Table 1. Armenia: Quantitative Benchmarks and Indicative Targets, 1998-1999

	1998	1999			
	December	March	June	September	December
Quantitative benchmarks	Maximum levels in millions of drams (end-period stocks)				
Net domestic banking system credit to general government					
program 2/	20,640	24,370	17,535	21,159	21,989
actual	19,984	15,989	16,747		
Net domestic assets of CBA					
program 2/	6,122	7,683	6,181	5,042	6,339
actual	2,857	3,636	4,566		
Domestic expenditure arrears (continuous criterion) 3/	2,176	1,825	11,000	0	0
	Maximum levels in millions of U.S. dollars (end-period stocks)				
Net disbursements of short-term external debt 4/	0	0	0	0	0
Contracting and guaranteeing of new nonconcessional medium- and long-term external debt longer than one year 5/	0	0	0	0	0
of which : debt of 1-5 years maturities 5/	0	0	0	0	0
External arrears (continuous criterion)	0	0	0	0	0
	Minimum levels in millions of U.S. dollars (end-period stocks)				
Net official international reserves					
program 2/	99.5	95.0	79.4	93.6	97.0
actual	108.5	89.2	83.2		
	Minimum levels in millions of drams				
State budget tax revenue 6,7/					
program 2/	136,843	31,423	64,710	110,503	165,734
actual	133,434	28,032	64,729		
	Maximum levels in millions of drams				
State budget overall cash deficit (year to day) 6,8/					
program 2/	52,468	11,973	28,054	41,677	62,795
actual	45,264	6,189	16,289		
Memorandum Item (Indicative Targets)					
State budget expenditure	212,907	41,806	95,996	177,835	267,764
Dram broad money (end-period stock)					
program 2/	53,770	54,308	48,289	51,792	57,163
actual	57,539	45,819	49,666		
Reserve money (end-period stock) 9/					
program 2/	52,897	52,343	46,809	49,017	51,939
actual	53,839	45,561	43,689		

1/ Actual values for December 1998, and March and June 1999, unless otherwise indicated. Performance criteria for March.
   Indicative targets for June, September, and December, 1999. The definitions of quantitative benchmarks and indicative targets to be used
   under the program are presented in a Technical Annex to the memorandum of economic and financial policy (MEFP).
2/ Targets for December 1998 and March 1999 as defined in EBS/98/213. Targets for June 1999 as agreed between authorities and staff.
   Targets for September to December 1999 as defined during July mission.
3/ Expenditure arrears of the state government budget. For December 1998 and March 1999 arrears refer to core expenditures as defined in
   the TA to the original MEFP. For June 1999, arrears relate to all verified claims on the government as defined in the Supplement to the TA.
4/ Cumulative from December 31, 1998. Excluding normal import-related credits and sales of T-bills to nonresidents.
5/ Cumulative from December 31, 1998. The definition and coverage of nonconcessional debt is presented in the TA to the MEFP.
6/ Targets for each year are cumulative from end of previous year.
7/ Excluding land and property taxes.
8/ Includes expenditures financed with the use of privatization proceeds.
9/ In addition this target will be subject to an upper and lower bound as specified in the supplement to the TA to the MEFP.

