

Table 1. Central African Republic: Prior Actions Implemented in October–December 2000

Areas	Measures
1. Petroleum sector	
1.1 Pricing	New price structure agreed with private operators; amendement to the memorandum of understanding to revise the price structure as often and whenever necessary
1.2 Privatization	Transfer of all assets and responsibilities of the state oil company (PETROCA--which is under liquidation) to the private operators
1.3 Management of grants in kind	Transmission to the private operators of all information on petroleum products imported free of charge or at concessional prices; implementation of strict accounting procedures for the management of counterpart funds (deposit of an amount equivalent to the value of grants in kind into a special account with the Bank of Central African States--BEAC)
1.4 Payment of taxes and duties	Implementation of a system to collect taxes and duties every ten days, based on actual volumes; strict control of legal exemptions
2. Public finances	
2.1 Cash management	Adoption and implementation of emergency measures to strengthen expenditure control and cash management; submission of a request for technical assistance to the IMF
2.2 Tax directorate	Issuance of tax bills to nonreporting taxpayers (40 companies) and launch of audits for suspicious cases (32 companies that declared zero turnover in September 2000)
2.3 Customs directorate	Implementation of a new organizational structure and restructuring of the administration; integration of the computer system (SYDONIA) into a network; submission of a request to the Cameroonian authorities to transmit documents relating to goods in transit from Cameroon to the Central African Republic
2.4 Treasury	Seizure of monetary assets (<i>avis à tiers détenteur</i>) for all delinquent taxpayers, after clearing up irrecoverable tax liabilities and netting out payment arrears owed by the government
2.5 Finance law	Approval by the Council of Ministers and submission to the National Assembly of the draft 2001 finance law
3. Program financing	
3.1 Budgetary assistance	Reaching of understandings on the mobilization of budgetary assistance (program loans and grants); financing conditions consistent with the program agreed with Fund staff
3.2 External arrears	Preparation of a schedule to settle external arrears during 2001–02

Table 2. Central African Republic: Performance Criteria and Benchmarks Under the Second Annual PRGF Arrangement

(In billions of CFA francs; ceilings, unless otherwise indicated)

	2000		2001			
	Sep. Est.	Dec. Proj.	March	June #REF!	Sep.	Dec.
Quantitative performance criteria 1/						
Net bank credit to the central government, excluding counterpart to use of Fund resources (end of period)	27.5	26.3	25.9	25.5	25.0	24.6
Contracting and guaranteeing of new nonconcessional debt by the central government (including leasing) 2/						
With maturities of less than 1 year and up to 25 years with a grant element of less than 50 percent 3/	0.0	0.0	0.0	0.0	0.0	0.0
With maturities of less than 1 year 4/	0.0	0.0	0.0	0.0	0.0	0.0
Outstanding stock of external payments arrears (end of period) 5/ 6/	25.3	25.6	21.9	20.0	14.0	10.0
Accumulation of new external payments arrears (on a continuous basis) 2/ 6/	7.2	7.5	0.0	0.0	0.0	0.0
Floor on net reduction (-) in government domestic payments arrears 2/ 5/	-4.7	-4.7	-3.0	-4.0	-5.0	-6.0
Floor on total government revenue 2/ 7/	48.6	62.7	20.3	40.5	57.0	72.4
Quantitative benchmarks						
Government expenditure, excluding interest payments and foreign-financed investment 2/	46.8	60.1	16.5	32.3	48.7	64.6
Government wage bill 2/	20.2	27.0	6.9	13.8	20.7	27.6
Memorandum item:						
Disbursements of external program assistance (including the use of Fund resources) 8/	8.5	10.2	10.3	11.0	21.0	32.4
Structural benchmarks						
			<u>Timing</u>			
Setting up of a National Statistical Board			March 2001			
Final closure of state oil company (PETROCA)			June 2001			
Completion of a study on the economic effects of sugar import licensing			September 2001			

1/ Performance criteria for March and September 2001; benchmarks for June and December 2001. The targets for September and December 2001 are indicative and will be finalized by the time of the first review. Detailed definitions are provided in the technical memorandum of understanding (TMU).

2/ Cumulative from the beginning of the calendar year.

3/ 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, adopted 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 and borrowing from the Fund. For purposes of this performance criterion, the term "nonconcessional" means that the debt has a grant element of less than 50 percent, calculated by using currency-specific commercial interest rates that are based on the OECD commercial interest reference rates (CIRRs).

4/ 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, adopted 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, borrowing from the Fund, and normal import-related credits. For purposes of this performance criterion, the term "nonconcessional" means that the debt has a grant element of less than 50 percent, calculated by using currency-specific commercial interest rates that are based on the OECD commercial interest reference rates (CIRRs).

5/ The targets for the outstanding stock of external payments arrears and for the net reduction in government domestic payments arrears are subject to adjustments (upward and downward, respectively) in absolute terms so as to take into account deviations from programmed amounts of external program assistance (excluding project financing). The adjustment will be distributed as follows: 33 percent for net reduction in domestic payment arrears, and 67 percent for external arrears outstanding.

6/ Excluding reschedulable external debt-service obligations.

