

Table 1. Sierra Leone: Quantitative Performance Criteria and Benchmarks
Under the Poverty Reduction and Growth Facility Arrangement, 2001-02

(Cumulative change from beginning of calendar year to end of month indicated; in millions of leones, unless otherwise indicated.) 1/

	2001										2002			
	March Actual	June Actual	June Adj. Benchmark	June Benchmark	September Actual	Sept. Adj. Performance Criteria	September Performance Criteria	December Projection	Dec. Adj. Performance Criteria	December Performance Criteria	March Performance Criteria	June Performance Criteria	September Indicative Targets	December Indicative Targets
Performance criteria and benchmarks														
Net domestic bank credit to the central government (ceiling) 2/ 3/	11,048	24,895	28,620	17,259	49,662	49,342	19,385	32,128	50,537	21,000	20,665	31,294	2,943	16,780
Net domestic assets of the central bank (ceiling) 2/ 4/ 5/	11,542	15,911	36,321	24,960	36,372	55,974	26,017	25,767	52,481	22,944	20,665	46,294	-7,057	10,780
Domestic primary budget balance of the central government (floor) 6/	-18,826	-20,567	-36,694	-36,694	-38,332	-69,935	-69,935	-77,455	-91,873	-91,873	-20,701	-28,391	-50,463	-91,706
Stock of verified domestic payments arrears of the central government (ceiling)	-3,635	-4,828	-3,635	-3,635	-4,828	-6,600	-6,600	-4,828	-6,314	-6,314	-500	-1,000	-1,500	-2,000
Subsidies to National Power Authority (ceiling)	778	1,628	1,656	1,656	2,965	3,000	3,000	2,993	3,000	3,000	150	300	450	600
Gross foreign exchange reserves of the central bank, in U.S. dollars (floor)7/	-5.19	-18.58	-22.28	-11.46	-21.92	-36.64	-8.11	-1.05	-20.12	8.01	-9.79	-20.79	18.19	25.51
Contracting or guaranteeing of nonconcessional external debt 8/ by the public sector (ceiling) with maturities of one year or more 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	0.0	0.0
Outstanding stock of external debt ¹¹ owed or guaranteed by the public sector with maturities of less than one year (ceiling) 12/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
External payment arrears of the public sector (ceiling) /13	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial indicators														
Total domestic government revenue (floor)	42,668	100,204	89,826	89,826	154,787	136,675	136,675	204,698	184,953	184,953	52,115	116,943	180,839	239,610
Government wage bill (ceiling)	25,457	51,433	49,586	49,586	81,776	76,821	76,821	111,583	100,318	100,318	26,388	56,245	94,441	132,002
Memorandum items:														
External budgetary assistance 14/ The DDR program loans or grants	25,380	44,184	44,184	66,906	57,603	57,603	117,516	128,772	128,772	187,845	11,787	27,266	113,015	128,494
Other	25,380	44,184	44,184	66,906	57,603	57,603	117,516	128,772	128,772	187,845	11,787	27,266	113,015	128,494
in U.S. dollars	16.87	21.04	21.04	31.86	27.43	27.43	55.96	61.32	61.32	89.45	5.67	13.11	54.36	61.80

1/ Variables are based on definitions in the technical memorandum of understanding. The program year runs from July 1, 2001 to June 30, 2002.

2/ The ceilings will be adjusted downward by the amount of any excess in programmed external budgetary assistance (see footnote 14). The ceiling will also be adjusted upward by up to 50 percent of the amount of any shortfall in programmed external budgetary assistance (see footnote 4)

3/ Defined as claims on government (net) in the monetary survey. For 2002, government deposits are adjusted for changes in the DDR accounts. To be adjusted downward (upward) by any net issues of government securities to non-banks up to the Le 16,780 million ceiling on net domestic credit for 2002.

4/ The program benchmarks for 2001 are valued at the end-March 2001 mid-point official exchange rate of the Bank of Sierra Leone (BSL). The program benchmarks for 2002 are valued at the end-September, 2001 official exchange rate of the BSL.

