

Table I.1. Ghana: Quantitative Performance Criteria and Benchmarks, PRGF Arrangement, 2003 1  
(Cumulative flows from beginning of calendar year to end of month indicated, unless otherwise indicated)

	End-March Benchmark			End-June Perf. criterion			End-September Benchmark			End-December Perf. Criterion	
	Adj.			Adj.			Adj.			Rev.	
	Prog. 2/	Prog. 3/	Actual	Prog. 2/	Prog. 3/	Actual	Prog. 2/	Prog. 3/	Prel.	Prog. 2/	Prog.
(In billions of cedis)											
<b>Performance criteria</b>											
Net domestic financing of government (ceiling) 4	823	931	135	1,203	496	-549	43	-123	-520	0	0
Net domestic assets of the Bank of Ghana (ceiling) 5/ 6	-121	12	-682	445	-262	-1,984	127	-40	-3,427	307	-1,857
Stock of net domestic banking sector credit to TOR (ceiling) 7									767		928
(In millions of U.S. dollars)											
Net international reserves of the Bank of Ghana (floor) 7	-80	-96	-24	-162	-81	130	-82	-63	323	130	378
The contracting or guaranteeing of new nonconcessional external debt with original maturity greater than or equal to 1 year by the government or the Bank of Ghana (ceiling) 8	0	0	0	0	0	0	0	0	0	0	0
Outstanding stock of external debt with original maturity of less than one year owed or guaranteed by the government or the Bank of Ghana 9	75	75	1	75	75	61	75	75	17	75	75
Stock of external payment arrears 10/	0	0	0	0	0	0	0	0	0	0	0
(In billions of cedis)											
<b>Indicative benchmarks</b>											
Government domestic primary surplus (floor)	-421	...	364	35	...	709	928	...	1,308	1,881	1,167
Reserve money stock	4,965	...	4,789	4,837	...	5,085	5,197	...	5,144	7,180	7,184
Government revenue, excluding grants and divestiture proceeds (floor)	2,608	...	2,730	5,958	...	5,758	9,819	...	9,420	14,108	13,941
Stock of government road sector arrears	165	...	216	110	...	108	55	...	54	0	0
(In millions of U.S. dollars, unless otherwise specified)											
<b>Memorandum items:</b>											
External program support (loans and grants)	31	...	17	90	...	172	182	...	203	230	293
Paid public and publicly guaranteed debt service (after debt relief) 11	22	...	20	74	...	75	94	...	96	143	146
Divestiture receipts	6	...	6	25	...	24	49	...	36	49	49
o/w: in foreign exchange	0	...	0	2	...	0	37	...	0	37	25
Average petroleum spot price (APSP in \$/barrel) 12/	30.8	...	31.3	30.0	...	28.9	29.0	...	28.8	28.0	28.5

1/ Definitions of line items and terminology are elaborated in the EBS/04/42 Technical Memorandum of Understanding (TMU)

2/ As in EBS/03/42, Supplement I. Before application of adjusters, as indicated in the TMU

3/ After application of adjusters, as indicated in the TMU

4/ Value at end of month indicated. Program targets adjusted for cumulative differences between actual and projected amounts of program support, public and publicly guaranteed debt service paid, and divestiture receipts with an upside cap of \$75 million, as explained in the TMU

5/ Based on a fixed exchange rate of 8,504 cedis/\$, the rate prevailing at end-December 2002

6/ Value at end of month indicated. Program targets adjusted for cumulative differences between actual and projected amounts of program support, public and publicly guaranteed debt service paid, and divestiture receipts with an upside cap of \$75 million, and for higher-than-programmed oil prices, with an upside cap of \$30 million, as explained in the TMU

7/ Program targets adjusted for cumulative differences between actual and projected amounts of program support, public and publicly guaranteed debt service paid, and divestiture receipts with a downside cap of -\$75 million, and for higher-than-programmed oil prices, with a downside cap of -\$30 million, as explained in the TMU

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 adopted by Decision 12274-(00/123) of August 24, 2000 but also to commitments or contracted for which value has not been received, as specified in paragraph 15 of the TMU

