

Table 1. Sierra Leone: Quantitative Performance Criteria and Benchmarks, 2001-2002
Under the proposed Poverty Reduction and Growth Facility Arrangement

(Cumulative change from beginning of calendar year to end of month indicated.) 1/

	2001				2002		
	December Actual	March Actual	June Benchmark	September Performance Criteria	December Performance Criteria	March Indicative Targets	June Indicative Targets
(In millions of Leones unless otherwise indicated)							
Performance criteria and benchmarks							
Net domestic bank credit to the central government (ceiling) 2/ 3/	968	11,048	17,259	19,385	21,000	5,236	6,642
Net domestic assets of the central bank (ceiling) 2/ 4/ 5/	-130,476	11,542	24,960	26,017	22,944	859	-4,387
Domestic primary budget balance of the central government (floor) 6/	-57,586	-18,826	-36,694	-69,935	-91,873	-19,357	-46,826
Stock of verified domestic payments arrears of the central government (ceiling)	-5,281	-3,635	-3,635	-6,600	-6,314	-1,000	-2,875
Subsidies to National Power Authority (ceiling)		778	1,656	3,000	3,000	400	800
Gross foreign exchange reserves of the central bank, in U.S. dollars (floor) 7/	11.32	-5.19	-11.46	-8.11	8.01	-11.01	13.57
Contracting or guaranteeing of nonconcessional external debt 8/ by the public sector (ceiling) with maturities of 1-12 years 9/ 10/	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outstanding stock of external debt owed or guaranteed by the public sector with maturities of less than 1 year (ceiling) 11/	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External payment arrears of the public sector (ceiling) /12		0.0	0.0	0.0	0.0	0.0	0.0
Financial indicators							
Total domestic government revenue (floor)	152,175	42,668	89,826	136,675	184,953	49,380	103,627
Government wage bill (ceiling)	89,495	25,457	49,586	76,821	100,318	28,868	56,231
Memorandum items:							
External budgetary assistance 13/ The DDR program loans or grants	166,833 6,886	25,380 ...	66,906 ...	117,516 ...	187,845 ...	47,815 ...	94,343 ...
Other	159,947	25,380	66,906	117,516	187,845	47,815	94,343

1/ Variables are based on definitions of in the Technical Memorandum of Understanding. The program year runs from July 1, 2001 to June 30, 2002.

2/ The ceilings will be adjusted downward by the amount of any excess in programmed external budgetary assistance (see footnote 12).

The ceiling will also be adjusted upward by up to 50 percent of the amount of any shortfall in programmed external budgetary assistance (see footnote 12).

3/ Defined as claims on government (net) in the monetary survey.

To be adjusted downward (upward) by any net issues of government securities to non-banks up to the Le 21 billion ceiling on net domestic credit for 2001.

4/ The Program benchmarks for 2001 are valued at the end-March 2001 mid-point official exchange rate of the Bank of Sierra Leone.

5/ Defined as the difference between the net foreign assets of the central bank, (valued at the program exchange rate) and reserve money.

6/ Defined as domestic revenue minus total expenditure and net lending, excluding interest payments, externally financed capital expenditure, the DDR program, and UK military support

7/ In the event of an excess (shortfall) in external budgetary assistance (as defined above), the floor will be adjusted upward (downward) by the amount of the excess (shortfall).

8/ The term debt has the meaning set forth in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt (Decision No. 12274-(00/85) August 24, 2000.

9/ Excluded from this performance criterion are disbursements from the Fund and rescheduling arrangements.

10/ Excluded from this performance criterion are external loans grant element equivalent to 35 percent or more, calculated using a discount rate based on OECD commercial interest reference rates (CIRRs).

11/ Excluded from this performance criterion are normal import-related credits.

12/ To be applied on a continuous basis. Excluded from this performance criterion are those debts subject to rescheduling arrangements.

