

Table 1. List of Prior Actions

1. Adoption by parliament of a budget for the year 2000 that limits the overall deficit of the general government to no more than 6 percent of GDP.
2. Adoption and publication of a timetable for clearance of all expenditure arrears of republican and local governments.
3. Removal of the 50 percent surrender requirement on foreign exchange earnings.
4. Completion of the removal of all restrictions on imports that were imposed in February 1999.

Table 2. Performance Criteria and Indicative Targets, December 1999 - December 2000 1/

(In millions of Tenge, unless otherwise noted)

	December 31, 1999	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000
1. Performance criteria 2/					
Net domestic assets (NDA) of the National Bank of Kazakhstan 3/ 4/ 5/ (End-period stock)	-102,500	-94,800	-95,700	-100,000	-98,600
Net international reserves (NIR) of the National Bank of Kazakhstan 6/ 7/ 8/ (End-period stock, in millions of US dollars)	1,280	1,348	1,392	1,472	1,531
Overall balance of the general government 6/ 9/ 10/ (Cumulative from end of previous year)	-63,300	-39,300	-72,100	-98,300	-131,100
Pension arrears of the General Government 3/ (End-period stock)	13,700	0	0	0	0
Domestic nonspension arrears of the General Government 3/ (End-period stock)	66,000	65,000	63,000	60,000	56,000
Net disbursement of short-term external debt 3/ 11/ (In millions of U.S. dollars, cumulative change from end of previous year)	5	5	10	15	15
Contracting and guaranteeing of medium- and long-term nonconcessional external debt 3/ 12/ 13/ (In millions of U.S. dollars, cumulative change from end of previous year)	960	300	450	600	750
<i>Of which</i> 1-5 year maturities 3/ 11/	250	100	200	250	250
Nonaccumulation of external payment arrears 3/ 14/	0	0	0	0	0
2. Indicative targets					
Reserve money growth 3/ (Percentage change from end of previous year)	9.7	20.1	26.4	35.0	46.5
Revenue of republican and local governments 6/ 15/ (Cumulative flow from beginning of year)	328,500	74,000	166,800	273,800	413,000

1/ The performance criteria and indicative targets for December 31, 1999-December 31, 2000 are based on an exchange rate of T 150.0 per U.S. dollar and a gold price of US\$287.45 per troy ounce.

2/ The figures for December 31, 1999, March 31, and June 30, 2000 are performance criteria. The figures for September 30 and December 31, 2000 are indicative targets.

3/ The specified performance criteria and indicative targets are ceilings for these variables.

4/ The figure for December 31, 1999 will be adjusted upwards for any shortfall in the sum of gross external financing and privatization receipts compared to the program assumptions, up to \$175 million.

The program assumes that the sum of gross external financing and privatization receipts during September-December 1999 will equal \$581 million. Any adjustment made under this provision will be carried forward into 2000.

5/ The figures for March 31, June 30, September 30, and December 31, 2000 will be adjusted upwards (downwards) for any shortfall (excess) in the sum of gross external financing and privatization receipts compared to the program assumptions. The program assumes that the sum of gross external financing and privatization receipts will equal \$239 million during January-March 2000, \$388 million during January-June 2000, \$561 million during January-September 2000, and \$744 million during January-December 2000. However, any upward adjustment will be limited to \$150 million for March 31, \$200 million for June 30, \$200 million for September 30, and \$200 million for December 31, 2000.

6/ The specified performance criteria and indicative targets are floors for these variables.

7/ The figure for December 31, 1999 will be adjusted downward for any shortfall in the sum of gross external financing and privatization receipts compared to the program assumptions, up to \$175 million.

Any adjustment made under this provision will be carried forward into 2000.

8/ The figures for March 31, June 30, September 30, and December 31, 2000 will be adjusted downwards (upwards) for any shortfall (excess) in the sum of gross external financing and privatization receipts compared to the program assumptions. However, any downward adjustment will be limited to \$150 million for March 31, \$200 million for June 30, \$200 million for September 30, and \$200 million for December 31, 2000.

9/ The performance criterion for December 31, 1999 will be adjusted downward for any excess in the sum of gross external financing and privatization receipts during September-December 1999 compared to the program assumptions, up to \$260 million.

10/ The figures for March 31, June 30, September 30, and December 31, 2000 exclude spending on repayment of pension arrears.

11/ Includes debt with maturity of up to one year, excluding normal import-related trade credits.

12/ Includes loans contracted and guaranteed by the general government or the NBK with a grant element of less than 35 percent, excluding loans contracted for debt rescheduling or refinancing of external public or publicly guaranteed debt.

13/ The figure for December 31, 1999 will be adjusted downwards by \$185 million and the figures for March 31, June 30, September 30, and December 31, 2000 upwards by \$185 million if issuance of the guarantees on loans extended by multilateral development banks for the rehabilitation of the national electricity grid is delayed past December 31, 1999.

14/ Applicable on a continuous basis.

15/ Excludes grants.

Table 3. Structural Benchmarks for the Year 2000

End-March

1. Introduction to parliament of amendments to the Law on Commercial Banks that ensure that the National Bank of Kazakhstan has full authority to revoke banks' licenses.
2. Implementation of a program aimed at improving the collection of excise duty on oil products.
3. Presentation to parliament of legislation aimed at clarifying rights assigned to holders of notional land shares.
4. Establishment of a system of continuous monitoring of the financial standing of the companies to which government guarantees have been issued.

End-June

5. Presentation to parliament of legislative amendments designed to ensure full execution of social assistance program by local governments.
6. Review of existing procedures covering the establishment of electricity and heating tariffs.
7. Introduction in parliament of a revised Tax Code.

End-September

8. Presentation of a specific and detailed program of actions to reform customs administration.
9. Review of the laws relating to bankruptcy, collateral pledges, and leasing.
10. Introduction of amendments to laws and regulations based on the outcome of the review of procedures covering the establishment of electricity and heating tariffs.

End-December

11. Completion of full-scale, on-site examinations of all five systematically important domestic banks.
12. Completion of the sales of State holdings in ten "Blue Chip" companies.
13. Privatization of four regional electricity distribution companies.