9/ The term "debt" has the meaning set forth in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted by Decision 12274-(00/123) of August 24, 2000, as specified in paragraph 14 of the TMU

10/ This is a continuous criterion. The TMU stipulates the precise program definition of payment arrears

11/ Debt service to be paid by Ghana after projected HIPC relief in 2003

12/ Average from beginning of 2003 to end of month indicated, as explained in the TMU

Table I.1. Ghana: Quantitative Performance Criteria and Benchmarks, PRGF Arrangement, 2004 1/ (concluded)  
(Cumulative flows from beginning of calendar year 2002 to end of month indicated, unless otherwise indicated)

	End-March Benchmark	End-June Benchmark	End-September Benchmark	End-De Bench
	Prog. 2/	Prog. 2/	Prog. 2/	Prog. 2/
(In billions of cedis)				
<b>Performance criteria</b>				
Net domestic financing of government (ceiling) 4/	-255	-533	-1,725	-1,733
Net domestic assets of the Bank of Ghana (ceiling) 5/ 6/	-2,720	-3,050	-3,075	-1,850
Stock of net domestic banking sector credit to TOR (ceiling)	326	301	192	658
(In millions of U.S. dollars)				
Net international reserves of the Bank of Ghana (floor) 7/	362	441	433	536
The contracting or guaranteeing of new nonconcessional external debt with original maturity greater than or equal to 1 year by the government or the Bank of Ghana (ceiling) 8/	0	0	0	0
Outstanding stock of external debt with original maturity of less than one year owed or guaranteed by the government or the Bank of Ghana 9/	75	75	75	75
Stock of external payment arrears 10/	0	0	0	0
(In billions of cedis)				
<b>Indicative benchmarks</b>				
Government domestic primary surplus (floor)	1,493	2,244	2,654	2,939
Reserve money stock	6,193	6,501	6,416	8,534
Government revenue, excluding grants and divestiture proceeds (floor)	17,482	21,501	26,095	31,313
Stock of government road sector arrears	0	0	0	0
(In millions of U.S. dollars, unless otherwise specified)				
<b>Memorandum items:</b>				
External program support (loans and grants)	305	434	463	581
Paid public and publicly guaranteed debt service (after debt relief) 11/	158	202	220	256
Divestiture receipts	55	65	77	96
o/w: in foreign exchange	25	45	65	73
Average petroleum spot price (APSP in \$/barrel) 12/	28.2	27.8	27.4	27.0

1/ Definitions of line items and terminology are elaborated in the EBS/04/42 technical memorandum of understanding (TMU).

2/ Before application of adjusters, as indicated in the TMU.

3/ After application of adjusters, as indicated in the TMU.

4/ Value at end of month indicated. Program targets adjusted for cumulative differences between actual and projected amounts of program support, public and publicly guaranteed debt service paid, and divestiture receipts with an upside cap of \$75 million, as explained in the TMU.

5/ Based on a fixed exchange rate of 8,504 cedis/\$, the rate prevailing at end-December 2002.

6/ Value at end of month indicated. Program targets adjusted for cumulative differences between actual and projected amounts of program support, public and publicly guaranteed debt service paid, and divestiture receipts with an upside cap of \$75 million, and for higher-than-programmed oil prices, with an upside cap of \$30 million, as explained in the TMU.

7/ Program targets adjusted for cumulative differences between actual and projected amounts of program support, public and publicly guaranteed debt service paid, and divestiture receipts with a downside cap of -\$75 million, and for higher-than-programmed oil prices, with a downside cap of -\$30 million, as explained in the TMU.

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 adopted by Decision 12274-(00/123) of August 24, 2000 but also to commitments or contracted for which value has not been received, as specified in paragraph 15 of the TMU.

9/ The term "debt" has the meaning set forth in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt adopted by Decision 12274-(00/123) of August 24, 2000, as specified in paragraph 14 of the TMU.

10/ This is a continuous criterion. The TMU stipulates the precise program definition of payment arrears.

11/ Debt service to be paid by Ghana after projected HIPC relief in 2003 and 2004.

