds, or other special budgetary and extra-budgetary programs that may be created during the program period to carry out operations of a fiscal nature as defined in the IMF's *Manual on Government Finance Statistics 2001*. The authorities will inform IMF staff of the creation of any such new funds or programs immediately.

The net government overall balance includes all recognitions of liabilities by the general government unit. This includes in particular the following debt-related transactions: debt assumption (i.e. when the general government assumes responsibility for the debt as the primary obligor, or debtor), debt payments on behalf of others, debt forgiveness, debt restructuring and rescheduling, debt write-offs and write-downs, debt-for-equity swaps, and defeasance. For example, if a loan guarantee is called, the general government records a transfer to the defaulter and an incurrence of a liability to the creditor.

Lesotho

[Lesotho -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, February 24, 2011](#)

The central government includes the central administration and all district administrations. The domestic financing requirement of the central government is defined as net credit to the government from the banking system (that is, the Central Bank of Lesotho and the commercial banks) plus holdings of treasury bills and other government securities by the nonbank sector. For program monitoring purposes, the domestic financing requirement will be calculated as the change from the end of the previous fiscal year (which runs from April 1 to March 31) of net credit to the government by the banking system and of holdings of treasury bills and other government securities by the nonbank sector. In particular, the calculation of the domestic financing requirement shall include changes in (i) balances held in the privatization account or balances of other accounts into which proceeds from the sale of public enterprises are deposited; (ii) the amount of outstanding treasury bills issued by the Central Bank of Lesotho for monetary policy purposes and held in the balance of the blocked government deposit account used by the Central Bank of Lesotho to sterilize reserve money absorbed by monetary policy operations. The calculation of the domestic financing requirement shall exclude changes in balances held in any account into which revenues collected by the customs department are held pending their transfer to the SACU revenue pool. External debt service, amortization, disbursements and external grants will be calculated at an exchange rate of M 7.33 per U.S. dollar.

**Supporting material.** The Central Bank of Lesotho will provide the monetary survey and other monthly monetary statistics, as well as a table showing the details of all government financing operations from the nonbank public, on a monthly basis and within 30 days of the end of the month. The following information will be presented as memorandum items in the monetary survey: (i) the outstanding balances in the privatization account or accounts; and (ii) details of any monetary operations with treasury bills, including changes in government deposits as a result of such operations. The Central Bank of Lesotho will also provide a table showing the details of government debt by type and holder. The

Ministry of Finance and Development Planning will provide detailed monthly budget operation reports and tax arrears reports.

Liberia

[Liberia -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, November 15, 2011](#)

**For the purposes of the program, the Government is defined as the central Government of Liberia (GoL).** This definition excludes legally autonomous state-owned enterprises whose budgets are not included in the central government budget. The operations of the central government will be presented in U.S. dollars with all revenues and expenditures that are denominated in Liberian dollars converted at the end of period exchange rate. **The public sector** comprises the central government, the Central Bank of Liberia, public enterprises (enterprises and agencies in which the government holds a controlling stake—typically owns more than 50 percent of the shares, but which are not consolidated in the budget), and other official sector entities.

Macedonia

[former Yugoslav Republic of Macedonia -- Letter of Intent and Technical Memorandum of Understanding, February 06, 2008](#)

For the purpose of this TMU, the term “central government” covers: central government as defined in the Annual Budget Document, including Special Revenue Accounts, Employment Fund, Health Insurance Fund, Pension Insurance Fund, Road Fund, and agencies and institutions that are currently treated by the Ministry of Finance as part of government, and which correspond to the classification followed by the National Bank of the Republic of Macedonia (NBRM) in its monthly submissions to the Fund of balance sheets of the central bank and the consolidated accounts of the commercial banks. The authorities will inform the Fund staff of any new funds, or other special budgetary and extra-budgetary programs that may be created during the program period to carry out operations of a fiscal nature as defined in the IMF’s *Manual on Government Finance Statistics 2001*, and will ensure that these will be incorporated within the definition of central government. The term “general government” covers the central government as defined above and the municipalities which are classified as part of general government according to the budget documents and which are included by the NBRM in its monthly submissions to the Fund of balance sheets of the central bank and the consolidated accounts of the commercial banks. The term “public enterprises” refers to institutional units that are established and controlled by the Government and the Parliament of the Republic of Macedonia and that perform market activities.

#### **CENTRAL GOVERNMENT WAGE BILL**

The ceiling on the **central government wage bill** includes central government wages and salaries, including allowances, as well as transfers to local governments to cover wages in education, child care, and elderly care.

