Table 1. Slovak Republic: Quantitative Targets and Outcomes, June and September 2001 1/

	Actual, level December 31, 2000	Cumulative flows from December 2000 June 30, 2001			Adjuster clauses	Cumulative flows from December 2000 September 30, 2001			Adjuster clauses
		Target SMP	Adjusted Target	Outcome		Target SMP	Adjusted Target	Outcome	
Fiscal targets									
Ceiling on general government deficit/net credit to the government 2/a/ (in millions of Slovak koruny)	30,249	11,787	11,787	900 3/		33,990	33,990	14,200 3/	
Ceiling on general government expenditures b/ (in millions of Slovak koruny)	362,557	192,808	192,808	182,049		292,836	…	…	
Monetary targets									
Floor on net International Reserves of the National Bank of Slovakia c/ (in millions of US$) 4/	3,753	92	-162.2	-151	I, II	318	-153.2	-197	I, II, III
Ceiling on net Domestic Assets of banking system d/ (in millions of Slovak koruny) 5/	503,900	10,400	17,605	21,100	I, IV	25,200	42,691	43,800	I, III, IV
Other									
Ceiling on contracting or guaranteeing by the government of external debt, 1-12 year maturity (in millions of Slovak koruny) 7/	…	19,950	19,950	4,344 6/		19,950	19,950	4,696 6/	
Ceiling on contracting or guaranteeing by the government of short-term deb (less than 1 year maturity, excluding normal import credits) (in millions of Slovak koruny)	…	0	0	0		0	0	0	

Adjuster clauses:

I	WB disbursement $100 mln lower than assumed
II	SLSP privatization revenues deposited at NBS $154.2 mln lower than assumed
III	VUB revenues of $217 mln not yet received, as assumed.
IV	SLSP privatization revenues (total) $52 mln less than assumed

Sources: National Bank of Slovakia, and Ministry of Finance.

1/ Definitions of the concepts to be measured are set out in the Technical Memorandum of Understanding.
2/ Adjusted so as to include the impact of the January 2001 and March 2001 transfer of bank restructuring bonds to banks (Sk 83.7 billion and Sk 21.3 billion, respectively).
3/ On the basis of preliminary information, which is incomplete as concerns transactions of the National Property Fund.
4/ At fixed cross exchange rates of end-December 2000.
5/ Foreign currency component valued at fixed exchange rates and fixed cross rates of end-December 2000.
6/ In the second quarter of 2001, domestic guarantees amounting to Sk 14.1 billion were issued instead of the issuance or roll-over of external guarantees assumed under the program.
7/ The target ceiling has been adjusted for June through December to reflect actual foreign borrowing (euro 100 million equalling to Sk 4.35 billion) by the NPF in April.
In addition to the NPF borrowing, the target ceiling includes new borrowing of Sk 5.8 billion, for the bridge project and for Slovak Railways, and a rollover of existing guarantees in the amount of Sk 11.8 billi

a/ The limits on net credit to the government for March, June, and September will be adjusted upward by the amount of any shortfall in privatization receipts to be used for the retirement of debt of the health ar
b/ The limit on general government expenditure will be adjusted upward for unforeseen expenditure associated with natural disasters, and statutory expenditure of up to Sk 1.5 billion.
c/ The floor on the net international reserves of the NBS will be adjusted downward (upward) to reflect cumulative downward (upward) deviations from program assumptions about privatization revenues, and disbursements from the World Bank under the EFSAL.
d/ The ceiling on net domestic assets of the banking system will be adjusted downward (upward) to reflect cumulative upward (downward) deviations from program assumptions about privatization. revenues, and disbursements from the World Bank under the EFSAL. The ceiling will also be adjusted to take account of the possible effects on the banking system data of the removal of the license of the Sl

Table 1 (continued). Slovak Republic: Quantitative Targets, December 2001 and March 2002 1/

	Actual, level December 31, 2000	Cumulative flows from December 2000 December 31, 2001 Target 2/	Cumulative flows from December 2001 March 31, 2001 Target
Fiscal targets			
Ceiling on general government deficit/net credit to the government 3/a/ (in millions of Slovak koruny)	30,249	36,316	5,836
Ceiling on general government expenditures b/ (in millions of Slovak koruny)	362,557	399,944	94,924
Monetary targets			
Floor on net International Reserves of the National Bank of Slovakia c/ (in millions of US$) 4/	3,753	126	-52
Ceiling on net Domestic Assets of banking system d/ (in millions of Slovak koruny) 5/	503,900	75,800	14,000
Other			
Ceiling on contracting or guaranteeing by the government of external debt, 1-12 year maturity (in millions of Slovak koruny) 6/	…	10,000	…
Ceiling on contracting or guaranteeing by the government of short-term d (less than 1 year maturity, excluding normal import credits) (in millions of Slovak koruny)	…	0	0

Sources: National Bank of Slovakia, and Ministry of Finance.