12/ Average from beginning of 2003 to end of month indicated, as explained in the TMU.

Table I.2. Prior Actions, Structural Performance Criteria and Benchmarks for 2003-04  
Prior actions for completion of the first review under PRGF arrangement

1. Obtain parliamentary passage of a supplementary expenditure appropriation that is consistent with aggregate government expenditures for 2003 of not more than ₪19,233 billion.
2. Bring electricity and water tariffs into line with the automatic adjustment formulas, based on calculated values through September 2003.
3. Cabinet approval in principle of a strategy for GCB, as described in paragraph 21 of this memorandum.

Structural performance criteria

4. Ensure that petroleum product prices are in line with the automatic adjustment formula as specified in the technical memorandum of understanding [January 30, 2004 and April 30, 2004].
5. Ensure that electricity and water tariffs are in line with their respective automatic adjustment formulas as specified in the technical memorandum of understanding [January 30, 2004 and April 30, 2004].
6. Announcement in the 2004 budget statement of a plan for transforming the ownership and management control of GCB, consistent with the strategy described in paragraph 21 of this memorandum, including a timetable for implementation [March 31, 2004].

Structural benchmarks

7. Submit to the Economic Management Team the monthly fiscal reports described in the TMU, with a maximum lag of eight weeks, for August-October 2003 [December 31, 2003] and November 2003-January 2004 [March 31, 2004].
8. Determine and settle all cross arrears between VRA, ECG, GWCL, TOR, and government [December 31, 2003].

Table I.3. Data to be Reported to the IMF

Item	Periodicity
<b>Fiscal data</b> (to be provided by the MoF)	
Central budget operations for revenues, expenditure and financing.	Monthly within 6 weeks of the end of each month.
Functional breakdown by Ministry, Department, and Agency of expenditure authorizations, payments vouchers issued, payment vouchers liquidated, and arrears. These data will also identify poverty-related and HIPC financed expenditures, as well as the inflows and disbursements from the HIPC receiving and drawing accounts at the BOG.	Monthly within 6 weeks of the end of each month.
Stock of road arrears (as prepared by the Ministry of Road and Highways).	Monthly within 6 weeks of the end of each month.
Divestiture receipts received by the budget (in cedis and foreign exchange, net of divestiture transactions costs).	Monthly within 6 weeks of the end of each month.
<b>Monetary data</b> (to be provided by the BOG)	
Net domestic assets and net international reserves of the BOG.	Weekly within 2 weeks of the end of each week.
Detailed balance sheet of the monetary authorities.	Monthly within 4 weeks of the end of each month.
Monetary survey detailing the consolidated balance sheet of commercial banks using the new BSD2 Report Form.	Monthly within 6 weeks of the end of each month.
Summary position of government committed and uncommitted accounts at BOG, as well as total financing from BOG. Accompanying table showing composition of other receipts and other expenditure.	Monthly within 4 weeks of the end of each month.
Composition of banking system and non-banking system net claims on government.	Monthly within 4 weeks of the end of each month.
Debt registry showing structure and holders of domestic government debt, at face value and at discount. Similar table showing holders of treasury bills for Open Market Operations (OMOs).	Monthly within 4 weeks of the end of each month.
Supervisory Technical Committee Review of Banking Business quarterly report showing aggregate reserves of the banking system.	Quarterly within 8 weeks of the end of each quarter.
Deposit money banks' gross loans and advances to TOR and TOR's deposits with deposit money banks.	Quarterly within 8 weeks of the end of each quarter.
<b>Balance of Payments and External Debt data</b> (to be provided by the BOG and MoF)	
Export and import data on value, volume, and unit values, by major categories.	Monthly with a maximum lag of 3 months.
Other major balance of payments variables.	Quarterly with a lag of no more than 3 months.
Foreign exchange cashflow.	Monthly within 4 weeks of the end of the month.
Information on the concessionality of all new external loans contracted by the government or with the government guarantee.	Quarterly within 4 weeks of the end of each quarter.
For the coming quarter: (i) total debt service due by creditor, (ii) amount of HIPC relief on each transaction, as well as (iii) debt service paid and the transfers to the HIPC account by creditor for the previous month. Report should cover government and government guaranteed debt (as defined in this document).	Quarterly within 3 weeks of the end of each quarter.