A separate limit is established on contracting by the public enterprises of new nonconcessional external debt with an original maturity of more than one year. Thirty three public enterprises will be covered under this performance criterion, including: PE Sluzben Vesnik (official gazette), PE Makedonski Zheleznici (railways), Mlekara DOO (trading in dairy products), 11 Octomvri-Eurocompozit AD (production of electrical insulation and materials), PE Agro-Berza (agricultural commodity exchange), Soncogledi (production, trade and services), PE za Stopanisuvanje so Stanben i Deloven Prostor (public housing activities), Veles DOOEL (production of rail vehicles), Remont na Prugi i Niskogradba DOOEL (maintenance of rail tracks and civil engineering), PE Makedonska Radiodifusija (broadcasting), Makedonska Banka za Podrska na Razvojot (Macedonian Bank for Support of Development), PE za Stopanisuvanje so Pasista (pastures management), PE za Stopanisuvanje za Objekti za Sport (management of sport facilities), PE Zletovica (water supply activities), PE Studencica (water supply), PE Lisice (water supply activities), Makedonska Informativna Agencija (information agency), PE Dojransko Ezero (water management), PE Gevgelisko Valandovsko Pole (water supply), PE Jasen (management of pastures), Makedonska Posta (postal services), MEPSO (electricity transmission), PE Makedonski Sumi (forestry), PE Srezevo (irrigation), ELEM (electricity generation), TEC Negotino (electricity generation), Boris Trajkovski DOOEL (construction, management, and leasing of a concert/athletic hall), GA-MA (transportation and distribution of natural gas), Toplik 2001 DOOEL (multi-purpose hall), Arest DOOEL (production, trade and services),

PE Makedonija Pat (road maintenance), Drzaven Studentski Centar Skopje (student housing), PE Makedonska Radio-Televizija (radio and television broadcasting). When there is a change of control of any of the listed enterprises due to privatization, the stock of debt contracted or guaranteed by such enterprises as defined under this performance criterion will be limited to the level reached on the day the control is transferred.

Malawi

[Malawi -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, January 26, 2010](#)

**Coverage:** The central government includes all units of government that exercise authority over the entire economic territory. However, in contrast to the System of National Accounts 1993 (SNA 1993) and Government Finance Statistics Manual 2001 (GFSM 2001) standards, nonprofit institutions that are controlled and financed by the central government are excluded for purposes of this memorandum. The accounts of the monetary authorities include those of the Reserve Bank of Malawi (RBM) and the central government's holdings of international reserves. Monetary aggregates under the program are based on the eight-bank monetary survey.

Maldives

[Maldives -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, March 16, 2010](#)

**This Technical Memorandum of Understanding sets out a framework for monitoring the performance of Maldives under the program, supported by a Stand-by Arrangement (SBA) and an arrangement under the Exogenous Shock Facility (ESF).** It specifies the definitions for quantitative performance criteria and indicative targets, on the basis of which Maldives's performance under the program will be assessed through quarterly reviews. Monitoring procedures and reporting requirements are also specified. The first review will take place in or after March 2010 and the second review in or after June 2010.

#### **INSTITUTIONAL DEFINITIONS**

The central government includes all units of budgetary central government.

The domestic banking system is defined as the MMA, the existing and any newly licensed commercial banks incorporated in Maldives, and their branches.

The domestic non-bank sector is defined as comprising private individuals as well as any business or institution, private or public, that is not classified as part of the domestic banking system.

#### **Net Credit of the MMA to the Central Government**

A ceiling applies to the net credit of MMA to the central government measured cumulatively from the beginning of the year.

Net credit of the MMA to the central government is defined as the net borrowing of the central government from the MMA (ways and means advances, loans, overdrafts, holdings of restructuring bonds, holdings of treasury bills or other government bonds, and all other accounts on account of the government, minus central government deposits at the MMA).

#### **Total Financing of the Central Government's Deficit**

A ceiling applies to the total financing of the deficit of the central government, measured cumulatively from the beginning of the year. The ceiling on the total financing of the central government's deficit will be adjusted downward by eighty percent of the amount of total central government's revenue in excess of the programmed levels.

For the purpose of program monitoring, total financing of the central government's deficit is defined as the sum of (i) net domestic financing; (ii) net external financing and (iii) privatization receipts.

The central government domestically financed expenditure, excluding amortization payments, is defined as actual domestically financed central government expenditure on a cash basis, excluding amortization payments, calculated on the basis of expenditure reports submitted by Accountable Government Agencies.



Mali

[Mali -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, May 26, 2011](#)

Unless otherwise indicated, the government is defined as the central government of the Republic of Mali and does not include local governments, the central bank, or any other public entity with autonomous legal personality that is not included in the Central Government Consolidated Financial Operations Table (TOFE).