1/ Definitions of the concepts to be measured are set out in the Technical Memorandum of Understanding.
2/ Revised during October/November 2001 Review Mission.
3/ Adjusted so as to include the impact of the January 2001 and March 2001 transfer of bank restructuring bonds to banks (Sk 83.7 billion and Sk 21.3 billion, respectively).
4/ At fixed cross exchange rates of end-December 2000.
5/ Foreign currency component valued at fixed exchange rates and fixed cross rates of end-December 2000.
6/ The target ceiling has been adjusted for June through December to reflect actual foreign borrowing (euro 100 million equalling to Sk 4.35 billion) by the NPF in April.
In addition to the NPF borrowing, the target ceiling includes new borrowing of Sk 5.8 billion, for the bridge project and for Slovak Railways, and a rollover of existing guarantees in the amount of Sk 11.8 billion.

a/ The limits on net credit to the government for December and March will be adjusted upward by the amount of any shortfall in privatization receipts to be used for the retirement of debt of the health and pension funds.
b/ The limit on general government expenditure will be adjusted upward for unforeseen expenditure associated with natural disasters, and statutory expenditure of up to Sk 1.5 billion.
c/ The floor on the net international reserves of the NBS will be adjusted downward (upward) to reflect cumulative downward (upward) deviations from program assumptions about privatization revenues, and disbursements from the World Bank under the EFSAL.
d/ The ceiling on net domestic assets of the banking system will be adjusted downward (upward) to reflect cumulative upward (downward) deviations from program assumptions about privatization. revenues, and disbursements from the World Bank under the EFSAL. The ceiling will also be adjusted to take account of the possible effects on the banking system data of the removal of the license of the Slovak Konsolidation Bank.

Table 2. Slovak Republic: Structural Benchmarks

Policy Action	Implementation Date	Status of Implementation
1. The government will adopt a resolution introducing quarterly ceilings on general government expenditures. These ceilings can only be revised in consultation with the IMF.	In conjunction with approval of the staff-monitored program.	Completed.
2. The government will adopt a resolution stipulating that higher-than-budgeted revenues in 2001 will be used only as long as the fiscal deficit is contained at 3.9 percent of GDP. In this connection, any revision to the expenditure ceiling will be done in consultation with the IMF. The only exception to this principle will be expenditures to cover the cost of natural disasters and financing additional statutory expenditures up to a maximum amount of Sk 1.5 billion.	In conjunction with approval of the staff-monitored program.	Completed.
3. The government will use privatization revenues for "development projects" only as long as the fiscal deficit is contained at 3.9 percent of GDP in 2001.	Continuous during 2001.	
4. The government will submit to Parliament a draft act on state debt and state guarantees with the goal of having this legislation come into force on January 1, 2002. The legislation will include provisions indicating that any future privatization receipts will be used exclusively to reduce state debt and finance the pension reform, and that the stock of state guarantees will be reduced substantially over the next several years.	September 2001.	Delayed. A draft bill was submitted to the Legislative Council of the government in October and the act is expected to be approved by government in November.
5. Out of 12 state (extra-budgetary) funds, the government will abolish: • eight funds; • and, two funds.	 September 2001 December 2001.	Delayed. A draft bill—according to which nine state funds would be abolished as of January 1, 2002, and one as of January 1, 2003—is going to have a second reading in Parliament in November.

Policy Action	Implementation Date	Status of Implementation
6. Based on recommendations from the IMF, the government will implement the new organizational structure of Tax Administration at the headquarters, regional, and local levels.	March 2002.	
7. The government will establish a large taxpayer unit in Bratislava.	December 2001.	Substantial progress has been made; expected to be completed on time.
8. The government will decide on the institutional location of bank supervision.	May 2001.	Delayed. Material on the institutional arrangement was submitted to the Cabinet on October 31, 2001
9. The bank supervision authority will adopt a proactive approach to bank supervision, through the introduction of a new supervisory policy and procedures in line with the supervisory development plan agreed with the World Bank under the Enterprise and Financial Sector Adjustment Loan.	September 2001.	Completed with delay (on October 19, 2001).
10. The bank supervision authority will develop an overall staffing plan to implement the proactive bank supervisory approach and make satisfactory progress in implementing the hiring under this plan (20–25 percent). At least four banks will be re-evaluated according to the new procedures, starting with the largest banks that are classified as high risk according to the CAMEL ratings.	January 2002.	
11. The bank supervision authority will approve a new remedial action policy and corrective action plans in conjunction with supervisory strategies prepared by the four banks identified above with inputs from international supervisory experts.	January 2002.	
12. The government will sell at least 67 percent of IRB's shares to a strategic investor(s), or initiate alternative resolution procedures.	December 2001.	Progress being made; expected to be completed on time.

Policy Action	Implementation Date	Status of Implementation
13. The government will define an optimal network for institutional healthcare facilities, and for primary and secondary outpatient care.	June 2001.	Completed with delay (on August 20, 2001).
14. The government will introduce incentives in medical practices and the pricing of pharmaceuticals to lower the cost of healthcare.	June 2001.	Delayed, although work is in progress.
15. The government will approve a timetable for the gradual increase of the retirement age.	June 2001.	Completed with delay (on October 3, 2001).
16. The government will approve a comprehensive package to improve labor market flexibility and restrict the informal hiring of workers.	June 2001.	Completed.
17. The government will approve a comprehensive model for the introduction of a three-pillar pension system.	March 2002.	
18. The government will offer for sale 49 percent of the state's stake in the three electricity distribution companies.	December 2001.	In progress.
19. The government will offer for sale 49 percent of the state's stake in the Slovak gas company (SPP).	September 2001.	Completed.
20. The government will establish an independent regulatory authority for the utilities.	December 2001.	Completed (on August 1, 2001).