

Table 1. Senegal: Quantitative Performance Criteria and Benchmarks, 2000–01 1/

(In billions of CFA francs, unless otherwise indicated; cumulative from the beginning of the year)

	December 30, 2000		March 31, 2001		June 30, 2001		September 30, 2001		December 31, 2001	
	Benchmark 2/	Prel.	Performance criteria 2/	Prel.	Benchmark 2/	Prel.	Prog. 2/	Rev. prog. performance criteria	Prog. 2/	Rev. prog. performance criteria
<b>Performance criteria and benchmarks</b>										
Floor on the basic budgetary balance 3/	34.1	37.2	-10.3	13.9	19.4	51.0	29.3	5.8	7.7	-63.2
Ceiling on the stock of net bank credit to government	182.6	160.2	207.7	181.7	186.0	135.0	185.4	203.0	165.7	190.2
Ceiling on subsidies due to the freeze on the prices of petroleum products (excluding butane) 4/	24.4	28.5	9.0	6.8	12.0	8.0	...	...	...	...
Ceiling on the stock of government domestic payments arrears 5/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ceiling on the stock of government external payments arrears 5/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New nonconcessional external debt contracted or guaranteed by the government 5/ 6/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ceiling on the stock of debt of SONACOS	...	...	...	...	...	116.7	...	98.0	...	0.0
Ceiling on the stock of arrears of SENELEC	...	...	...	...	...	41.0	...	0.0	...	0.0
Ceiling on the stock of government guarantee deposits	...	15.7	...	33.0	...	43.5	...	43.5	...	4.0
<b>Quantitative benchmarks</b>										
Floor on fiscal revenue	533.4	537.1	135.0	140.7	291.1	300.3	434.6	445.1	579.1	592.1
Ceiling on the wage bill	177.4	175.8	46.5	44.4	93.1	88.3	139.9	135.9	186.0	181.0
Floor on the deficit (-) of the postal service in the correspondent accounts of the treasury	-4.7	-3.8	0.0	-8.8	0.0	-13.1	0.0	0.0	0.0	0.0
Floor on the deficit (-) of the National Retirement Fund in the special accounts of the treasury	...	...	-1.5	-2.3	-3.0	-4.4	-4.5	-6.6	-4.5	-9.0
<b>Memorandum items:</b>										
Exceptional financial assistance	37.5	40.5	41.7	29.4	50.0	29.4	52.0	29.4	91.7	102.7
Programmed privatization receipts	2.9	2.9	0.0	0.0	0.0	0.0	1.1	1.1	1.1	21.1
Programmed unsupplied HIPC Initiative debt relief	0.0	0.0	5.1	0.2	10.2	9.7	11.7	9.2	0.0	3.8
Additional expenditures related to restructuring the social security system	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	0.0

1/ The criteria, benchmarks, and adjusters are defined in the technical memorandum of understanding.

2/ EBS 01/9 (1/31/01).

3/ Overall budget deficit, excluding foreign-financed investment expenditure and gross lending; budgetary revenue excludes privatization receipts, which are treated as a financing item.

4/ Subsidies are defined on the basis of volumes consumed (see the technical memorandum of understanding) and therefore do not necessarily correspond to the values in the fiscal table.

The continuous criterion on the application of the pass-through mechanism for petroleum products implies a non-accumulation of subsidies after the reintroduction of the mechanism on June 29, 2001.

5/ These criteria will be monitored on a continuous basis.

6/ For 2000, the ceiling does not apply to a nonconcessional loan of CFAF 8 billion, with a maturity of more than 12 years, from the West African Development Bank (see paragraph 38 of the PFP of June 4, 1999).

**Table 2. Senegal: Prior Actions, Structural Performance Criteria (\*) and Structural Benchmarks**

**Prior Actions for the Completion of the First Review**

- Submission of a list of exempt food products and estimate of full-year VAT yield to Fund staff;
- submission to the National Assembly of a bill introducing a VAT at a single rate of 18 percent, with a limited number of exemptions and in accordance with the relevant WAEMU directive, and implementation of the law;
- automatic adjustment of the prices of petroleum products, excluding 2.7-kg and 6-kg bottles of butane gas, during the months of July, August, and September to reflect international price movements;
- submission of the audit report on the postal service to Fund staff;
- announcement of a producer price for the 2001/02 groundnut crop year that is in line with the *accord cadre* and consistent with international prices and the financial situation of the groundnut sector;
- launch of the invitation for internationally recognized audit firms to bid for an audit of SONACOS and SONAGRAINES covering 1999 and 2000 and the first half of 2001.

