

Table 1. Cape Verde: Quantitative Performance Criteria and Benchmarks for December 2002-June 2004 Under the PRGF Arrangement 1/ 2

	Cumulative flows from End-December 2002											
	2002		2003						2004			
	Dec.	Mar	Jun		Dec.		Mar		June			
	Level	Actual	Performance criteria	Performance criteria (adjusted)	Actual	Performance criteria (unadjusted)	Performance criteria (adjusted)	Actual	Indicative target (unadjusted)	Indicative target (adjusted)	Prel.	Performance criteria
Quantitative targets												
(In billions of Cape Verde escudos)												
Ceiling on net domestic credit to the central government from the banking system 3/ 4/	14.4	-0.2	0.0	0.0	0.3	1.3	0.9	0.5	2.0	1.7	0.5	1.7
Ceiling on net domestic assets of the central bank 3/	7.6	0.6	0.4	0.4	1.0	0.2	0.6	1.6	0.6	0.6	1.2	0.2
Ceiling on the accumulation of new domestic payment arrears by the central government	1.1	0.0	0.0	0.0	0.0	0.0	...	0.0	0.0	...	0.0	0.0
(In millions of dollars)												
Ceiling on the accumulation of new external debt arrears by the central government 5/	...	0.0	0.0	0.0	0.0	0.0	...	0.0	0.0	...	0.0	0.0
Ceiling on the contracting or guaranteeing of non-concessional external debt with original maturity of more than one year by the central government 5/ 6/	...	0.0	0.0	0.0	0.0	10.0	...	0.0	10.0	...	5.0	10.0
Ceiling on the outstanding stock of nonconcessional external debt with a maturity of less than one year by the central government 5/ 7/	0.0	0.0	0.0	0.0	0.0	0.0	...	0.0	0.0	...	0.0	0.0
(In millions of euros)												
Floor on net international reserves of the Bank of Cape Verde (BCV) 8/	72.4	1.0	0.4	0.3	-1.3	2.9	-0.6	-4.1	4.9	-0.4	-1.4	7.9
Memorandum item:												
(In billions of Cape Verde escudos)												
Floor on the primary current fiscal balance (indicative target)	...	...	2.2	2.2	0.9	3.2	...	3.2	3.1	...	...	3.4
Program assumptions												
Nonproject external financial assistance, including credit line (program assumption)	...	0.9	1.4	...	1.2	1.9	...	1.5	2.5	...	2.0	3.5
External debt service 9/	...	0.4	1.2	...	1.0	2.7	...	2.2	3.3	...	2.4	4.1
Cash payments of domestic arrears	...	...	0.0	...	0.0	0.4	...	0.1	0.0	...	0.1	0.0

1/ Quantitative performance criteria and benchmarks are described in the technical memorandum of understanding (EBS/03/162, Appendix IV).

2/ For purposes of calculating program adjusters, foreign currency amounts will be converted at program exchange rates.

3/ The ceiling will be adjusted downward (upward) by the cumulative downward (upward) deviations in external debt service and upward (downward) by the cumulative downward (upward) deviations in nonproject external financial assistance relative to program assumptions. For purposes of calculating the adjusters, these flows will be valued at current exchange rates.

4/ The ceiling on net domestic credit to the central government from the banking system will be adjusted downward by the shortfall in cash payments of domestic arrears relative to program assumptions.

5/ This performance criterion is on a continuous basis.

6/ 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 (Decision No. 12274-(00/85), August 24, 2000),

but also to commitments contracted or guaranteed for which value has not been received. Excluded from this performance criterion are rescheduling arrangements, the Portuguese credit line, and borrowings from the Fund.

7/ The term "debt" has the meaning set forth in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt. Excluded from this performance criterion are rescheduling arrangements,

the Portuguese credit line, borrowings from the Fund, and normal import-related credits.

8/ The floor on net international reserves of the Bank of Cape Verde will be adjusted upward (downward) by the cumulative downward (upward) deviations in external debt service and downward (upward)

by the cumulative downward (upward) deviations in nonproject external financial assistance relative to program assumptions. For purposes of calculating the adjusters, these flows will be valued at current exchange rates.

