

Table 1. Sierra Leone: Quantitative Performance Criteria and Indicative Targets
Under the Poverty Reduction and Growth Facility Arrangement (January-December 2003)

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

| | March | | | | June | | | | September | | | | December | | | |
|---|--------------------|------------------|---------|----------------|---------------------------|--------------|---------|----------------|--------------------|------------------|---------|----------------|--------------------|------------------|----------|----------------|
| | Indicative Targets | Adjusted Targets | Act. | Met or Not met | Performance Criteria (PC) | Adjusted PCs | Act. | Met or Not met | Indicative Targets | Adjusted Targets | Act. | Met or Not met | Indicative Targets | Adjusted Targets | Act. | Met or Not met |
| Performance criteria | | | | | | | | | | | | | | | | |
| Net domestic bank credit to the central government (ceiling) 2/ 3 | 13,264 | 17,274 | 21,304 | Not met | 33,078 | 27,612 | 32,682 | Not met | 11,473 | 13,373 | 5,578 | Met | 27,188 | 43,556 | 56,074 | Not met |
| Unadjusted target (ceiling) | | 13,264 | | | | 33,078 | | | | 11,473 | | | | 27,188 | | |
| Adjustment for the shortfall (excess) external budget support | | 0 | | | | 2,100 | | | | -10,507 | | | | -27,153 | | |
| Adjustment for the issuance of treasury securities to the private sector | | -4,009 | | | | 3,366 | | | | 8,607 | | | | 10,785 | | |
| Net domestic assets of the central bank (ceiling) 2/ 4/ 5/ 6 | 68,961 | 80,501 | 13,747 | Met | 50,075 | 67,074 | 37,420 | Met | 12,770 | 50,018 | 25,575 | Met | 13,053 | 85,172 | 115,591 | Not met |
| Unadjusted target (ceiling) | | 68,961 | | | | 50,075 | | | | 12,770 | | | | 13,053 | | |
| Adjustment for the shortfall (excess) external budget support | | 0 | | | | 2,100 | | | | -10,507 | | | | -27,153 | | |
| Adjustment for higher fuel price: | | 381 | | | | 1,176 | | | | 0 | | | | 0 | | |
| Adjustment for exchange rate depreciation (appreciation) | | 11,158 | | | | 17,923 | | | | 26,741 | | | | 44,966 | | |
| Domestic primary budget balance of the central government (floor) 7 | -10,269 | -10,269 | -11,514 | Not met | -36,979 | -36,979 | -42,771 | Not met | -79,897 | -79,897 | -80,558 | Not met | -123,031 | -123,031 | -129,602 | Not met |
| Subsidies to National Power Authority (ceiling) | 125 | 125 | 0 | Met | 250 | 250 | 0 | Met | 375 | 375 | 250 | Met | 500 | 500 | 500 | Met |
| Gross foreign exchange reserves of the central bank (in millions of U.S. dollars (floor) 8/ | -19.68 | -19.84 | -19.64 | Met | -13.17 | -12.70 | -8.27 | Met | 11.21 | -18.61 | -1.16 | Met | 2.43 | -42.00 | -25.00 | Met |
| Unadjusted target (floor) | | -19.68 | | | | -13.17 | | | | 11.21 | | | | 2.43 | | |
| Adjustment for higher fuel prices (in millions of U.S. dollars) | | -0.17 | | | | -0.51 | | | | 0.00 | | | | 0.00 | | |
| Adjustment for the shortfall (excess) external budget support | | 0.00 | | | | 0.98 | | | | -9.81 | | | | -25.40 | | |
| Adjustment for the shortfall in the U.S. dollar value of IMF disbursements | | 0.00 | | | | 0.00 | | | | -19.03 | | | | -19.03 | | |
| Contracting or guaranteeing of nonconcessional external debt 11/ | | | | | | | | | | | | | | | | |
| by the public sector (ceiling) with maturities of one year or more 11/ 1/ | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met |
| Outstanding stock of external debt owed or guaranteed by the public sector 12/ | | | | | | | | | | | | | | | | |
| with maturities of less than one year (ceiling) 14 | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met |
| External payment arrears of the public sector (ceiling) 15 | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 | 0.0 | Met |
| Indicative targets | | | | | | | | | | | | | | | | |
| Total domestic government revenue (floor) | 67,278 | 67,278 | 60,887 | Not met | 136,349 | 136,349 | 138,704 | Met | 202,862 | 202,862 | 211,481 | Met | 271,678 | 271,678 | 287,589 | Met |
| Government wage bill (ceiling) | 38,525 | 38,525 | 33,760 | Met | 77,050 | 77,050 | 76,025 | Met | 115,575 | 115,575 | 116,655 | Not met | 154,100 | 154,100 | 160,077 | Not met |
| Change in the stock of verified domestic arrears of the central government (ceiling) 1 | -1,750 | -1,750 | 0 | Met | -5,250 | -5,250 | -10 | Met | -7,000 | -7,000 | -4,280 | Met | -7,000 | -7,000 | -3,590 | Met |
| Poverty-related expenditures (floor) | | | 15,984 | | 62,114 | 62,114 | 53,138 | Not met | | | 96,705 | | 138,586 | 138,586 | 140,158 | Met |
| Memorandum items: | | | | | | | | | | | | | | | | |
| External budgetary assistance 17/ | | | 0 | | 15,578 | 15,578 | 17,678 | | 89,776 | 89,776 | 68,762 | | 123,182 | | 68,876 | |
| Net credit to the central government by nonbank sector 18 | | | 5,624 | | | | 19,268 | | | | 31,991 | | | | 44,030 | |

