

Table 1. External Financing Requirements and Sources

(In millions of U.S. dollars)

	Actual		IMF Staff Projection		
	1998	1999	2000	2001	2002
<b>1. Gross financing requirements</b>	<b>468</b>	<b>469</b>	<b>624</b>	<b>512</b>	<b>525</b>
External current account deficit (excluding official transfers)	335	201	282	328	342
Debt amortization	75	106	121	101	120
Medium- and long-term debt	75	106	121	101	120
Public sector	55	55	62	83	88
Multilateral 1/	28	27	35	46	47
Bilateral	28	27	27	36	33
Commercial Banks (London Club)	0	0	0	0	8
Private sector	19	51	59	18	32
Short-term debt 2/	...	...	...	...	...
Repayment of arrears	2	0	0	0	0
Gross reserves accumulation	53	145	199	75	55
IMF repurchases and repayments	2	17	22	8	9
<b>2. Expected financing</b>	<b>468</b>	<b>469</b>	<b>592</b>	<b>480</b>	<b>500</b>
Official creditors 3/	128	180	236	263	253
Official transfers and grants	28	65	80	33	33
of which: cofinancing of World Bank BoP projects 4/	...	...	13	0	0
Debt financing	100	114	156	230	220
Multilateral	100	88	145	180	186
of which: World Bank	49	56	65	104	71
of which: balance of payments support	...	40	34	60	20
Bilateral	0	26	11	50	34
Private creditors 5/	116	50	54	60	70
IMF purchases and disbursements	12	19	4	15	15
BIS line of credit	0	0	13	0	0
Foreign direct investment (net)	175	27	104	30	60
Other flows 6/	36	169	163	113	103
Rescheduling 7/	0	24	18	0	0
Accumulation of arrears	0	1	0	0	0
<b>3. Residual financing gap</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>32</b>	<b>25</b>

1/ Excluding the IMF.

2/ Original maturity of less than 1 year. Stock at the end of the previous period.

3/ Includes both loans and grants.

4/ Includes US\$10 million from the Netherlands and US\$2.6 million from Norway in 2000.

5/ Includes the capitalization of moratorium interest according to the London Club agreement of 1997.

6/ Includes other net financial flows through the banking system, trade credits, privatization receipts, and errors and omissions.

7/ Reflects the deferral of debt service to the Paris Club during April 1, 1999-March 31, 2000.

Table 2. Quantitative Performance Criteria, Benchmarks, and Indicative Targets for 2000–2001 under the PRGF/EFF Arrangements 1/  
Cumulative changes from end-June 2000

	Stock at end-June 2000	2000		2001			
		End-September Actual/Est.	End-December 2/	End-March 2/	End-June 2/	End-September 3/	End-December 3/
(Cumulative changes from end-June 2000)							
<b>Performance criteria:</b>							
Ceiling on net domestic assets of the banking system (denar millions)	-131	-2,838	-1,746	-164	-1,667	987	-60
Ceiling on net domestic credit to the general government from the banking system (denar millions)	-5,550	-1,961	-3,092	-2,404	-5,251	-3,958	-6,518
Ceiling on transfers and net lending from the central government budget to the extra-budgetary funds (change from end-December 2000, denar millions)	--	--	--	2,048	4,096	6,144	8,192
Minimum change in net foreign assets of the National Bank (US\$ millions)	494	50	132	113	161	157	200
Ceiling on new nonconcessional medium- and long-term external debt contracted or guaranteed by the public sector							
with maturities of 1–15 years (US\$ millions)	...	100	100	150	200	200	200
with maturities of 1–5 years (US\$ millions)	...	25	25	25	25	25	25
Ceiling on short-term debt with maturities of up to 1 year (US\$ millions)	0	0	0	0	0	0	0
Accumulation of central government domestic arrears (denar millions)	372	0	-372	-372	-372	-372	-372
Accumulation of external payments arrears on a continuous basis (US\$ millions)	1	-1	-1	-1	-1	-1	-1
<b>Performance benchmarks:</b>							
Ceiling on wage bill of the central government budget (denar millions)	7,930	4,237	8,445	12,420	16,395	20,370	24,345
Ceiling on personnel expenditures financed from special revenue accounts (denar millions) 4/	430	210	420	630	840	1,050	1,260
<b>Indicative targets:</b>							
Minimum for central government budget balance (denar millions)	4,509	2,349	3,246	3,699	3,862	2,441	2,706
Minimum for general government budget balance (denar millions)	4,167	1,977	597	274	-122	-2,103	-2,241

Sources: The FYRM authorities; and IMF staff.

1/ Adjustments to performance criteria and indicative targets under the program are described in the Technical Memorandum of Understanding.

2/ Performance criteria.

3/ Indicative targets. Performance criteria for September and December 2001 will be set at the time of the first review.

4/ Once the special revenue accounts are integrated in the 2001 central government budget, the wage bill ceiling of the central government budget will be adjusted by the personnel expenditures financed from special revenue accounts.

Table 3. Structural Benchmarks for the First Review  
under the PRGF/EFF Arrangements

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<b>Structural Benchmarks</b>	<b>Completion date</b>
Integrate the core activities of the off-budget special revenue accounts (as determined between staff and the authorities in December 2000) into the central government budget, and adopt a cabinet approved time-bound enforcement plan for the treatment of non-core activities	End-December 2000
Impose specified sanctions as defined in paragraph 28 of the Memorandum of Economic and Financial Policies for 2000–03 against problem banks that remain in non-compliance with the prudential guidelines and fail to upgrade their CAMEL rating to 3 or better	End-March 2001
Sell or close/liquidate Jugochrom and four other large loss-making enterprises	End-March 2001

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