

Table 1. Benin: Financial and Structural Benchmarks and Performance Criteria Under the Program for 1998-99

(In billions of CFA francs)

	1998			1999						
	End-September	End-December 1/		End-March 2/		End-June 1/		End-September 2/		
	Est.	Prog.	Est.	Prog.	Est.	Prog.	Est.	Prog.	Rev. Prog.	
Quantitative financial benchmarks										
Net bank credit to the government 3/		45.7		47.3		46.8	34.6	44.7	27.3	
Adjusted bank credit to the government	37.5	55.4	32.7	46.1	22.2					
Reduction in verified government domestic payments arrears (cumulative since end-September 1998)	...	6.6	2.3	6.6	7.4	7.6	8.4	10.6	10.6	
Nonaccumulation of new external payments arrears by the central government (cumulative since end-September 1998) 4/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
New nonconcessional foreign borrowing at terms of 1 to 12 years contracted or guaranteed by the central government 5/ 6/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Short-term external borrowing with a maturity of less than 1 year (stock) 6/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Structural benchmarks										
Adoption by the Council of Ministers of a new wage scale, a compensation system, and performance appraisal system for the civil service 2/				End-March 1999	Adopted July 7, 1999					
Restructuring of the unit in charge of large enterprises in the domestic tax department 2/ 7/				End-January 1999	Completed February 1999					
Adoption by the Council of Ministers of an action plan to eliminate the deficit of civil service pension fund 2/ 8/				End-March 1999	Adopted action plan insufficient to eliminate deficit					
Adoption by the Council of Ministers of a plan to split the Office of Post and Telecommunication (OPT) into two entities and open the telecommunication entity to private investors 2/					End-June 1999 Adopted June 1999					
Sale of 55 percent of capital in SONACOP 1/				End-March 1999	Contract signed April 2, 1999					
Adoption by the Council of Ministers of a strategy to reform the water and energy sectors 1/								End-July 1999		
Replace the current price mechanism for petroleum products by a maximum price adjusted every three months based on international prices 1/								End-September 1999		
Merge payroll department and Ministry of Civil Service databases 1/								End-August 1999		
Adoption by the Council of Ministers of a decree to sell seedcotton to all ginning companies, including Sonapra 2/								End-September 1999		
Complete a study, with the assistance of development partners, of the specific features of Benin's trade with Nigeria and define an appropriate tax regime for it 1/								End-September 1999		
Survey civil service employees and their beneficiaries								End-September 1999		
Minimum recovery of overdue loans of liquidated banks (cumulative since end-September 1998) 1/ 9/	...	0.2	0.7	0.4	1.6	0.5	1.8	0.7	2.0	
Health expenditure (cumulative since end-September 1998) 1/ 10/	...	4.1	4.1	7.6	7.1	11.2	11.2	14.7	14.7	
Education expenditure (cumulative since end-September 1998) 1/ 11/	...	11.5	10.1	21.5	19.4	31.5	31.5	41.5	41.5	
Indicators (cumulative since end-September 1998)										
Total budgetary revenue 11/	...	59.4	61.3	106.3	114.1	164.0	165.0	226.3	233.5	
Primary expenditure 12/	...	57.8	56.4	97.7	92.8	143.0	140.7	190.9	189.7	
Wage bill	...	22.6	19.4	40.1	35.4	57.7	54.3	75.3	72.0	
Memorandum item:										
Non-project-related external assistance, excluding debt relief and the Social Fund (cumulative since end-September 1998) 13/	...	14.0	4.3	16.0	17.2	18.9	20.3	22.0	23.6	

1/ Benchmarks.

2/ Performance criteria.

3/ Program targets are adjusted downward (upward) by the amount by which disbursements on non-project-related external assistance, excluding debt relief, exceed (fall short of) the amount programmed; the required correction in case of shortfall of external assistance will be limited to CFAF 10 billion at end-December 1998, CFAF 12 billion at the end of March and June 1999, and CFAF 15 billion at the end of September 1999 (cumulative). Program targets are adjusted downward by the amount by which proceeds from privatization exceed the amount programmed for restructuring expenditure.

4/ Excluding arrears on debt service to non-Paris Club creditors for which the authorities are making best efforts to reach agreement on at least comparable terms to those granted by the 1996 Paris Club agreement.

5/ Excludes loans contracted for debt rescheduling. The concessionality on the external borrowing is defined in the Fund's revised guidelines, approved on October 21, 1995

and is computed in compliance with the implementing guidelines of April 15, 1996.

6/ Excluding normal import financing.

7/ Reorganizing and updating all files by taxpayer rather than by individual taxes; increasing department staffing; restructuring auditing services and transferring to other departments responsibilities for enterprises with sales of less than CFAF 80 million.

8/ Fonds national de retraites du Bénin.

9/ Including sales of assets.

10/ Current expenditures.

11/ Excluding grants.

12/ Total expenditure minus interest payments.

13/ Excluding IMF disbursements.