Table 2. ARMENIA—PRIOR ACTIONS

POLICY ACTION	STATUS	VERIFICATION
I. PRIOR ACTIONS TO THE CIRCULATION OF BOARD PAPERS		
1. The government will issue a decree increasing excise taxes on cigarettes, and increasing the hazardous duty tax on gasoline.	Implemented.	Cabinet approved the increase in cigarette tax and gasoline duty on July 29, 1999. Decree signed by President on July 30, 1999.
2. The government will issue decree freezing certain expenditures by July 29, 1999.	Implemented with delay.	Decree signed by Prime Minister of August 17, 1999.
3. A government auditor will verify all energy sector stock of loan debts and at least 95 percent of the value of all payables outstanding as of June 1, 1999.	Implemented.	On September 9, 1999 the verification of all payables was concluded.
4. Issue a decree requiring state-owned and controlled energy companies to disconnect all non-payers within 15 days of their bills becoming overdue, stating that reconnection will require payment of arrears and prepayment of estimated consumption for the following month, and specifying penalties for non-complying managers of energy companies.	Implemented	Cabinet Protocol Decree No. 41 signed by the Prime minister on July 29, 1999.
5. Request and seek approval by parliament of an amendment to the 1999 Budget Law.	Implemented.	Draft was submitted on August 17, 1999 and the amendment was approved on August 28, 1999.
6. Observe the floor on net international reserves of the CBA for end-August 1999.	Implemented.	
7. Complete rescheduling agreements, on commercial terms, with all domestic energy sector creditors.	Largely implemented.	Agreements for rescheduling 3/4 of the debts outstanding as of June 1, 1999 have been concluded.
8. The government will assign clear responsibilities for the management, financial monitoring, and design and implementation of financial plans for the district heat, drinking water, and irrigation sectors, as well as for the state owned enterprise Nairit.	Implemented.	On July 29, 1999, Cabinet assigned responsibilities. (Extract from Minutes of the July 29, 1999 Cabinet Session, signed by the Prime Minister).
9. Send to the IMF and World Bank approved cash flow projections for the remainder of 1999, and government endorsed action plans for the district heat, drinking water, and irrigation sectors, as well as for the state owned enterprise Nairit for the period 1999-2000.	In progress.	Draft reporting forms to enable implementation of this action were submitted on September 3, 1999, and some partial financial information, based on the reporting forms introduced in March 1999, has been provided. Action plans have not been completed.
10. Create a unit in the Ministry of Finance, responsible for coordinating the negotiation and monitoring of all external grants and public and publicly guaranteed loans.	Implemented.	Ministry of Finance Directive No. 451, signed by the Minister on August 17, 1999, approves the charter of the Debt Servicing Department at the Ministry of Finance. The head of the unit was appointed on August 31, 1999.

POLICY ACTION	STATUS	VERIFICATION
11. The CBA will increase penalties on banks for non-compliance with prudential regulations.	Implemented.	CBA Board Decision No. 20, February 9, 1999 and CBA Board Resolution of August 3, 1999, approve new procedures for treatment of non-compliant banks.
12. Request the World Bank staff to send a letter to the IMF stating that progress in July in increasing energy sector collections and containing expenditures (without incurring on arrears) is consistent with the end-September and end-December targets.	Implemented.	World Bank energy mission visited Yerevan August 27-September 2, 1999, and a letter was received on September 15, 1999.
II. Prior Actions to the Board Meeting		
13. Achieve cumulative tax revenue collection targets of at least dram 110,503 million over the period January-September 1999.		
14. Observe the floor on net international reserves for end-September 1999.		
15. Request the World Bank staff to send a letter to the IMF indicating that the progress through August in increasing energy sector collections and containing expenditures are consistent with the end-September and end-December targets.		

Table A1. Armenia: Republican Budget Expenditures and Arrears in 1999 (in million drams)