**Net domestic financing of the government by banks and the financial market** is defined as the sum of (i) the net government position as defined below, and (ii) financing of the government through the issuance (net of redemptions) of securities to legal entities or individuals outside the banking system or to nonresident banks domiciled in the West African Economic and Monetary Union (WAEMU).

Mauritania

[Islamic Republic of Mauritania -- Letter of Intent, and Technical Memorandum of Understanding, June 06, 2011](#)

This memorandum sets out the definitions of the quantitative targets for the period January 1, 2010–December 31, 2012, which are set forth in the Letter of intention (LOI) and reported in Table 1. It also establishes the content and frequency of the data to be provided to IMF staff for monitoring the program. For the purpose of this memorandum, the government is defined to include only the central government.

**Government balance** is defined for program monitoring purposes as non-oil central government basic balance excluding grants, which is equal to **non-oil government revenue** (excluding grants) minus **government expenditure** (excluding foreign-financed investment expenditure and interest due on external debt). The government balance will be measured based on Treasury data. Revenue are defined in accordance with the *Government Financial Statistics manual (GFSM 2001)*, excluding the revenue related to oil- and other hydrocarbon-related activities and transfers from the National Hydrocarbon Revenue Fund (FNRH) to the budget. They will be monitored on a cash basis (*revenue recorded by Treasury*). Expenditure will be monitored on the basis of payment orders, including the interest on domestic debt (paid by the Treasury or automatically debited from the treasury account at the CBM, including but not limited to discounts on treasury bills held by banks and nonbanks and interest charges on the consolidated debt of the government vis-à-vis the CBM).

Moldova

[Republic of Moldova -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, June 27, 2011](#)

The **general government** is defined as comprising the central government and local governments. The **central government** includes the state budget (including special funds and special means, as well as foreign-financed projects), state social insurance budget, and health insurance budget. The **local governments** include special funds and special means, as well as foreign-financed projects. No new special or extrabudgetary funds will be created during the program period. Excluded from this definition are any government-owned entities with a separate legal status.

Portugal

[Portugal -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, Ju](#)

**Floor on the Consolidated General Government Cash Balance (Performance Criterion)**

**Definition:** The consolidated General Government cash balance (CGGCB) is defined as the sum of the cash balances of the entities covered by the State Budget, the ISOE, the Regional and Local Governments, and the Social Security Funds, and other entities and EBFs, as defined in paragraph 4. Privatization receipts will be excluded from cash receipts. In 2012, revenues from the reclassification of pension funds into the general government will not be accounted for as cash revenues for the purpose of the calculation of the consolidated general government cash balance. The net acquisition of financial assets for policy purposes, including loans and equity participation will be recorded as cash expenditures, except for transactions related to the banking sector support and restructuring strategy under the Program. Called guarantees (excluding those related to the banking sector support and restructuring strategy), where entities of the General Government make cash payments on behalf of entities that are not part of the General Government, will be recorded as cash expenditures.

Romania

[Romania -- Letter of Intent, and Technical Memorandum of Understanding, September 14, 2011](#)

#### TECHNICAL MEMORANDUM OF UNDERSTANDING

For the purposes of the program, the *general government* includes the entities *as defined in the 2011 budget*. These are: the central government (state budget, treasury, self-financed state entities included in the budget, etc.), local governments, social security funds (pension, health, and unemployment), road fund company, and administration of the property fund. This definition of general government also includes any new funds, or other special budgetary and extra budgetary programs that may be created during the program period to carry out operations of a fiscal nature as defined in the IMF's *Manual on Government Finance Statistics 2001*. The authorities will inform IMF staff of the creation of any such new funds or programs immediately. As mentioned in the LOI (¶5) and 11 below, this definition will be expanded to cover state-owned enterprises incorporated into the general government accounts under ESA95, upon completion of the review being undertaken by Eurostat.

#### Monitoring of Public Enterprises

Public enterprises are defined as all companies, research institutes and *regii autonome* with a cumulative public capital share of 50 percent or more, held directly or indirectly by local governments and the central government.

A quarterly indicative target for 2011 is set on the aggregate operating balance (earnings before interest and tax) net of subsidies, accumulated per calendar year, of the following public enterprises: C.N. Căi Ferate CFR S.A., C.N. de Autostrăzi de Drumuri Nacionale din România S.A., C.N. a Huilei S.A., C.N. Poșta Română S.A., S.C. Complexul Energetic Turceni S.A., S.C. Filiala de Intretinere și Servicii Energetice "Electrica Serv" - S.A., S.C. Metrorex S.A., S.N. de Transport Feroviar de Marfă "CFR Marfă" S.A., S.N. Transport Feroviar de Călători "CFR Călători" S.A., C.N. Tarom S.A., S.C. Electrocentrale Bucuresti S.A., S.C. Electrica Furnizare Transilvania Nord S.A., S.C. Oltchim S.A., S.C. Termoelectrica S.A., S.N. a Lignitului Oltenia S.A., S.C. Electrificare CFR S.A., S. C. Interventii Feroviare S.A., S. C. Telecomunicații C.F.R. S.A. The data shall be reported with operating results by firm.