1/ Variables are based on definitions in the technical memorandum of understanding (TMU) of March 200

2/ The ceilings will be adjusted downward by the amount of any excess in programmed external budgetary assistance (see footnote 16). The ceiling will also be adjusted up by up to 50 percent of the amount of any shortfall in external budgetary assistance (as defined in the TMU; see footnote 1)

3/ Defined as claims on government (net) in the monetary survey. To be adjusted downward (upward) by any net issues of government securities to the nonbank private sector up to the ceiling on net domestic bank credit to the central government

4/ The program benchmarks for January - September 2003 are valued at the program exchange rate as defined in the technical memorandum of understanding (TMU) of March 200

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

6/ The program net domestic assets performance criterion will also be adjusted for higher-than-programmed oil prices with an upside adjustment cap of US\$10 million translated into leones at the actual exchange rate as specified in paragraph 31 of the TMU of March 2003

7/ Defined as domestic revenue minus total expenditure and net lending, excluding interest payments, externally financed capital expenditures, and the externally financed DDR program

8/ 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)

9/ The floor will also be adjusted downward for higher-than-programmed oil prices, with a downside adjustment cap of US\$10 million, as specified in paragraph 31 of the TMU of March 200

10/ This performance criterion applies to debt as defined in Annex 1 of the TMU of March 200

11/ Excluded from this performance criterion are disbursements from the Fund and rescheduling arrangement

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

13/ The term "debt" has the meaning set forth in Annex 1 of the TMU of March 200

14/ Excluded from this performance criterion are normal import-related credit

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

16/ The indicative target is meant to define an upper bound for the clearance of verified domestic arrears

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

18/ Comprises treasury bills purchased by the National Social Security and Insurance Trust (NASSIT) and the non-financial private sector

Table 2. Sierra Leone: Proposed Quantitative Performance Criteria and Indicative Targets
Under the Poverty Reduction and Growth Facility Arrangement (January-December 2004)