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External debt and external debt service incurred by enterprises with government ownership above 50 percent, even if loans have not been explicitly guaranteed by the government.	Quarterly, within 3 weeks of the end of each quarter.
<b>Pricing Formulas Calculations</b>	
Petroleum pricing formula, as set out in Table I.4 (to be provided by the NPTB).	Monthly, within 15 days of the end of each month.
Electricity pricing formula, as set out in Table I.5 (to be provided by PURC).	Quarterly, within 15 days of the end of each quarter.
Water pricing formula, as set out in Table I.6 (to be provided by PURC).	Quarterly, within 15 days of the end of each quarter.
<b>Other data (to be provided by GSS)</b>	
Overall consumer price index.	Monthly within 2 weeks of the end of each month.
National accounts by sector of production, in nominal and real terms.	Annual within 3 months of the end of each year (switching to quarterly when they become available).

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**Table I.4. Ghana: Petroleum Products Pricing Formula 1/**

Item number	Variable Name	Description	Source	Premium	Kerosene	Gasoil	Premix	RFO	LPG	Total
1	Product Price	f.o.b. Mediterranean price, averaged for the previous three calendar months. The respective prices used are: from Platt's Oilgram Price Report Premium 0.15 G/L, Jet Av. Fuel, Gasoil 0.2, 1% Fuel Oil, and from and Platt's LPGaswire LPGaswire: W. Med. Ex.-Ref/Stor Butane.		257.99	225.14	208.76		142.38	191.93	
2	Suppliers commission (\$ per metric ton)	Outcome of a tendering process for the various products.	NPTB from TOR	22.73	35.4	21		15.84	79.84	
3	Insurance (\$ per metric ton)	Suppliers' insurance cost	NPTB from TOR	0.36	0.32	0.30		0.20	0.34	
4	CIF (\$ per metric ton)	Total cost of insurance & freight	Sum of 1+2+3	281.08	260.86	230.06		158.42	272.11	
5	Related charges (% of CIF)	Pegged at 13.85% and include off loading, in transit losses, inspection, L/C costs, purchasers commission, demurrage, financial costs, storage, in-plant losses, rack loading cost, operation margin.	NPTB from TOR	13.85	13.85	13.85		13.85	13.85	
6	Related charges (\$ per metric ton)		Product of 4 x 5	38.93	36.13	31.86		21.94	37.69	
7	Total cost (\$ per metric ton)		Sum of 6 + 4	320.01	296.99	261.92		180.36	309.80	
8	Conversion (liters per metric ton)	Constant	NPTB	1,379.70	1,238.10	1,187.60		1,110.30	1,000.00	
9	Ex-refinery full-cost price (\$ per liter)		Product of 7 x 8	0.2319	0.2399	0.2205		0.1624	0.3098	
10	Cedis per US dollar exchange rate	Average of the exchange rates on the 26th day (or the last work day before the 26th day) of the previous three calendar months.	Bank of Ghana/Bloomberg Fin. Svcs.	8,596.67	8,596.67	8,596.67		8,596.67	8,596.67	
11	<b>Ex-refinery full-cost recovery price (cedis per liter)</b>		Product of 9 x 10	<b>1,993.91</b>	<b>2,062.10</b>	<b>1,895.97</b>	<b>1,990.64</b>	<b>1,396.48</b>	<b>2,663.21</b>	
12										
13	<b>Ex-refinery current price (cedis per liter)</b>		Previously Gazetted	2,251.69	2,116.43	1,768.60	2,148.33	912.56	1,800.00	
14	15% ad-valorem excise tax		Legislated	337.75	317.46	265.29	322.25	136.88	270.00	
15	Specific charge		Legislated	200.00	100.00	200.00	0.00	200.00	100.00	
16	Road fund		Legislated	400.00	0.00	400.00	0.00	0.00	0.00	
17	Energy fund		Legislated	5.00	5.00	5.00	0.00	5.00	0.00	
18	Exploration		Legislated	3.00	3.00	3.00	0.00	3.00	0.00	
19	Stock fund		Legislated	30.00	30.00	30.00	0.00	30.00	0.00	
20	Debt recovery levy (up to amount indicated)		Act 642	640.00	640.00	640.00	640.00	640.00	640.00	
21	Boost margin		Set Jan. 2003	88.00	88.00	88.00	0.00	0.00	0.00	
22	Prim. Distr. margin		Set Jan. 2003	44.00	44.00	44.00	0.00	0.00	0.00	
23	Ex-depot prices (cedis per liter)		Sum of 13+14+15+16+17+18+19+20+21+22	3,999.44	3,343.89	3,443.89	3,110.58	1,927.44	2,810.00	
24	UPPF margin		Set Jan. 2003	130.00	230.00	130.00	130.00	0.00	0.00	
25	Dealers margin		Set Jan. 2003	110.00	110.00	110.00	110.00	0.00	0.00	
26	Marketers margin		Set Jan. 2003	205.00	205.00	205.00	205.00	0.00	990.00	
27	<b>Ex-pump current maximum price (cedis per liter)</b>		Sum of 23+24+25+26	<b>4,444.44</b>	<b>3,888.89</b>	<b>3,888.89</b>	<b>3,555.58</b>	<b>1,927.44</b>	<b>3,800.00</b>	
Trigger mechanism:										
28	Volume sales in previous month (in liters)	Example only: June 2003	NPTB from TOR	55,476,800	8,421,550	77,067,000 ...		3,514,500	4,774,856	
29	Previous month's actual refinery sales		Product of 28 x 13							290,842,805,979
30	Refinery sales at full cost recovery		Product of 28 x 11							291,723,015,179
31	Percent difference (relative subsidy)		Sum of 30/29							-0.3
<b>Triggered if actual and full cost recovery total sales differ by more than 2.5 percent</b>										