	Payments made year to date	Unpaid Verified claims outstanding for the year to date — Total	of which > 30 days	as of September 29: Planned cumulative expenditures — Total	of which: repayments of arrears	Expenditures actually paid	Unpaid Verified claims outstanding — Total	of which > 30 days	Gross new arrears incurred during the reporting period	as of December 30: Planned cumulative expenditures — Total	of which: repayments of arrears	Expenditures actually paid	Unpaid Verified claims outstanding — Total	of which > 30 days	Gross new arrears incurred during the reporting period
Total expenditure	91,898	11,100		171,083	11,100				n.a.	258,385					n.a.
I Wages	11,834	2,400		21,924	2,400				n.a.	29,933	2,400				n.a.
Interest	9,628	0		14,593					n.a.	18,487					n.a.
domestic interest	6,176			9,522					n.a.	11,676					n.a.
external interest	3,452			5,071					n.a.	6,811					n.a.
Transfers	16,320	2,700		35,535					n.a.	54,597					n.a.
Family Allowances	8,227	1,600		15,411	1,600				n.a.	21,552	1,600				n.a.
Pension contributions	1,543	900		3,735	900				n.a.	5,191	900				n.a.
Reserve Fund and Contingent Liabilities	0			2,428					n.a.	9,711					n.a.
Other Transfers	4,895			9,436					n.a.	12,752					n.a.
Transfer to SFSI for Military	1,655	200		4,525	200				n.a.	5,392	200				n.a.
Severance Pay	0			0					n.a.	0					n.a.
Pension payments of SFSI	13,158	3,500		25,158	1,100				n.a.	33,337	1,100				n.a.
II Subsidies	608			3,110					0	10,032					0
Goods and Services	26,439	2,500		54,027					0	81,991					0
Health	5,176	2,500		14,191	2,500				0	19,902	2,500				0
Education	1,040			5,013					0	7,435					0
Other	20,223			34,823					0	54,654					0
Utility Payments									0						0
Communication									0						0
Food and medicines									0						0
Capital exp. & net lending	27,070	3,500		41,895					0	63,346					0
Capital expenditure	20,524	3,500		31,130					0	43,411					0
Foreign financed	10,377			16,664					0	25,884					0
Domestic financed	10,147	3,500		14,466	3,500				0	17,527	3,500				0
Net lending	6,546			10,765					0	19,935					0

Note: Expenditures in category I will be considered arrears if not paid by the end of the month in which the obligation accrues. Expenditures in category II will be considered arrears if not paid within 30 days after the month in which they accrue.

Table A2. Reporting Requirements Under ESAF

Data Requirement	Reporting Period 1/	Number of Days in which this Info. Must be Reported after the End of Reporting Period	Latest Data Provided to IMF
1. CBA Balance Sheet 2/	M	7 days	6-Aug-99
2. Banking System Balance Sheet	M	21 days	31-Jul-99
3. T-Bill Financing 2/	M	7 days	8-Aug-99
4. Net International Reserves	M	14 days	8-Aug-99
5. External Debt	M	21 days	Jun-99
6. Tax Arrears	M	21 days	Jun-99
7. Expenditure Arrears	M	15 or 45 days 3/	Jun-99
8. Tax Revenues, Nontax Revenues and Grants	M	14 days	9-Aug-99
9. Budgetary Sector Employment	M	30 days	Q1 1999
10. Budgetary Average Wages	M	30 days	Jun-99
11. Budget Execution	M	21 days	9-Aug-99
12. State Fund for Social Insurance	Q	21 days	Jul-99
13. Nonbudgetary Domestic Arrears	M	30 days	Aug. 1 for energy
14. BOP Data (Current Account)	M	60 days	Q1 1999
15. Other General Economic Data			
Exchange Rates 2/	D	5 days	6-Aug-99
Intervention Data 2/	D	5 days	6-Aug-99
Interest Rates by Maturities 2/	M	10 days	6-Aug-99
CPI	M	5 days	Jul-99
GDP	Q	60 days	Q2 99
16. Privatization Proceeds	M	5 days	Jul-99
17. Enterprise Privatizations	M	5 days	Jul-99
18. Energy Sector Consolidated Operations	Q	10 days	Q1 1999
Revenues	M	10 days	Jun-99
Expenditures	M	10 days	May-99

1/ As specified in the Technical Annex to the Memorandum of Economic and Financial Policies. M--monthly; D--daily, Q--quarterly.
2/ Weekly operational data are being provided regularly.
3/ For wages, pension payments, family allowances, all other transfers and interest payments, reporting must be done within 15 days
   from the end of the month. For all other expenditures, reporting is due 45 days after the end of the month.

Table A3. Restructuring of Amounts Falling Due in 1999

Creditor	Loan Amount As of 7/1/99	Payments Due in 1999	Agreed Amount to be Paid in 1999		Agreed Maturity for Re-Scheduled Amount	Agreed Annual Interest Rate & Frequency of Payment	Currency Denomination of Loans
			Q3	Q4			
I Barter Suppliers 　a 　b 　c 　....... 　........							
II Commercial Banks 　a 　b 　c 　....... 　........							
III Other payables 　a 　b 　c 　....... 　........							