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

| | 2004 | | | | | | | | | |
|--|-------------------------|-----------------|---------|-------------------|-----------------------|-----------------|---------|-------------------|------------------------------------|-------------------------------------|
| | March | | | | June | | | | September Indicative Targets | December Performance Criteria |
| | Performance Criteria | Adjusted PCs | Act. | Met or Not met | Indicative Targets | Adjusted PCs | Prel. | Met or Not met | | |
| Performance criteria | | | | | | | | | | |
| Net domestic bank credit to the central government (ceiling) 2/ 3/ | -25,000 | 8,898 | 22,197 | Not met | -5,000 | 4,026 | 33,176 | Not met | -2,000 | -9,255 |
| Unadjusted target (ceiling) | | -25,000 | | | | -5,000 | | | | |
| Adjustment for the shortfall (excess) external budget support | | -37,908 | | | | -31,722 | | | | |
| Adjustment for the issuance of treasury securities to the private sector | | 4,010 | | | | 22,696 | | | | |
| Net domestic assets of the central bank (ceiling) 2/ 4/ 5/ | -5,000 | 40,849 | 23,633 | Met | 23,000 | 64,111 | 20,833 | Met | 26,000 | 15,048 |
| Unadjusted target (ceiling) | | -5,000 | | | | 23,000 | | | | |
| Adjustment for the shortfall (excess) external budget support | | -37,908 | | | | -31,722 | | | | |
| Adjustment for exchange rate depreciation (appreciation) | | 7,941 | | | | 9,389 | | | | |
| Domestic primary budget balance of the central government (floor) 6/ | -46,049 | -46,049 | -25,445 | Met | -81,415 | -81,415 | -51,253 | Met | -109,578 | -81,361 |
| Subsidies to National Power Authority (ceiling) | 0.00 | 0.00 | 0.00 | Met | 0.0 | 0.0 | 0.0 | Met | 0.0 | 0.0 |
| Adjustment for the shortfall (excess) external budget support | | -29.16 | | | | -24.40 | | | | |
| Adjustment for the shortfall in the U.S. dollar value of IMF disbursement | | 0.00 | | | | 0.00 | | | | |
| 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 | Met | 0.0 | | | | 0.0 | 0.0 |
| Outstanding stock of external debt owed or guaranteed by the public sector 11/ | | | | | | | | | | |
| with maturities of less than one year (ceiling) 12/ | 0.0 | 0.0 | 0.0 | Met | 0.0 | | | | 0.0 | 0.0 |
| External payment arrears of the public sector (ceiling) 13/ | 0.0 | 0.0 | 0.0 | Met | 0.0 | | | | 0.0 | 0.0 |
| Indicative targets | | | | | | | | | | |
| Total domestic government revenue (floor) | 82,642 | 82,642 | 80,025 | Not met | 165,967 | 165,967 | 174,734 | Met | 248,495 | 348,083 |
| Government wage bill (ceiling) | 43,023 | 43,023 | 42,806 | Met | 86,045 | 86,045 | 86,780 | Not met | 129,068 | 173,825 |
| Poverty-related expenditures (floor) | 54,937 | 54,937 | 29,048 | Not met | 102,888 | 102,888 | 68,167 | Not met | 139,573 | 150,522 |
| Memorandum items: | | | | | | | | | | |
| External budgetary assistance 14/ | 75,816 | | 0 | | 103,007 | | 39,562 | | 142,007 | 170,467 |
| Net credit to the central government by nonbank private sector 15/ | 556 | | 4,010 | | 11,513 | | 22,696 | | 11,406 | 51,230 |

1/ Variables are based on definitions in the technical memorandum of understanding (TMU) of December 2003.

2/ The ceilings will be adjusted downward by the amount of any excess in programmed external budgetary assistance (see footnote 16). The ceiling will also be adjusted upward by up to 50 percent of the amount of any shortfall in external budgetary assistance (as defined in the TMU; see footnote 16).

3/ Defined as claims on government (net) in the monetary survey. To be adjusted downward (upward) by any net issues of government securities to the nonbank private sector up to the ceiling on net domestic bank credit to the central government.

4/ The program benchmarks for December 2003 - June 2004 are valued at the program exchange rate as defined in the technical memorandum of understanding (TMU) of December 2003.

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 expenditures, and the externally financed DDR program.

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 to debt as defined in Annex 1 of the TMU of December 2003.

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

10/ Excluded from this performance criterion are external loans with a 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 Annex 1 of the TMU of December 2003.

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 and program loans.

15/ Comprises treasury bills purchased by the National Social Security and Insurance Trust (NASSIT) and the non-financial private sector.