1/ Calculations based on 27 March- 26 May 2003 Platt prices, existing ex-refinery prices, and May 2003 volumes.

2/ Premix price computed as a weighted average of [premium gasoline (96.67 percent) and gasoil (3.33 percent)] at full cost recovery prices.

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**Table I.5. Ghana: automatic adjustment formula for electricity tariffs 1/**

Item number	Variable	Source	Symbol	Oct-03
6	Base thermal variable energy prices:		Po	
7	Oil fired simple cycle plant (cents/kWh)	Gazetted 26 July 2002		4.61
8	Oil fired simple combined plant (cents/kWh)	Gazetted 26 July 2002		3.03
9	Fuel price (for liquid fuels, Bonny Crude Oil)	The average of three months futures prices, as quoted on the NYMEX on the last working day of the quarter, plus US\$0.15.	FP	30
10	Base fuel price US\$/bbl	Gazetted 26 July 2002	FPo	22
11	CPI of the USA	The change in the US CPI during the latest three-month period for which data is available as reported by the International Financial Statistics.	CPI	1.09%
12	Base CPI of USA	Gazetted 26 July 2002	CPIo	2.00%
13	Annual fuel coefficient	Gazetted 26 July 2002	$\alpha$	0.89
14	Annual CPI coefficient	Gazetted 26 July 2002	$\beta$	0.11
15	Adjusted variable energy prices:		P	
16	Adjusted variable energy price (cents/kWh), simple cycle plant	Sum of $7 \times (13 \times 9/10 + 14 \times (1+11)/(1+12))$	P2	6.10
17	Combined cycle plant	Sum of $8 \times (13 \times 9/10 + 14 \times (1+11)/(1+12))$	P3	4.01
18	Percentage of hydro contribution to the generation mix	Not to exceed 50 percent.	X1	50%
19	Percentage of simple cycle thermal energy in the total generation mix	Projection for the next tariff period of three months.	X2	16%
20	Percentage of combined cycle thermal energy in the total generation mix	Projection for the next tariff period of three months.	X3	34%
21	Hydro cost (cents/kWh) determined by PURC	Long-run marginal cost of hydro production or the average VRA cost for the past 5 years.	Hc	1.50
22	System capacity price (cents/kWh)	Gazetted 26 July 2002	K	1.67
23	Effective percentage thermal capacity contribution to system demand	Percentage of thermal capacity contribution to meet domestic demand as Gazetted 26 July 2002.	n	56%
24	Bulk generation charge adjusted (cents/kWh)	Sum of $(16 \times 19 + 17 \times 20 + 18 \times 21) + 23 \times 22$	BGCadjust (cents/kWh)	4.05
25	Bulk generation charge adjusted (cedis/kWh)	Sum of $24 \times 31/100$	BGCadjust (cents/kWh)	360.0
26	Transmission service charge (cents/kWh)	Gazetted 26 July 2002	TSC (Cents/kWh)	0.90
27	Transmission service charge (cedis/kWh)	Product of $26 \times 31/100$	TSC (Cedis/kWh)	80.10
