

Table 1. Dominica: Quantitative Performance Criteria (PC), and Indicative Targets (IT), for 2004
Under the Poverty Reduction and Growth Facility Arrangement
(Cumulative amounts from June 30, 2003, unless otherwise indicated)

	2003									
	Dec. 31 1/ (PC)	Jan. 31 (IT)	Feb. 28 (IT)	Mar. 31 (PC)	30-Apr (IT)	31-May (IT)	Jun. 30 (PC)	Sept. 30 (IT)	31-Dec (IT)	
I. Performance Criteria										
(In millions of Eastern Caribbean dollars)										
Central government primary balance 2/	...	0.0	0.0	0.0	0.2	0.5	0.8	0.9	1.0	
Central government wage bill	84.0	62.8	72.0	83.2	90.3	99.5	108.6	134.4	160.2	
Banking system net credit to central government 3/	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	
(In millions of Eastern Caribbean dollars)										
Net changes in central government arrears to private domestic parties 4/	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	
(In millions of U.S. dollars)										
Disbursement of central government or central government guaranteed external nonconcessional debt with maturity of at least one year 2/ 5/	23.9	30.0	30.0	30.0	33.0	33.0	33.0	33.0	33.0	
Net changes in the outstanding stock of contracted or guaranteed short-term external debt of the central government (with maturity of less than one year) 4/ 5/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net changes in external payments arrears of the central government 4/ 6/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
II. Indicative Targets										
(In millions of Eastern Caribbean dollars)										
Central government overall balance 2/ 7/	-46.9	-28.8	-32.1	-33.5	-33.8	-36.7	-39.2	-57.8	-61.3	
Central government revenues	140.5	117.7	131.9	148.5	166.1	181.1	197.4	245.1	302.0	
Central government primary savings	-9.5	5.3	3.3	0.0	11.7	10.6	10.6	14.3	24.4	

Sources: Dominican authorities; Eastern Caribbean Central Bank (ECCB); and Fund staff estimates and projections.

1/ Cumulative from March, 31 2003.

2/ Limits will be adjusted downward (upwards) to the extent that project financing falls short of (exceeds) programmed amounts. Upward adjustments will not exceed US\$5 million by end-December 2003, US\$6.35 million by end-March 2004, and US\$7.7 million by end-June 2004. The limits will be adjusted downward to the extent that budgetary grants exceed programmed amounts.

3/ Limits on banking system net credit to the central government will be adjusted upward to the extent that there are shortfalls in external nonproject financing that are outside the control of the authorities. These upward adjustments will not exceed US\$4.0 million by end-December 2003. Limits on banking system net credit to the central government will be adjusted downward to the extent that external nonproject financing exceeds US\$20.4 million by end-December 2003. For the period through December 2004, the limits on banking system net credit to the central government will be adjusted downward to the extent that budgetary lending has been obtained and not used for intended reform.

4/ These performance criteria will be monitored on a continuous basis.

5/ For the definition of external debt, see paragraph 21 of the Technical Memorandum of Understanding.

6/ Excluding subscription arrears to regional and international organizations.

7/ Performance criterion for December 2003 and an indicative target thereafter.

Table 2. Dominica: Structural Performance Criteria and Structural Benchmarks for the PRGF Arrangement through December 2004

Structural Reform Measure under Original Program	Lead Institution	MEP Paragraph Number	Completion Date	Category
Tax policy Elimination of discretionary tax exemptions.	IMF	12	...	Prior Action
Budget approval Approval of FY2004/05 budget, consistent with the program.		13	End-July 2004	Performance Criterion
Tax policy Announcement in the budget for FY2004/05 the adoption of the VAT by mid-2005. Cabinet approval of key parameters such as the base, the rate, registration threshold, filing frequency, and refund system.	IMF	19	End-September 2004	Benchmark
Civil service reform Study outlining the process for reduction in the wage bill for FY2004/05 by 5 percent through attrition.	EU/DFID	19	End-March 2004	Benchmark
Tax policy and administration Conduct a review of all statutory tax exemptions with a view to assessing their effectiveness and justification, and to prevent abuses.	CARTAC	12	End-June, 2004	Benchmark
Pension reform Submit legislation to Parliament proposing a phased increase in the retirement age for public employees to 60 years.	IMF	19	End-June, 2004	Benchmark
Institutional strengthening Improve the regulatory framework for electricity supply, following the recommendations of technical assistance mission.	World Bank	25	End-September 2004	Benchmark

Sources: Dominican Authorities and Fund staff.