

Table 1. Madagascar: Quantitative Performance Criteria and Benchmarks  
for the first year under the 2001-03 PRGF arrangement  
(In billions of Malagasy francs, unless otherwise indicated)

	2001 1/									2002		Change from Jan 1 to March 31 Benchmark
	March			June			September 12/			December		
	Bench- mark	Adj. Prog.	Actual	Performance Criteria	Adj. Prog.	Actual	Bench- mark	Adj. Prog.	Actual	Performance Criteria	Revised	
<b>I. Quantitative benchmarks and performance criteria</b>												
Ceiling on external arrears (in millions of SDRs) 2/	0.0	0.0	0.0	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 3/ 4/ 5/ 6/	239.1	31.4	131.7	202.6	-191.2	309.4	208.5	-40.5	304.3	631.0	513.6	-22.1
Ceiling on net domestic assets (NDA) of the central bank 5/ 6/ 8/	-93.7	114.0	-46.5	-333.0	60.8	-254.5	6.8	255.8	3.8	-349.0	-279.2	130.0
Ceiling on domestic financing of the government 5/ 7/ 11/	101.2	171.8	171.3	140.6	239.6	-71.7	506.7	...	...	382.2	462.1	315.0
Ceiling on contracting or guaranteeing of external debt on nonconcessional terms 9/ 10/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floor on tax revenue	736.5	736.5	610.2	1,672.1	1,672.1	1,536.0	2,572.9	2,572.9	2,156.2	3,596.3	3,470.0	710.0
<b>II. Indicative limits</b>												
Ceiling on reserve money	141.9	141.9	34.8	-134.0	-134.0	-2.9	211.8	211.8	280.4	279.8	225.7	108.0
Ceiling on broad money (including foreign currency deposits) (M3)	95.6	95.6	140.8	-163.3	-163.3	477.8	328.0	328.0	623.1	515.1	958.5	161.0
<b>III. Memorandum items: 1/</b>												
Budget support grants and loans (in millions of SDRs)	23.7	...	13.7	59.7	...	43.0	72.3	...	43.0	113.8	92.5	0.0
Cash debt service (in millions of SDRs)	8.1	...	8.2	18.5	...	15.8	26.9	...	...	50.8	39.0	6.1
Privatization proceeds	142.0	...	4.9	315.9	...	21.1	390.9	...	...	532.5	215.9	12.0
Privatization related costs	29.5	...	61.0	81.0	...	61.0	183.6	...	...	233.0	191.9	20.0

1/ Cumulative change since the beginning of each year.

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

3/ 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.

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

5/ 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, the floor on NFA of the central bank will be reduced by the amount of the shortfall, up to a maximum of SDR 25 million at end March 2001, and SDR 30 million at end June, September and December 2001, and the ceilings on NDA of the central bank and on net domestic financing of the government will be raised on a cumulative basis by the same amount.

6/ 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) will be capped at the equivalent of SDR 40 million.

7/ The ceiling on domestic financing of the government will be adjusted for deviations from programmed privatization-related outlays; the ceiling is

defined to exclude the impact of foreign currency adjustments on bank financing of government.

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

9/ Excluding normal import-related credits.

10/ 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 6-month average CIRR-based discount rates for maturities below 15 years.

11 / Defined as excluding the assumption by the government of debt of the state petroleum company SOLIMA toward the BCM at the time of the final closing of SOLIMA operations.

12/ End-September data for domestic financing of the government, cash debt service, and privatization proceeds and costs are not yet available.

Table 2. Status of Performance Criteria and Structural Benchmarks  
Under the First Annual Program  
Under the PRGF

Prior Actions, Benchmarks, and Criteria	Timing	Status
I. The following <b>structural performance criteria</b> will be used to monitor the 2001 annual program:		
a. The new “ASYCUDA 2.7” customs computer system will become operational at the three main customs offices.	By June 30, 2001	Completed
b. The adoption by the Council of Ministers of a bill to revise upward the mining royalty based on the value of the first transaction, and lower the excise tax.	By end-2001	N.A.
c. The treasury computer system, designed to centralize each month the accounts of the 22 main treasury offices, will be operational.	By end-November 2001	N.A.
II. The following <b>structural benchmarks</b> will be used to monitor the 2001 annual program:		
a. A study on the improvement in the operations of the State Inspector General (IGE) will be completed, and implemented during the second half of the year.	No later than end-June 2001	Study completed
b. The separation of the functions of the Chairman of the Central Procurement Committee ( <i>Commission Centrale des Marchés</i> ) and the Director General of Expenditure Commitment Control will become effective.	By June 30, 2001	Implemented
c. In the Directorate General of Customs, the “ASYCUDA 3 plus plus” system will be installed in the three most important offices.	By end-September 2001	Delayed
d. In the Directorate General of Customs, the “ASYCUDA 3 plus plus” system will be installed in four other offices.	By end-December 2001	N.A.