Sao Tome and Principe

[Democratic Republic of São Tomé and Príncipe -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, February 01, 2010](#)

**Government** is defined for the purposes of this TMU to comprise the central government, which includes all governmental departments, offices, establishments, and other bodies that are agencies or instruments of the central authority of São Tomé and Príncipe.

The central government does not include the operations of state-owned enterprises.

**Government domestic revenue (excluding oil revenue)** comprises all tax and nontax revenue of the government (in domestic and foreign currencies), excluding: (1) foreign grants, (2) the receipts from the local sale of in-kind grants (e.g., crude oil received from Nigeria, food aid, etc.), and (3) any gross inflows to the government on account of oil signature bonus receipts and accrued interest on the National Oil Account (NOA). Revenue will be measured on a cash basis as reported in the table of government financial operations prepared by the Directorate of Budget and the Directorate of Treasury in the Ministry of Planning and Finance.

**Domestic primary expenditure** comprises all government spending assessed on a commitment basis (*base compromisso*), excluding (1) capital expenditure financed with external concessional loans and grants and (2) scheduled interest payments. Reporting of government domestic expenditure will be based on the state budget execution prepared every month by the Directorate of Budget and the Directorate of Treasury in the Ministry of Planning and Finance.

Serbia

[Republic of Serbia -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, September 16, 2011](#)

**The general government fiscal balance**, on a cash basis, is defined as the difference between total general government revenue (including grants) and total general government expenditure (irrespective of the source of financing) as presented in the "GFS classification table" and including expenditure financed from foreign project loans. For program purposes, the consolidated general government comprises the Serbian Republican budget (on-budget

and own revenue), local governments, the pension fund (employees, self-employed, and farmers), the health fund, the National Agency for Employment, the Roads of Serbia Company (JP Putevi Srbije) and any of its subsidiaries; and foreign-financed expenditures by the company Corridors of Serbia. Any new extrabudgetary fund or subsidiary established over the duration of the program would be consolidated into the general government.

**Government current expenditure of the Republican budget** (excluding expenditure financed by own sources) includes wages, subsidies, goods and services, interest payments, transfers to local governments and social security funds, social benefits from the budget, other current expenditure, and net lending. It does not include capital spending. The ceiling will be adjusted for the additional expenditure that may be needed for potential lender-of-last-resort operations under the financial stability framework.

Seychelles

[Seychelles -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, December 03, 2010](#)

This technical memorandum of understanding presents the definitions of variables included in the quantitative performance criteria and indicative targets set out in the memorandum of economic and financial policies (MEFP), the key assumptions, and the reporting requirements of the Government and the Central Bank of Seychelles (CBS) needed to adequately monitor economic and financial developments. The quantitative performance criteria and indicative targets, and the benchmarks for 2010-11 are listed in Tables 1 and 3 of the MEFP, respectively.

#### **Net International Reserves of the CBS (Floor)**

##### **Definition**

Net international reserves (NIR) of the CBS are defined for program monitoring purposes as reserve assets of the CBS, minus reserve liabilities of the CBS (including liabilities to the IMF). Reserve assets of the CBS are claims on nonresidents that are readily available (i.e., liquid and marketable assets, free of any pledges or encumbrances and excluding project balances and blocked or escrow accounts, and bank reserves in foreign currency maintained for the purpose of meeting the reserve requirements), controlled by the CBS, and held for the purpose of intervening in foreign exchange markets. They include holdings of SDRs, holdings of foreign exchange, demand and short-term deposits at foreign banks abroad, fixed-term deposits abroad that can be liquidated without penalty, and any holdings of investment-grade securities. Reserve liabilities of the CBS comprise liabilities to nonresidents contracted by the CBS, any net off-balance-sheet position of the CBS (futures, forwards, swaps, or options) with either residents or nonresidents, including those to the IMF.

#### **MONITORING AND REPORTING**

At each program test date, the quarterly net international reserves data submitted by the CBS to the IMF will be audited by the CBS external auditors in accordance with International Standards on Auditing, to ensure conformity with the program definition and calculation methods. Reports will be submitted to the CBS, with a copy to the IMF, no later than two months after each test date.