5/ Defined as the difference between the net foreign assets of the central bank, (valued at the program exchange rate) and reserve money.

6/ Defined as domestic revenue minus total expenditure and net lending, excluding interest payments, externally financed capital expenditure, the DDR program, and U.K. military support.

7/ In the event of an excess (shortfall) in external budgetary assistance (as defined above), the floor will be adjusted upward (downward) by the amount of the excess (shortfall).

8/ This performance criterion applies not only to debt as defined in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt (Decision No. 12274-(00/85) August 24, 2000), but also to commitments contracted or guaranteed for which value has not been received.

9/ Excluded from this performance criterion are disbursements from the Fund and rescheduling arrangements.

10/ Excluded from this performance criterion are external loans grant element equivalent to 35 percent or more, calculated using a discount rate based on OECD commercial interest reference rates (CIRRs).

11/ The term "debt" has the meaning set forth in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt (Decision No. 12274-(00/85) August 24, 2000).

12/ Excluded from this performance criterion are normal import-related credits.

13/ To be applied on a continuous basis. Excluded from this performance criterion are those debts subject to rescheduling arrangements.

14/ Including program grants, program loans, debt relief, and financing gap, but excluding DDR, project-related grants, and loans.

Table 2. Sierra Leone: Structural Benchmarks and Performance Criteria Under the Program
Supported by the PRGF Arrangement

	Timing	Status
For calendar year 2001		
Pass new Financial Institutions Bill in parliament	September 30, 2001 (performance criteria)	Done
Passage of the bill setting up the autonomous Central Statistical Office	September 30, 2001 (benchmark)	Outstanding
Make regular settlement of cross debts between public enterprises and the government according to the timetable agreed between the two parties	Continuous	Ongoing
Do not accumulate arrears in regard to the electricity and water bills from the National Power Authority and Guma Valley Water Company	Continuous	Not fully achieved
For calendar year 2002		
Central Statistical Office Pass bill setting up the autonomous Central Statistical Office	June 30, 2002	Benchmark
Fiscal reforms 1/		
Develop and implement a National Revenue Authority (NRA)	July 31, 2002	Performance criterion
Appoint the board of the NRA	January 31, 2002	Benchmark
Pass enabling legislation of the NRA	March 31, 2002	Benchmark
Develop staff transition policy for divisions of NRA	March 31, 2002	
Appoint Chief Executive Officers of Income Tax and Customs Divisions of NRA	March 31, 2002	
Complete audit of the stock of government's domestic arrears to suppliers and contractors, including verification of overdue bills from the government-owned hotels	March 31, 2002	Performance criterion
The non-accumulation of arrears in regard to the electricity and water bills from the National Power Authority and Guma Valley Water Company	Continuous	Benchmark
Government will elaborate measures to control the teachers' payroll within the limits of the budget	June 30, 2002	Benchmark
Financial sector reforms 2/		
Bank of Sierra Leone (BSL) Conduct review of human resources management with focus on performance-based appraisal, training, remunerations and promotions policy	December 31, 2002	Performance criterion
Finalize strategic plan for banking supervision reforms	June 30, 2002	Benchmark
Prepare draft regulations on liquidity, large credits, and requirement for independent audits	June 30, 2002	Benchmark
Prepare draft CAMELS rating system	June 30, 2002	Benchmark
Evaluate check-based payment system and develop proposals to improve its efficiency	June 30, 2002	
Develop computer program for conducting treasury securities market	September 30, 2002	Benchmark
Develop action plan for introduction of repo instruments	December 31, 2002	Benchmark
Other sectors		
Complete the mining sector study	December 31, 2002	Benchmark
Complete diagnostic studies of the functions and staffing in Ministries of Agriculture, Education, Health, and Transport	December 31, 2002	Performance criterion

1/ Fiscal reforms are expected to be pursued in line with the recommendations of the IMF FAD mission of June 2001.

2/ Financial sector reforms are expected to be pursued in line with the recommendations and pace of support from the IMF MAE Department.