

Table 1A. PRGF Arrangement, 1999
(Cumulative from beginning of calendar year to end of month indicated)

	1999									
	March Benchmark		June Performance criterion		September Benchmark			December Performance criterion		
	Prog. 1/	Actual	Prog. 1/	Actual	Prog.	Rev. Prog. 1/	Actual	Prog.	Rev. Prog. 1/	Proj.
	(In billions of Cedis)									
Government domestic primary surplus (floor) 2/	113	99	249	234	416	269	322	703	676	284
Government revenue, excluding grants and divestiture proceeds (floor) 3/	732	774	1,603	1,580	2,606	2,494	2,434	3,738	3,557	3,366
Domestic financing of government (ceiling) 4/ 5/ 6/	285	273	616	660	448	817	795	556	829	1,082
Reserve money (ceiling) 7/ 8/	1,302	1,306	1,291	1,288	1,277	1,339	1,337	1,564	1,583	1,584
	(In millions of U.S. dollars, unless otherwise specified)									
Change in net foreign assets of the Bank of Ghana (floor) 9/	-11	-42	-161	-158	-48	-263	-239	77	40	-94
New nonconcessional external loans contracted or guaranteed by the government or the Bank of Ghana (1-15 year maturity) (ceiling) 10/	0	0	0	0	0	0	0	0	0	0
Short-term external debt outstanding contracted or guaranteed by the government or the Bank of Ghana (with an initial maturity of less than one year) (ceiling) 11/	50	0	50	25	50	50	40	50	50	50
<i>Memorandum item:</i>										
Net change in road sector arrears (in billions of cedis)	-15	-20	-30	-35	-45	-50	-100	-60	-65	-130
Total program support (loans and grants) assumed (in millions of U.S. dollars)	34	33	106	35	186	130	123	197	163	153

1/ After applying the adjusters.

2/ The domestic primary balance is defined as the difference between total revenue (excluding grants and divestiture proceeds) and noninterest domestic expenditure (excluding foreign-financed capital expenditure). The domestic primary balance will be reduced by the value of any domestic arrears outstanding at the test date.

3/ Benchmark only.

4/ The ceiling will be adjusted upward/downward to the extent that the cumulative net reduction in government payments arrears is larger/smaller than programmed (see memorandum item).

5/ The ceiling on net domestic financing will be increased (reduced) by any shortfall (excess) in foreign program support for the budget (program loans and grants). The ceiling on net domestic financing will be reduced by the amount of any new domestic arrears outstanding at the test date. Similarly, the floor on net foreign assets of the Bank of Ghana will be reduced (increased) by any shortfall (excess) in foreign program support for the budget (program loans and grants).

The floor on net domestic assets of the Bank of Ghana will be increased by the amount of any new domestic arrears outstanding at the test date.

5/ The ceiling on net domestic financing will be adjusted upward by the amount of the treasury bills issued on account of the "bank restructuring operations," but not exceeding the equivalent of US\$50 million.

7/ Net of interest adjustment, which is not included in the definition of net domestic financing for the program, and after adjustment for larger-than-expected programmed reduction in payments arrears.

8/ Stock at end of month indicated.

9/ To be adjusted downward to the extent of any reduction in, or shortfall in compliance with, the legal reserve requirement (8 percent of bank deposits).

10/ External loans contracted or guaranteed other than those with grant elements equivalent to 35 percent or more, calculated using a discount rate based on OECD commercial interest reference rates.

11/ Excluding normal import-related credits. (Data exclude cocoa financing, which is outside the scope of this criterion as government is narrowly defined.)

Table 1B. PRGF Arrangement, 2000
(Cumulative from beginning of calendar year to end of month indicated)

	2000				2001	
	March		August	September	December	March
	Benchmark Prog. 1/	Actual	Performance criterion Prog.	Benchmark Prog.	Performance criterion Prog.	Benchmark Prog. 12/
(In billions of Cedis)						
Government domestic primary surplus (floor) 2/	232	235	597	708	1,028	350
Government revenue, excluding grants and divestiture proceeds (floor) 3/	896	902	2,799	3,289	4,616	1,110
Domestic financing of government (ceiling) 4/ 5/ 6/	406	386	153	416	233	280
Reserve money (ceiling) 7/ 8/	1,560	1,542	1,575	1,584	1,823	1,775
(In millions of U.S. dollars, unless otherwise specified)						
Change in net foreign assets of the Bank of Ghana (floor) 9/	-151	-67	-182	-186	50	-40
New nonconcessional external loans contracted or guaranteed by the government or the Bank of Ghana (1-15 year maturity) (ceiling) 10/	0	0	0	0	0	0
Short-term external debt outstanding contracted or guaranteed by the government or the Bank of Ghana (with an initial maturity of less than one year) (ceiling) 11/	50	40	50	50	50	50
<i>Memorandum item:</i>						
Stock of government road sector arrears (in billions of cedis)	225	...	276	272	172	124
Stock of government accrued liabilities (in billions of cedis)	156	156	0	0	0	
Total program support (loans and grants) assumed (in millions of U.S. dollars)	44.0	45.2	224.3	224.3	366.3	20.0

¹ After applying the adjusters for government accrued liabilities and total program support only.

