

Table 1. Ethiopia: Quantitative Benchmarks and Performance Criteria for the First-Year Economic Program supported by the PRGF Arrangement, October 2000-March 2002. 1/

(In million of birr, unless otherwise indicated)

	2000					2001					2002			
	July 7	September	December		Actual	March		July 7		September		December	March	
	Actual (Stock)	Actual	Bench- mark	Bench- mark Adj.		Perf. Crit.	Perf. Crit. Adj.	Actual	Bench- mark	Proj. Outturn	Indicative Target	Perf. Crit. 2/	Benchmark	Indicative Target 3/
<b>I. Quantitative benchmarks and performance criteria</b>														
Floor on net foreign assets of the National Bank of Ethiopia 4/ 5/	1,929	-293	-800	-854	-344	-508	-675	-433	454	610	142	43	253	317
Ceiling on net domestic assets of the National Bank of Ethiopia 6/ 7/	9,901	1,461	-991	-937	-2,191	-1,741	-1,574	-2,175	-2,948	-2,779	100	250	-90	-190
Ceiling on net domestic financing of the general government (incl. privatiz. receipts) 6/ 7/ 8/	17,261	-385	829	883	-34	1,242	1,410	489	746	249	168	450	400	500
Ceiling on outstanding external payments arrears (in million of US\$) 9/	21	0	0	0	9	-21	-21	0	0	0	0	0	0	0
Ceiling on new nonconcessional external debt contracted or guaranteed by the public sector 10/	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>II. Indicative targets</b>														
Floor on net foreign liquid reserves of the National Bank of Ethiopia 4/ 5/	520	-176	-497	-497	-202	-165	-332	-256	1,133	1,561	39	43	253	317
<b>III. Triggers for adjustment of quantitative criteria</b>														
Disbursed nonproject external funding (in million of U.S. dollars)	0	10	21	....	10	179	....	63	385	336	12	98	179	247

1/ Cumulative from July 8, 2000-July 7, 2001. Cumulative from July 8, 2001-March 31, 2002.

2/ Established as performance in the context of the first review.

3/ To be established as performance criteria in the context of the second review.

4/ Adjusted upward for external assistance (nonproject) that exceeds programmed amounts (paragraph 14 of the Technical Memorandum (TM)).

5/ Adjusted downward for 50 percent of any shortfall in programmed external assistance (nonproject) up to a maximum of US\$20 million (paragraph 14 of the Technical Memorandum (TM)).

6/ Adjusted downward for external assistance (nonproject) that exceeds programmed amounts (paragraph 14 of the Technical Memorandum (TM)).

7/ Adjusted upward for 50 percent of any shortfall in programmed external assistance (nonproject) up to a maximum of US\$20 million (paragraph 14 of the Technical Memorandum (TM)).

8/ Stock at July 7, 2000 reflects domestic government borrowing, but excludes privatization receipts.

9/ There shall be a continuous performance criterion on the nonaccumulation of new external arrears.

10/ Excludes short-term import credits and long-term financing operations of Ethiopian Airlines.

Table 2. Ethiopia: Structural Benchmarks and Performance Criteria Under the First Annual Program Supported by the Three-Year PRGF Arrangement

Structural Benchmarks, and Performance Criteria	Timing
Establish a tax reform implementation task force.	April 31, 2001 (Done) (Benchmark)
Sign a management contract for CBE with a reputable international firm that provides experienced and qualified management staff. <sup>1/</sup>	June 30, 2001 (Performance Criterion)
Establish a fully operational large taxpayer unit.	July 1, 2001 (Performance Criterion)
Submit draft VAT legislation to Parliament.	October 1, 2001 (Performance Criterion)
Terminate the wholesale foreign exchange auction and move foreign exchange operations to the interbank market.	October 1, 2001 (Benchmark)

<sup>1/</sup> The management team, preferably from a bank, will consist of at least three individuals with at least ten years of relevant experience. Specific terms of reference for each member of the management team will be developed by the Board of Directors of the CBE in close collaboration with the National Bank of Ethiopia and Fund staff.

Table 3. Ethiopia: Prior Actions for the Completion of the  
First Review of the First Annual Program Supported  
by the Three-Year PRGF Arrangement

Prior Actions	Timing
1. Adoption by the Council of Ministers of a budget for fiscal year 2001/02 consistent with the revised fiscal framework presented in the letter of intent.	June 30, 2001
2. Issuance of government guarantees for the net claims owed by the Commercial Bank of Eritrea to the CBE, and for commercial banks' losses arising from imported goods stranded in Eritrea.	June 30, 2001
3. Reconstitution of the CBE Board to put three qualified individuals from the private sector as directors and increase the number of directors from 7 to 10.	June 30, 2001