#### **Primary Balance of the Consolidated Government (Cumulative Floor)**

The consolidated government primary balance from above the line on a commitment basis is defined as total consolidated government and social security fund revenues (excluding privatization and long-term lease income receipts) less all noninterest (primary) expenditures of the government and social security fund.

#### **Public External Debt (Ceiling)**

The ceiling applies to the contracting or guaranteeing of new external liabilities by the public sector (including the central government, the CBS, and all public agencies and parastatals for operations that are not directly linked to commercial activities). The ceiling does not apply to the use of Fund resources, operations related to external debt restructuring; normal import related credits; purchases of treasury securities by nonresidents; or borrowing by parastatals in the conduct of normal commercial operations. The non-zero ceilings on the contracting or guaranteeing of external debt are to allow for normal public project finance and program support from multilateral institutions exclusively. Debt shall be valued in U.S. dollars at program exchange rates. A zero sub-ceiling on short-term external debt applies continuously to the contracting or guaranteeing of short-term external debt by the public sector, with an original maturity of up to and including one year.

The government and CBS will consult with Fund staff on all economic and financial measures that would have an impact on program implementation, and will provide any additional relevant information as requested by Fund staff.

Sierra Leone

[Sierra Leone -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, November 17, 2010](#)

**Definition.** Unless otherwise noted, gross foreign exchange reserves of the Bank of Sierra Leone (BSL) are defined as reserve assets of the BSL. Reserve assets are defined in the IMF's *Balance of Payments Manual* (5<sup>th</sup> ed.) and elaborated in the reserve template of the Fund's *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template*. They exclude foreign assets not readily available to, or controlled by, the monetary authorities.

#### **Net Domestic Assets of the BSL**

**Definition.** Net domestic assets (NDA) of the BSL are defined as the end-period stock of the reserve money less the end-period stock of net foreign assets calculated at the program exchange rates. Reserve money includes currency issued (equal to currency outside banks plus cash in vaults), deposits of commercial banks with the BSL and the BSL liabilities to other private sector. Net foreign assets of the BSL are defined as gross foreign exchange reserves (defined above) minus foreign liabilities. Foreign liabilities are defined as foreign currency-denominated liabilities of the BSL to nonresidents and the outstanding use of Fund credit. For program purposes, foreign liabilities exclude SDR allocation.

#### **Net Domestic Bank Credit to the Central Government (NCG)**

**Definition.** NCG refers to the net banking system's claims on the central government as calculated by the BSL. It is defined as follows:

the net position of the government with commercial banks, including: (a) treasury bills; (b) treasury bearer bonds; and (c) loan and advances of commercial banks to the government; less government deposits in commercial banks;

the net position of the government with the BSL, including: (a) treasury bills; (b) treasury bearer bonds, excluding holdings of special bonds provided by government to cover the BSL losses; (c) the stock of non-interest bearing non-marketable securities (NIBNMS); (d) the difference between converted NIBNMS into treasury bills and proceeds from their sales; and (e) ways and means; less (a) central government deposits; and (b) HIPC and MDRI relief deposits.

**Definition of Central government.** Central government is defined for the purposes of this memorandum to comprise the central government and those special accounts that are classified as central government in the BSL statement of accounts. The National Social Security and Insurance Trust and public enterprises are excluded from this definition of central government.

#### **External Payment Arrears of the Public Sector**

**Definition.** External payment arrears of the public sector are defined as the stock of new external overdue debt-service payments by the public sector. For the purposes of this PC, the public sector comprises the central government, regional government, all public enterprises and the BSL. The nonaccumulation of external arrears is a performance criterion during the program period. Excluded from this PC are those debts subject to rescheduling. This PC will apply on a continuous basis.

Solomon Islands

[Solomon Islands -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, May 23, 2011](#)

The central government includes all units of budgetary central government and extrabudgetary funds.

Depository corporations (DCs) include the CBSI and other depository corporations (ODCs). ODCs include commercial banks, the Credit Corporation of Solomon Islands, and credit unions. Financial corporations include DCs and other financial corporations (OFCs). OFCs are the National Provident Fund (NPF), the Development Bank of Solomon Islands, and the Investment Corporation of Solomon Islands.

#### **Net Credit to the Central Government**

A ceiling applies to the NCG measured cumulatively from the beginning of the year.

The ceiling on NCG will be adjusted upward by the amount of budget support from bilateral

and multilateral donors (excluding IMF) short of the programmed level. NCG is defined as the sum of net claims of: (i) the CBSI, (ii) commercial banks and other ODCs, (iii) OFCs, (iv) insurance companies, (v) and government treasury bills held by the general public.