7/ Including earmarked revenue.

8/ Cash basis, based on actual use of counterpart funds in case of disbursements from the European Union.

Table 3. Central African Republic: Quarterly Cash-Flow Plan, 2001

(In billions of CFA francs, cumulative from the beginning of the year)

	March	June	September	December
Government revenue, cash, excluding grants 1/	16.4	33.9	47.2	59.7
Primary expenditure 1/ 2/	-13.3	-26.0	-39.2	-52.0
Current primary expenditure	-12.2	-23.6	-35.6	-47.1
<i>Of which</i> : wages and salaries 3/	-5.8	-11.6	-17.4	-23.3
Domestically financed investment 4/	-1.1	-2.4	-3.6	-4.8
Narrow primary balance 2/	3.1	7.9	8.0	7.7
Debt service	-3.8	-8.4	-12.6	-18.4
Domestic	-0.2	-0.4	-0.8	-1.3
<i>Of which</i> : IMF	0.0	0.0	0.0	-0.1
External 5/	-3.6	-8.0	-11.8	-17.1
Settlement of arrears	-6.7	-9.6	-16.6	-21.5
Domestic	-3.0	-4.0	-5.0	-6.0
<i>Of which</i> : wages and salaries	-2.5	-3.3	-4.0	-4.0
External	-3.7	-5.6	-11.6	-15.5
Cash balance	-7.4	-10.1	-21.2	-32.2
Financing	7.4	10.1	21.2	32.2
Domestic	-2.1	0.6	11.7	18.5
Bank financing	-2.1	0.6	10.2	17.0
Central bank, excluding IMF	-2.7	-0.4	-0.5	-0.7
IMF	7.5	7.5	15.0	18.7
Commercial banks	-7.0	-6.5	-4.3	-1.0
<i>Of which</i> : Counterpart funds under European Union program grants	-6.7	-6.0	-3.5	0.0
Nonbank financing	0.0	0.0	1.6	1.6
External	9.5	9.5	9.5	13.7

Sources: C.A.R. authorities; and Fund staff estimates and projections.

1/ Excluding withholding taxes on government salaries, earmarked revenue, and taxes and duties on project-related imports.

2/ Excluding foreign-financed investment.

3/ Excluding withholding taxes on government salaries.

4/ Excluding earmarked revenue and taxes and duties on project-related imports.

5/ After the application of traditional debt-flow relief mechanisms, but excluding possible additional assistance under the Initiative for Heavily Indebted Poor Countries (HIPC Initiative).

Table 4. Central African Republic: Budget Receipts, 2000–01

(In billions of CFA francs, cumulative from the beginning of the year)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Cash receipts 1/												
2000 – projections 2/	...	...	16.0	21.3	26.3	31.3	35.6	39.9	44.0	48.3	52.5	56.5
Customs direcorate	...	...	7.3	9.4	11.6	13.9	16.1	18.3	20.2	22.5	24.6	26.6
Tax directorate	...	...	7.3	10.0	12.3	14.4	16.1	17.6	19.2	20.8	22.4	24.0
Treasury	...	...	1.4	1.9	2.5	3.0	3.5	4.0	4.5	5.0	5.5	5.9
2000 – actual 3/	4.4	9.8	15.8	20.5	25.6	29.5	33.6	37.5	40.8	44.7	48.4	52.2
Customs direcorate	2.3	4.3	6.6	8.6	10.7	12.9	15.1	17.3	19.0	20.7	22.3	23.8
Tax directorate	1.6	4.5	7.8	10.1	12.4	13.9	15.6	17.2	18.5	20.1	21.6	23.2
Treasury	0.4	0.9	1.4	1.8	2.5	2.7	2.9	3.1	3.3	3.9	4.5	5.1
2001 – projections	4.2	9.5	16.4	22.2	27.6	32.8	37.4	41.8	46.1	49.8	54.0	58.6
Customs direcorate 4/	1.6	2.9	4.5	5.9	7.3	9.0	10.3	11.8	13.1	14.4	16.0	17.8
Tax directorate 4/	2.1	5.6	10.3	14.2	17.7	20.9	23.7	26.1	28.5	30.4	32.3	34.6
Treasury	0.5	1.0	1.6	2.1	2.6	2.9	3.4	3.9	4.5	5.0	5.7	6.2
Memorandum items:												
Total revenue												
2000 – projections 1/	...	...	19.0	25.3	31.3	37.4	42.8	48.2	53.3	58.7	64.0	69.0
2000 – actual 3/	5.3	11.7	18.7	24.3	30.3	34.9	39.8	44.4	48.6	53.3	58.0	62.7
2001 – projections	5.2	11.7	20.3	27.4	34.1	40.5	46.2	51.6	57.0	61.5	66.7	72.4

Sources: C.A.R. authorities; and Fund staff estimates and projections.

1/ Excluding withholding taxes on government salaries, earmarked revenue, and taxes and duties on project-related imports.

2/ Estimates as of April 2000 for January through March 2000.

3/ Projections for October through December 2000.

4/ Receipts from value-added tax on imports have been collected by the customs directorate until 2000. From 2001 onward, they will be collected by the tax directorate.