13/ Including program grants, program loans, debt relief, and financing gap, but excluding DDR, project-related grants, and loans.

Table 2. Prior Actions, Structural Performance Criteria, and Key Benchmarks

Prior Actions

Approval by parliament of a supplementary budget for 2001 reflecting the agreed fiscal targets and policies.

The issuance by the Bank of Sierra Leone of appropriate regulations and guidelines, under the new Banking Act.

The abolition of the restriction under Article VIII, section 2(a) of the Fund's Articles of Agreement, in the form of the requirement of a tax clearance certificate for payments and transfers of certain international transactions.

The abolition of the licensing requirement for the importation of cigarettes.

Structural Performance Criteria

Passage of the new Financial Institutions Bill in parliament by September 31, 2001.

Structural benchmarks

Passage of the bill setting up the autonomous Central Statistical Office by September 31, 2001;

The regular settlement of cross debts between public enterprises and the government according to the timetable agreed between the two parties.

Agreement by September 2001 on the timetable for the implementation of appropriate reforms in the fiscal and financial sector areas following technical assistance from the Fiscal Affairs and Monetary and Exchange Departments of the Fund, scheduled for May and July 2001, respectively.

The nonaccumulation of arrears in regard to the electricity and water bills from the National Power Authority^{1/} and Guma Valley Water Company.

^{1/} Electricity and water bills will be paid within 30 days of the presentation of the bill starting with the April bills for 2001; where ministries and agencies fail to submit vouchers for water and electricity bills, the Accountant General will effect such payment and debit the appropriate ministry's account. The estimated monthly bill for electricity is about Le 400 million, while that for water is estimated at Le 35 million. Payments made will be reported monthly to the Fund, together with other requested information.

Table 3. Sierra leone: Summary of Net Position of the Government and Parastatals and Schedule of Payments, 2000-03 1/
(In millions of leones)

Parastatal	Claims on government	Corporate tax	Net position	Due to the government	Due to parastatals	Payments made	Government payment schedule, 2001-03			Balance
							2000	2001	2002	
	A	B	(C=A-B)	(If C negative)	(If C positive)					
NPA 2/	3,735.7	1,506.4	2,229.2		2,229.2			1,000.0	1,229.2	0.0
SLPA	2,067.3	4,539.4	-2,472.0	2,472.0						
SIERRATEL	7,475.5	17,711.8	-10,236.4	10,236.4						
SLAA	2,135.4	1,258.8	876.6		876.6	210.0	230.0	400.0	36.6	0.0
SALHOC	1,411.8	66.1	1,345.7		1,345.7	250.0	300.0	350.0	445.7	0.0
NIC 3/	257.9	30.2	227.6		227.6	0.0	0.0	0.0	0.0	227.6
MAGS	25.1	95.4	-70.3	70.3						
SLNSC	7.7	209.1	-201.4	201.4						
SALPOST	0.0	188.0	-188.0	188.0						
SLRTC	55.3	271.6	-216.4	216.4						
GUMA	3,343.7	1,299.9	2,043.8		2,043.8	500.0	470.0	430.0	643.8	0.0
SNA	491.0	855.9	-364.9	364.9						
Total	21,006.2	28,032.6	-7,026.3	13,749.3	6,723.0	960.0	1,000.0	2,180.0	2,355.3	227.6

Source: Sierra Leonean authorities.

1/ These figures are based on agreements reached with some of the parastatals and will be up-dated.

2/ The amount stated as claim on the Government is in respect of electricity bills. Debts relating to fuel supplies and advances by the Government have been ex treated seperately under the subsidy/credit arrangement. Also,accumulated interest on on-lent loans by the Government to NPA amounting to Le 1.3 billion

3/ Le 109.9 million of the net position of Le 227.6 million relates to the hire of helicopters to be discounted. Also, the amount of Le 65.8 million in respect of ir discounted. Any remaining balance of Government liability will be set off against future dividends.