#### **DATA PROVISION**

The data listed below will be provided for monitoring performance under the program based on data templates agreed with Fund staff. Under each section, reporting responsibilities are indicated in parentheses. Weekly data are requested for submission to Fund staff by the end of the following week. Monthly and quarterly data are requested for submission within six weeks of the end of the observation period. The authorities have committed to using the best available data, so that any subsequent data revisions will not lead to a breach of quantitative performance criteria or benchmarks. All revisions to data will be promptly reported to Fund staff.

#### **Fiscal Data (Ministry of Finance and Treasury (MoFT))**

On a monthly basis:

- o Consolidated accounts of the central government, including detailed data on:
  - o Revenue, including tax and nontax revenues, and recurrent and development grants included in the consolidated budget;
  - o Recurrent expenditure, including payroll, goods and services, and other recurrent outlays, including those funded by donor support;
  - o Other recurrent charges of the Ministry of Education and Ministry of Health, separating spending funded by donor support;
  - o Debt service payments, classified into amortization and interest payments on (i) domestic debt, (ii) external debt, (iii) domestic arrears, and (iv) external arrears; and
  - o Development expenditure funded by (i) central government of the Solomon Islands, and (ii) foreign grants and loans included in the consolidated budget.

Detailed financing components of central government's accounts, classified into foreign and domestic sources.

- o Foreign financing includes (i) disbursement and amortization of project and program loans, and (ii) changes in external debt arrears, classified into principal and interest arrears.
- o Domestic financing includes (i) borrowing from and repayment to the CBSI, commercial banks and other ODCs, and OFCs; (ii) changes in deposits at the CBSI, commercial banks and other ODCs, and OFCs; and (iii) privatization receipts and changes in domestic debt arrears, classified into principal and interest arrears.

Stock of domestic debt, including the outstanding balance of government securities, treasury bills, cash advances, and other debt instruments.

Balances of each central government account specified in Section IV. A., as recorded by the MoFT.

Stock of unpaid government payment orders and unrepresented checks.

**Ceiling on the accumulation of domestic loan guarantees (gross) extended by the Republican budget and the Development Fund.** The ceiling also includes the contracting of any domestic loans by the Development Fund. It excludes any guarantees extended under the financial stability framework, unless such loans or guarantees are extended to entities other than financial sector institutions.

Sri Lanka

[Sri Lanka -- Letter of Intent and Technical Memorandum of Understanding, September 14, 2010](#)

**Net domestic financing (NDF) is defined as the change in net credit to the central government by the domestic banking system and the net change in holdings of treasury bills and other government securities by the domestic non-bank sector.** For the purpose of program monitoring, the central government is defined to include line ministries, departments, and other public institutions. The Central Bank of Sri Lanka (CBSL), stateowned enterprise, parastatals and other agencies that do not receive subventions from the central government are excluded from the definition of central government. NDF of the central government is defined as the sum of (i) net borrowing from the CBSL (ways and

means advances, loans, holdings of treasury bills, treasury bonds, and other central government bonds minus deposits); (ii) net borrowing from domestic commercial banks and the domestic non-bank sector (loans, advances, holdings of restructuring bonds, and holdings of treasury bills and other central government securities minus deposits); and foreign holdings of Treasury Bills and Treasury Bonds. In 2009, NDF of the central government defined in this manner amounted to Rs. 392.5 billion. Of this amount, Rs. 49.0 billion was net borrowing from the domestic banking system, Rs. 185.2 billion was net borrowing from the domestic non-bank sector, Rs. 146.9 billion was net foreign inflows into the Treasury Bill and Treasury Bond markets and Rs. 11.3 billion was net borrowing from other sources.

St. Kitts and Nevis

[September 02, 2011 -- St. Kitts and Nevis: 2011 Article IV Consultation and Request for Stand-By Arrangement - Staff Report: Staff Supplements; Public Information Notice and Press Release on the Executive Board Discussion; and Statement by the Executive Director for St. Kitts and Nevis.](#)

For the purpose of the program, **central government** will cover all items included in the government budgets of the Federation (both St. Kitts and Nevis).

The **nonfinancial public sector** is defined as the total central government and nonfinancial public enterprises. Public enterprises consist of the Development Bank of St. Kitts and Nevis, Financial Services Regulatory Commission, Frigate Bay Development Corporation, La Vallee Greens Ltd, National Housing Corporation, Nevis Air and Sea Port Authority, Nevis Cultural Development Foundation, Nevis Electricity Corporation, Nevis Housing and Land Development Corporation, Nevis Solid Waste Management Authority, Nevis Tourism Authority, St. Christopher and Nevis Solid Waste Management Corporation, St. Christopher Tourism Authority, St. Kitts Urban Development Corporation, St. Christopher Air and Sea Ports Authority, WhiteGate Development Corporation, and ZIZ Broadcasting Corporation.

