

Table 1. Madagascar: Quantitative Performance Criteria and Benchmarks Under the Second Annual PRGF Arrangement

ATTACHMENT

(In billions of Malagasy francs; unless otherwise indicated)

	1999		1999 Stock Dec.	2000 1/ 2/			June Perf. Crit.	Sept. Bench- mark	
	Perf. Crit.	Perf. Crit. Adj.		Est.	March				Act.
					Bench- mark	Bench- mark Adj.			
<b>I. Quantitative benchmarks and performance criteria 2/</b>									
Ceiling on external arrears (in millions of SDRs) 3/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floor on net foreign assets (NFA) of the central bank 4/ 5/ 6/ 7/	837.4	522.0	362.4	864.4	0.0	323.6	117.3	-120.6	-80.3
Ceiling on domestic financing of the government 6/ 8/	216.7	276.9	298.1	99.3	0.4	-182.9	-70.3	168.6	374.1
Ceiling on net domestic assets (NDA) of the central bank 6/ 7/ 9/	-699.4	-384.0	115.3	1,404.0	-189.6	-378.7	-211.2	-88.2	-56.6
Ceiling on nonconcessional external public borrowing 10/ 11/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floor on tax revenue	2,566.8	2,566.8	2,580.1	2,580.1	605.9	605.9	658.9	1,450.2	2,299.2
<b>II. Indicative limits</b>									
Minimum petroleum tax payments to the treasury	309.9	...	340.0	340.0	49.0	49.0	50.8	173.0	298.0
Ceiling on reserve money	105.8	...	475.0	2,322.0	-54.0	-54.0	-175.3	-238.4	-180.9
Ceiling on broad money (including foreign currency deposits) (M3) 5/	362.9	...	738.1	4,972.5	-19.6	-19.6	-136.5	-169.2	187.2
<b>III. Memorandum items: 1/</b>									
Disbursement of balance of payments support (in millions of SDRs) 12/	-0.6		-35.7		-32.1	-32.1	-9.4	7.2	9.7
Balance of payments grants and loans (in millions of SDRs)							0.0	37.1	55.3
Cash debt service (in millions of SDRs)							-9.4	29.9	45.6
Privatization proceeds	757.9		51.8	105.6	12.2	12.2	9.2	366.5	366.5

1/ Cumulative change since the beginning of each year.

2/ The benchmarks and criteria for September 2000 are indicative.

3/ Excludes all debt service outstanding that is subject to rescheduling. During the program period, the government will not accumulate any new arrears.

4/ Net foreign assets of the Central Bank of Madagascar (BCM) are defined as gross reserves minus all foreign liabilities of the BCM, both long and short term, including use of Fund credit.

5/ This amount should be valued at the exchange rates that were set for the purposes of this program.

6/ The floor on NFA of the central bank will be adjusted upward, and the ceilings on NDA of the central bank and on domestic financing of the government will be reduced, by the amount of any excess disbursements of balance of payments assistance relative to the cumulative timetable indicated in III. In case of a shortfall in balance of payments assistance at end June and end September 2000, the floor on NFA of the central bank will be reduced by a maximum amount of SDR 20 million, and the ceiling on NDA of the central bank and on net domestic financing of the government will be raised on a cumulative basis by the same maximum amount.

7/ NFA and NDA of the central bank will be adjusted for any deviation from programmed amounts of privatization receipts from abroad, net of privatization-related outlays.

In case of a shortfall in net privatization receipts, the downward adjustment of the NFA (and the upward adjustment of the NDA) at end June and end September 2000 will be capped at the equivalent of SDR 40 million.

8/ The ceiling on domestic financing of the government will be adjusted for deviations from programmed privatization-related outlays; it is defined to exclude the impact of foreign currency adjustments on bank financing of government.

9/ NDA of the central bank are defined to exclude the foreign currency adjustment.

10/ Excluding normal import-related credits.

11/ Defined as debt with concessionality level of less than 35 percent, calculated using the 10-year average of the OECD's commercial interest reference rate (CIRR)-based discount rate for loans of a maturity greater than 15 years, and the six-month average CIRR-based discount rates for maturities below 15 years.

12/ Defined as nonproject funding in the form of loans and grants minus external debt service on a cash basis.