Table 3. Sierra Leone: Structural Performance Criteria and Benchmarks for September 2003 - June 2004
Under the Program Supported by the Poverty Reduction and Growth Facility Arrangement

| Performance Criteria and Structural Benchmarks | Timing | Status |
|--|--------------------|---|
| Performance criteria | | |
| Guidelines have been issued by the Ministry of Finance requiring double signatures in operating school bank accounts; one of the signatures to be that of a member of the community-based school management committee. | February 28, 2004 | Observed. |
| Identification cards have been issued by Ministry of Finance for the remaining twenty percent of all verified ² teachers. | March 15, 2004 | Observed. |
| The reconciliation of fiscal and monetary data for 2000-02 has been completed. | May 31, 2004 | Not observed, pending technical assistance from the IMF. |
| New personnel management regulations for the civil service, establishing a code of ethics, and including a system for performance-based appraisal and promotions, have been introduced. | May 31, 2004 | Partially observed. Amendments need to be approved by Cabinet. |
| Benchmarks | | |
| Specific measures have been elaborated to strengthen the Auditor General's Office, including the use of private accounting firms to expedite audits of government ministries and agencies. | September 30, 2003 | Partially observed. Positions have been advertised, and recruitment is under way. |
| The photo verification system for civil servants and teachers in the Establishment Secretary's Office (ESO) is operational and adequately staffed. | September 30, 2003 | Observed. Software has been received and seven new staff members have been hired. |
| Legislation relating to customs and inland revenue has been revised to ensure consistency with provisions under the National Revenue Authority Act. | December 31, 2003 | Not observed. Legislation to be finalized by June 2005 with technical assistance from the Commonwealth Secretariat. |
| Employment ceilings for individual schools have been established, and these data have been published in the government gazette. | February 28, 2004 | Observed. |
| The ESO database of civil servants and teachers is updated monthly and used to update the payroll database of the Accountant General's Office. | Continuous | Observed. |
| Terms and conditions for securitization of all remaining verified domestic arrears have been announced publicly. | March 31, 2004 | Not observed. |
| An action plan has been formulated to implement recommendations of the financial audit of the Ministry of Education. | March 31, 2004 | Observed. |
| Diagnostic studies and reforms have been completed in six key ministries to rationalize structure, functions, and staffing in these ministries. | March 31, 2004 | Partially observed. |
| A medium-term budgetary framework incorporating all major mineral revenues has been formulated and discussed with development partners. | May 31, 2004 | Not observed. |
| Project has been launched to convert the Establishment Secretary's Office into a personnel management office. | June 30, 2004 | Not observed. Draft terms of reference for managing the proposed initiative have been prepared. |
| Identification cards have been issued for all civil servants. | June 30, 2004 | Not observed. |

¹ Existing teachers refer to those with valid letters of appointment as of August 31, 2003.

² Verified teachers refer to existing teachers as of August 31, 2003 who have been photo verified.

Table 4. Sierra Leone: Structural Performance Criteria and Benchmarks for July - December 2004
Under the Program Supported by the Poverty Reduction and Growth Facility Arrangement

| Performance Criteria and Structural Benchmarks | Timing | Status |
|--|--------------------|------------|
| Prior action | | |
| New personnel management regulations for the civil service, establishing a code of ethics, and including a system for performance-based appraisal and promotions, have been introduced. | | Completed. |
| Performance criteria | | |
| The reconciliation of fiscal and monetary data for 2000-02 has been completed. | November 30, 2004 | |
| Benchmarks | | |
| Specific measures have been elaborated to strengthen the Auditor General's Office, including the use of private accounting firms to expedite audits of government ministries and agencies. | December 31, 2004 | |
| At least sixty percent of schools are paid through school bank accounts. | December 31, 2004 | |
| The Budgeting and Accountability Act has been presented to Parliament. | October 31, 2004 | |
| The ESO database of civil servants and teachers is updated monthly and used to update the payroll database of the Accountant General's Office. | Continuous. | |
| Employment ceilings for individual schools will be published in the government gazette at the beginning of each school year. | Continuous. | |
| Terms and conditions for securitization of all remaining verified domestic arrears have been announced publicly. | September 30, 2004 | |
| Diagnostic studies and reforms have been completed in six key ministries to rationalize structure, functions, and staffing in these ministries. | December 31, 2004 | |
| A medium-term budgetary framework incorporating all major mineral revenues has been formulated and discussed with development partners. | August 31, 2004. | |
| Project has been launched to convert the Establishment Secretary's Office into a personnel management office. | December 31, 2004 | |
| Identification cards have been issued for all civil servants. | December 31, 2004 | |