28	Bulk supply tariff (cedis/kWh)	Sum of $25 + 27$	BST (Cedis/kWh)	440.1
29	Bulk supply tariff (cents/kWh)	Sum of $28/31 \times 100$	BST (Cents/kWh)	4.95
30	Distribution service charge for the previous period (cedis/kWh)	Gazetted 26 July 2002	DSC <sub>t-1</sub>	285
31	Exchange rate (cedis/US\$)	The interbank transaction rate quoted by the Bank of Ghana for the last day of the second month in the preceding quarter, multiplied by the percentage change in that rate from the last day of the second month in the quarter before that.	EXCH <sub>t</sub>	8900
32	Distribution service charge for the next period (cedis/kWh)	Sum of $30 \times 31/EXCH_{t-1}$	DSC <sub>t</sub> (Cedis/kWh)	298.4
33	Distribution service charge for the next period (cents/kWh)	Sum of $32/31 \times 100$	DSC <sub>t</sub> (Cents/kWh)	3.35
34	Average end-user tariff (cedis/kWh)	Sum of $32 + 28$	EUT <sub>t</sub>	738.5
35	Change in average end-user tariff			6%
	Memo:			
	Average end-user tariff (cents/kWh)	Sum of $29 + 33$	EUT	8.30

1/ Electricity Tariffs in Ghana will be adjusted according to the "Public Utilities Regulatory Commission (PURC)

Publication on Electricity Tariffs" published in the Ghana Gazette on July 26, 2002 and "Guidelines for Implementing Automatic Adjustment Formula (AAF) for Electricity and Water Tariffs in Ghana" published on July 18, 2003.

**Table I.6. Ghana: water tariff formula**

Item Number	Variable	Source	Symbol	Nov-03
6	Average water tariff for previous period, t-1 (cents/m <sup>3</sup> )	Gazetted 26 July 2002	PT-1	50.0
7	Average end-user electricity tariff for next period t (cents/kWh)	Electricity Formula	ET	8.30
8	Average end-user electricity tariff for previous period t-1 (cents/kWh)	Electricity Formula	ET-1	7.92
9	CPI of the USA	The change in the US CPI during the latest three-month period for which data is available as reported by the International Financial Statistics.	CPI	1.1%
10	Base CPI of the USA	Gazetted 26 July 2002	CPI <sub>0</sub>	2.0%
11	Average end-user electricity tariff coefficient	Gazetted 26 July 2002	$\alpha$	0.84
12	CPI coefficient	Gazetted 26 July 2003	$\beta$	0.16
13	Average water tariff for next period t (cents/m <sup>3</sup> )	Sum of 6 x ((11 x 7/8)+12 x (1+9)/(1+10))	PT	52.4
14	Average exchange rate in the next period t	The interbank transaction rate quoted by the Bank of Ghana for the last day of the second month in the preceding quarter, multiplied by the percentage change in that rate from the last day of the second month in the quarter before that.	EXCHt	8900
15	Average water tariff for next period t (cedis/m <sup>3</sup> )	Sum of 13 x 14 x 0.01		4,667
16	Period change in percent of average water tariffs			10%