**External debt** is defined as all debt owed to creditors residing outside of St. Kitts and Nevis, while **domestic debt** covers all debt owed to residents of St. Kitts and Nevis. The latter covers all T-bills, including those held by creditors residing outside of St. Kitts and Nevis.

#### **Central Government's Overall Deficit (PC)**

The **central government overall balance** will cover all of its revenue, grants, expenditure, and transfers. Revenues will exclude any proceeds from the sale of public assets such as land, which will be considered as financing below the line. Expenditures will exclude clearance of arrears, which will be considered as financing below the line.

The central government's overall balance will be measured from the financing side as the sum of the net domestic financing, net external financing, plus proceeds from the sale of public assets, minus clearance of arrears.

**Net domestic financing** of the central government is defined as the sum of:

- net domestic bank financing as measured by the change in the domestic banking system credit to the central government net of deposits, as reported by the consolidated balance sheet of the monetary authorities and commercial banks, including special tranches from the ECCB;

- net nonbank financing as measured by the net changes in holdings of government securities by nonbanks, and net borrowing from nonbank institutions;

- the changes in the stock of domestic arrears of the central government defined as net changes in unpaid checks issued, unprocessed claims, pending invoices, plus accrued interest payments, and other forms of expenditures recorded above the line but not paid;

- gross receipts from divestment defined as proceeds received from any privatization, divestment, and sale of asset (land); and

- any exceptional financing, including rescheduled principal and interest.

**Net external financing** of the central government is defined as the sum of:

- disbursements of project and non-project loans, including securitization;
- proceeds from bonds issued abroad (with an original maturity of one year or greater);

- net changes in short-term external debt (with an original maturity of less than one year), excluding exceptional financing;

- net changes in cash deposits held outside the domestic banking system;

- any changes in arrears on external interest payments and other forms of

external expenditures recorded above the line but not paid;  
any exceptional financing, including rescheduled principal and interest;  
less:  
payments of principal on current maturities for bonds and loans on a due basis, including any prepayment of external debt.

The **floor on the overall balance of the central government** will be adjusted as follows:

downward (i.e., a larger overall deficit target would apply) to the extent that budgetary grants fall short of the programmed amounts by less than EC\$3 million.

upward to the extent that budgetary grants exceed the annual amounts specified in the program.

downward by the cumulative amount of up to EC\$15 million spent on bank recapitalization and support to the British American Insurance Companies or CLICO as part of a regional solution—any amounts spent in excess of this programmed contingency will need to be funded within the program limit on the overall deficit.

upward to the extent that clearance of arrears fall short of the amounts specified.

upward to the extent of exceptional financing achieved through debt restructuring.

#### **DATA AND INFORMATION**

To enable monitoring of performance relative to the above quantitative performance criteria and indicative targets, the St. Kitts and Nevis authorities will provide Fund staff with the following specific data and information within 8 weeks after the end of each month.

##### **Fiscal sector**

Central government budgetary accounts.

Capital expenditure.

Total monthly disbursements and grants receipts, disaggregated into: (a) budgetary support (by type—either loans, external “bonds” and/or other securities); (b) project loans; (c) budgetary grants; and (d) project grants.

Central government domestic debt data (St. Kitts and Nevis).

Stock of domestic arrears, including unpaid checks issued, stock of unprocessed claims due and invoices pending; interest and amortization on domestic debt.

Stock of external arrears by creditor.

Detailed monthly external debt report from the Debt Unit in the Ministry of Finance, showing fiscal year-to-date disbursements, amortization, interest payments and outstanding stocks, for the central government and public enterprises.

Copies of loan agreements for any new loans contracted, including financing involving the issue of government paper, and of any renegotiated agreements on existing loans.

St. Vincent and the Grenadines

[June 08, 2009 -- St. Vincent and the Grenadines: 2009 Article IV Consultation and Request for Disbursement Under the Rapid-Access Component of the Exogenous Shocks Facility - Staff Report; Staff Supplement; Public Information Notice and Press Release on the Executive Board Discussion; and Statement by the Executive Director for St. Vincent and the Grenadines](#)

The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

Tajikistan

[Republic of Tajikistan -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, April 19, 2011](#)

**General government.** For the purpose of the program, “general government” includes the republican government, local (including municipal) governments, and the agencies included in the administrative classification of the budget. It excludes all other agencies not specifically listed, including but not limited to Barki Tajik and Talco.

**Foreign-financed PIP and related grants.** The foreign financed PIP is a program of investments in infrastructure and social sectors agreed by the general government of Tajikistan and its donors (including but not limited to international financial organizations). The program is fully financed by related grants and loans, and does not involve any

additional financing commitment from the general government of Tajikistan. Related grants are grants provided by the donors financing the PIP for financing of projects included in the PIP.