**Structural Performance Criteria (\*) and Structural Benchmarks**

**September 30, 2001**

- Announcement of the complete withdrawal of SONAGRAINES from the collection and transport of groundnuts as of the 2001/02 crop year; (\*)
- submission of an action plan for the withdrawal of SONAGRAINES to Fund staff;
- submission to Fund staff of the report by the committee responsible to (i) clarify flows in the correspondent accounts of the postal service at the Treasury during the first half of 2001 and (ii) develop recommendations to simplify accounting procedures linking the postal service to the Treasury; (\*)
- revision of the *accord cadre* for the groundnut sector. (\*)

**November 15, 2001**

- Adjustment of electricity tariffs consistent with the regulatory formula for the electricity sector in case SENELEC has not been privatized by November 15, 2001; (\*)

**December 31, 2001**

- Submission of the SONACOS and SONAGRAINES audit report to Fund staff; (\*)
- complete withdrawal of SONAGRAINES from the collection and transportation of groundnuts;(\*)
- submission to Parliament of a bill modifying the National Retirement Fund (FNR) and ensuring its financial balance from 2002 onward; (\*)

- replacement of the levy on imported vegetable oil with a protection mechanism in accordance with the WAEMU regulation and consistent with the revised *accord cadre*.

### **Continuously**

Application of the pass-through mechanism for retail prices of petroleum products except for 2.7- and 6-kg bottles of butane gas during the period of the third annual PRGF arrangement.

**Table 3. Senegal: Matrix of Structural Measures in the Groundnut Sector**

Measure	Timing	Expected Results
In consultation with the European Union, assess and update the <i>accord cadre</i> , which will be strictly applied in future.	September 30, 2001	Prepare SONACOS's privatization and restore the sector's financial balance.
Implement procedure for private deliveries of groundnuts to factories.	October 31, 2001	Reduce collection costs and restructure marketing channels.
Conclude financial audit of SONACOS and SONAGRAINES covering 1999, 2000, and the first six months of 2001.	November 30, 2001	Improve the transparency of the two companies' financial statements.
Remove SONAGRAINES completely from the collection and transport of groundnuts (private financing of collection, private collection, calculation of the costs of intermediation on a private basis).	November 30, 2001	Reduce collection costs and eliminate marketing losses.
Remove SONAGRAINES completely from the function of providing seeds for credit; strengthen and increase the accountability of private operators.	November 30, 2001	Implement financial restructuring of SONACOS and prepare it for privatization.
Entrust the management of selected seed stocks to private operators.	December 31, 2001	Implement financial restructuring of SONACOS and prepare it for privatization.
Reduce the number of loading ports per ship in export operations.	January 31, 2002	Reduce c.i.f costs.
Complete privatization of SONACOS.	Well before the first planting of 2003	Remove the government from credit and production activities that are a burden on public finances.

**Table 4. Senegal: Matrix of Structural Measures in the Energy Sector**

Measure	Timing	Expected Results
Financial audit of SENELEC accounts.	The audit is under way and will be completed by September 30, 2001	Greater transparency of the enterprise's accounts in preparation for privatization.
Improve collection of bills.	September 30, 2001	Increased revenue.
Reduce nontechnical electricity losses.	Ongoing	Increased revenue.
Reduce demand during peak hours.	September 30, 2001	Reduction in the frequency of power outages.
Use tariff adjustment formula in accordance with the legal sectoral framework, as specified in paragraph 13 of the MEFP.	November 15, 2001	Increased revenue.
Privatize SENELEC.	November 15, 2001	Regular supply of power to productive sectors and elimination of subsidies paid by the government.
Renovate TAG 2 power plant.	December 31, 2001	Meeting of demand.