² The domestic primary balance is defined as the difference between total revenue (excluding grants and divestiture proceeds) and noninterest domestic expenditure (excluding foreign-financed capital expenditure) on a commitment basis.

³ Benchmark only.

⁴ The ceiling will be adjusted upward/downward to the extent that the cumulative net reduction in government payments arrears is larger/smaller than programmed (see memorandum item).

⁵ The ceiling on net domestic financing will be reduced by any excess in foreign program support for the budget (program loans and grants) and will be increased by 50 percent of the shortfall in foreign program support. However, performance criterion test dates (other than the last) within one quarter of a programmed disbursement date will be allowed a temporary 100 percent adjustment. The ceiling on the net domestic financing will be reduced by any excess over programmed total divestiture receipts, but will not be increased for a shortfall in divestiture receipts. The ceiling will also be lowered/raised to the extent that the stock of external arrears are higher/lower than programmed.

⁶ The ceiling on net domestic financing will be adjusted upward by the amount of the treasury bills issued on account of the "bank restructuring operations," but not exceeding the equivalent of US\$20 million.

⁷ Stock at end of month indicated.

⁸ To be adjusted downward to the extent of any reduction in, or shortfall in compliance with, the legal reserve requirement.

⁹ The floor on net foreign assets of the Bank of Ghana will be increased by any excess in foreign program support for the budget (program loans and grants) and will be reduced by 50 percent of the shortfall in foreign program support. Performance criterion test dates, other than the last, within one quarter of a programmed disbursement date will be allowed a temporary 100 percent adjustment. The floor on net foreign assets of the Bank of Ghana will be increased by any excess of programmed divestiture receipts in foreign currency, but will not be decreased for any shortfall.

¹⁰ External loans contracted or guaranteed other than those with grant elements equivalent to 35 percent or more, calculated using a discount rate based on OECD commercial interest reference rates.

¹¹ Excluding normal import-related credits and cocoa financing by the Ghana Cocoa Board.

¹² Cumulative since end-December 2000.

Table 2. Prior Actions, Structural Performance Criteria and Key Benchmarks

Prior actions

- Define a package of contingent expenditures amounting to at least 1 percent of GDP and obtain cabinet approval of its deferral to the second half of the year. These expenditures will only be implemented if fiscal trends warrant it.
- Ensure the new VAT tax rate is effective June 1, 2000 and
- the C 80 petroleum excise becomes effective by June 1, 2000 at the latest.
- Inform the Fund staff of the cocoa policies for the 2000/01 crop, and issue regulations to allow qualified Licensed Buying Companies (LBCs) to export 30 percent of cocoa purchases.
- Select an advisor for the sale of at least 10 percent of the government shares in Ghana Telecom.
- Withdrawal of banking license from BCC (May 31, 2000).
- Submit Bank of Ghana Act and Banking Act to parliament (end-May 2000).
- Elimination of existing external arrears.
- Offer TOR for sale, as evidenced by a Memorandum of Understanding.
- Make a public statement that the foreign exchange market will be allowed to operate without any administrative interference, and clarify that, among the measures announced in April 2000 only those related to prudential foreign exchange regulations and licensing requirements of foreign exchange bureaus will be enforced.

Structural performance criteria

- Appoint sales advisor for the divestiture of the Electricity Company of Ghana (end-September 2000).
- Reduce road arrears to not more than C 278 billion by end-August 2000 and C 172 billion by end-December 2000. All road sector arrears to be eliminated by December 2001.

Key benchmarks

- Hire financial advisor for the concessioning of Ghana Railways (end-September 2000).
- Complete survey on corruption perceptions and issue report (end-September 2000).
- Monitor exemptions and report them quarterly by Harmonized Systems code; start reporting on September 2000 exemptions for the first half of 2000.
- Divest all Bank of Ghana's shares in commercial banks (end-September 2000).
- Improve flexibility and responsiveness of treasury bill market by accepting outlier bids (unless there is evidence of an attempt to create a false market or manipulate the price) (end-September 2000)
- Revise the accounting in the monetary survey to be based on the residency criterion unless otherwise advised by STA and produce an estimate of usable gross reserves (end-December 2000).
- Complete a study on Ghana's tariff structure that assesses the prospects to further reduce tariff rates (end-October 2000), and ask parliament to eliminate the special import tax or replace it with anti-dumping measures if justified according to existing domestic legislation (end-March 2001).
- Respond to FAD's public expenditure management report from the May/June 2000 technical assistance mission (end-September 2000), and complete an audit of domestic arrears (end-December 2000).