

Table 1: Quantitative Benchmarks Under the Third Annual ESAF Arrangement, October 1998-September 1999 ^{1/}
(In millions of Malawi kwacha, unless stated otherwise)

	1998			1999									
	End-December			End-March			End-June				End-September		
	Program	Adjusted	Preliminary	Program	Adjusted	Preliminary	Program	Rev. Prog.	Adjusted	Preliminary	Program	Rev. Prog.	
Net domestic assets of the monetary authorities ^{2/, 3/, 4/}	-1,024	63	-1,148	-694	-423	-2,109	-1,600	-1,708	-202	-1,234	-4,624	-3,104	
Net credit to the government from the monetary authorities ^{3/, 4/, 5/}	-1,792	-706	-837	-942	-671	-1,229	-2,110	-544	-712	-67	-4,380	-2,019	
Net foreign assets of the monetary authorities ^{6/, 7/} (in millions of U.S. dollars)	112	86	133	107	100	141	152	176	118	177	229	216	
Domestic primary balance ^{4/, 5/, 8/}	-166	-166	440	-151	-151	561	-131	-413	-131	81	-248	-872	
Nonaccumulation of domestic arrears ^{9/}	...	...	...	...	...	...	...	...	...	...	...	...
Stock of external arrears ^{9/}	0	0	...	0	...	...	0	0	...	0	0	0
Contracting or guaranteeing of nonconcessional external debt by the government ^{10/}													
Medium and long term	0	0	...	0	...	...	0	0	...	0	0	0
Short term ^{11/}	0	0	...	0	...	...	0	0	...	0	0	0
Memorandum items:													
Balance of payments support (in millions of U.S. dollars) ^{12/}	145	...	119	165	...	158	203	169	...	169	282	197	
Project support (in millions of U.S. dollars) ^{12/}	39	...	8	78	...	19	117	58	...	36	147	97	
Transfers to the budget from the Reserve Bank of Malawi (RBM) ^{12/}	30	...	33	30	...	33	30	33	...	33	30	33	

^{1/} The targets for end-March 1999 are performance criteria; for the remaining months, the targets are benchmarks.

^{2/} For monitoring purposes, the net domestic assets of the RBM are defined as reserve money minus the net foreign assets of the RBM valued at an exchange rate of MK 41=US\$ 1 up to June 1999 and an exchange rate of MK 44=US\$ 1 for September 1999.

^{3/} The ceilings will be adjusted upward (downward) for any shortfall (excess) of balance of payments support from its programmed level, up to a maximum of US\$50 million.

^{4/} The ceilings will be adjusted upward for any shortfall of project support from its programmed level compensated by additional domestic development expenditure, up to a maximum of US\$15 million.

^{5/} The ceilings (floors) will be adjusted upward (downward) for any shortfall (excess) of profit transfers to the budget relative to the programmed levels.

^{6/} The floors will be adjusted downward (upward) for any shortfall (excess) of balance of payments support from its programmed levels, up to a maximum of US\$50 million.

^{7/} The floors will be adjusted downward for any shortfall of project support from its programmed level compensated by additional domestic development expenditure, up to a maximum of US\$15 million.

^{8/} Cumulative primary balance (revenue less total expenditure, excluding interest payments, maize transactions, support for the Malawi Savings Bank, and foreign-financed development expenditure) for the period September 1998 - October 1999.

^{9/} Applicable on a continuous basis.

^{10/} A loan is classified as concessional if its grant element is at least 35 percent, calculated using a discount rate based on the 10-year average of OECD commercial interest reference rates (CIRRs), for loans of maturity greater than 15 years; for loans of maturity less than 15 years, the discount rate should be based on the six-month average of the OECD CIRR.

^{11/} Includes debt with maturity up to and including one year. These limits do not apply to any disbursements from (1) loans classified as international reserve liabilities of monetary authorities; (2) loans to restructure, refinance, or repay existing debts; (3) normal short-term import financing; or (4) pre-export financing.