9/ Beginning end-December 2003, external debt service projections have been corrected downward by CV Esc 550 million to eliminate the double counting of projected repayments of the Portuguese credit line,

which are already captured in projected nonproject external financial assistance.

Table 3. Cape Verde: Quantitative Performance Criteria and Benchmarks for 2004 Under the PRGF Arrangement 1/ 2/

2003 Dec. Level Actual	Cumulative flows from End-December 2003					June Performance criteria	Sep. Indicative target ^{3/}	Dec. Performance criteria
	2004							
	March		Prel	June	Sep.			
Indicative target								
	(unadjusted)	(adjusted)						
Quantitative targets								
(In billions of Cape Verde escudos)								
Ceiling on net domestic credit to the central government from the banking system ^{3/ 4/}	14.9	1.1	0.9	0.0	0.8	0.7	0.3	
Ceiling on net domestic assets of the central bank ^{3/}	9.2	-0.6	-0.8	-0.4	0.0	-0.1	-0.1	
Ceiling on the accumulation of new domestic payment arrears by the central government	...	0.0	...	0.0	0.0	0.0	0.0	
(In millions of U.S. dollars)								
Ceiling on the accumulation of new external debt arrears by the central government ^{5/}	0.0	0.0	...	0.0	0.0	0.0	0.0	
Ceiling on the contracting or guaranteeing of non-concessional external debt with original maturity of more than one year by the central government ^{5/ 6/}	...	10.0	...	5.0	10.0	...	20.0 ^{5/}	
Ceiling on the outstanding stock of nonconcessional external debt with a maturity of less than one year by the central government ^{5/ 7/}	0.0	0.0	...	0.0	0.0	...	0.0	
(In millions of euros)								
Floor on net international reserves of the Bank of Cape Verde (BCV) ^{8/}	68.2	5.5	4.3	2.8	8.5	7.0	11.0	
Memorandum item:								
(In billions of Cape Verde escudos)								
Floor on the primary current fiscal balance (indicative target)	...	0.0	...	...	0.3	-0.9	3.2
Program assumptions								
Nonproject external financial assistance, including credit line (program assumption)	...	0.4	...	0.4	0.8	1.0	2.5	
External debt service	...	0.6	...	0.4	1.4	1.7	2.6	
Cash payments of domestic arrears	...	0.0	...	0.0	0.0	0.4	0.4	

1/ Quantitative performance criteria and benchmarks are described in the technical memorandum of understanding.

2/ For purposes of calculating program adjusters, foreign currency amounts will be converted at program exchange rates.

3/ The ceiling will be adjusted downward (upward) by the cumulative downward (upward) deviations in external debt service and upward (downward) by the cumulative downward (upward) deviations in nonproject external financial assistance relative to program assumptions. For purposes of calculating the adjusters, these flows will be valued at current exchange rates.

4/ The ceiling on net domestic credit to the central government from the banking system will be adjusted downward by the shortfall in cash payments of domestic arrears relative to program assumptions.

5/ This performance criterion is on a continuous basis. The \$20 million ceiling on nonconcessional external debt with original maturity of more than one year takes effect as of completion of the Fourth Review.

6/ 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 (Decision No. 12274 (085), August 24, 2000).

7/ The term "debt" has the meaning set forth in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt. Excluded from this performance criterion are rescheduling arrangements, the Portuguese credit line, and borrowings from the Fund. Excluded from this performance criterion are rescheduling arrangements, the Portuguese credit line, borrowings from the Fund, and normal import and export credits.

8/ The floor on net international reserves of the Bank of Cape Verde will be adjusted upward (downward) by exchange valuation gains (losses), by the cumulative downward (upward) deviations in external debt service, and downward (upward) by the cumulative downward (upward) deviations in nonproject external financial assistance relative to program assumptions. For purposes of calculating the adjusters, these flows will be valued at current exchange rates.