**Quantitative Performance Criterion 6: Ceiling on contracting or guaranteeing of any nonconcessional external debt (continuous quantitative performance criterion).**

**Definition.** The definition of debt, for the purposes of the program, is set out in Executive Board Decision No. 12274, Point 9, as revised on August 31, 2009 (Decision No. 14416–(09/91); see below) and also includes commitments contracted or guaranteed and for which value has not been received. The debt limits apply to short-, medium-, and long-term debt contracted by the general government of Tajikistan, the National Bank of Tajikistan, and any other agency acting on behalf of the government, including but not limited to state-owned banks and state-owned enterprises that can issue external debt without a government guarantee.

Ukraine

[Ukraine -- Letter of Intent, and Technical Memorandum of Understanding, December 10, 2010](#)

**Ceiling on Cash Deficit of the General Government (Performance Criterion)**

**Definition**

The general government comprises the central (state) government, all local governments, and all extra budgetary funds, including the Pension, Employment, Social Insurance for Temporary Disability, State Material Reserve, Occupational Accident and Sickness Insurance, State Property Fund, and the Road Fund (UkrAvtoDor). The budget of the general government comprises: (i) the state budget; (ii) all local government budgets; and (iii), if not already included in (i), the budgets of the extra budgetary funds listed above, as well as any other extra budgetary funds included in the monetary statistics compiled by the NBU. The cash deficit of the general government is measured by means of net financing flows as:

total net treasury bill sales as measured by the information kept in the NBU registry of treasury bill sales (net treasury bill sales are defined as the cumulative total funds realized from the sales of treasury bills at the primary auction and treasury securities issued for recapitalization purpose, less the cumulative total redemption of principal on treasury bills), excluding bonds issued to recapitalize Naftogaz—these are included in the calculation of Naftogaz’ cash deficit when they are used (as collateral for a loan, or as an outright sale) by the latter to obtain financing; plus

other net domestic banking system credit to government as measured by the monetary statistics provided by the NBU (this consists of all non-treasury-bill financing in either domestic or foreign currency extended to the government by banks less the change in all government deposits in the banking system) as well as any financing extended by entities not reflected by the monetary statistics provided by the NBU; plus

total receipts from privatization received by the State Property Fund and local governments (including the change in the stock of refundable participation deposits); plus

the difference between disbursements and amortization on any bond issued by the government or the NBU to nonresidents for purposes of financing the deficit of the general government; plus

the difference between disbursements of official foreign credits to the general government (including project loans on-lent to public enterprises) and the amortization of official foreign credits by the general government (including on lent project loans, and excluding offset-based amortization with Russia); plus

the net sales of SDR allocation in the SDR department; plus

the net change in government deposits in nonresident banks, or other nonresident institutions; plus

net proceeds from any promissory note or other financial instruments issued by the general government.

Yemen, Rep. of

[Republic of Yemen -- Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding, July 14, 2010](#)

Reserve Money is defined as the sum of currency in circulation (outside banks), banks’ domestic cash in vaults, and banks’ required and excess deposits with the Central



Bank of Yemen (CBY). It includes commercial banks' required and excess reserves on foreign currency deposits valued at the program exchange rate. It excludes deposits held in the CBY by the central government and local councils, pension funds, public enterprises, and counterpart funds. The term "banks" relates to all commercial and Islamic banks. The term "public enterprises" relates to all enterprises where government has stake of 50 percent and above. The term "counterpart funds" refers to, but is not limited to, all other extrabudgetary funds related to the government or public enterprises.

#### **Floor on Net International Reserves of Central Bank of Yemen**

For purposes of this criterion, net international reserves (NIR) of the CBY are defined consistent with the definition of the Balance of Payment Manual 6, as external assets readily available to, and controlled by, the CBY, net of external liabilities of the CBY. Pledged and otherwise encumbered assets, including, but not limited to reserve assets used as collateral (or guarantees for third party external liabilities), are excluded.

#### **Ceiling on Domestic Financing of the Budget**

Budget refers to the budget of the central government of the Republic of Yemen and local councils. It does not include extrabudgetary funds and public enterprises.

Domestic financing of the budget is defined as the sum of net claims of the CBY and commercial banks' on the central government and net holdings of government securities by non-banks. Net claims of the CBY and banks are defined as central bank and banks' advances and credits to the central government plus government paper held by the central bank and banks minus the central government's deposits at the central bank and banks. Government paper includes but is not limited to T-bills, T-bonds, Islamic bonds (sukuk and other), and repurchases of government securities of various maturities.