

Table 1. Guinea: Quantitative Performance Criteria and Benchmarks
Under the First Annual PRGF Arrangement, 2001–02

	2001 March Est.	2001–02			
		June 2001 Indicative Benchmark	Sep. 2001 Performance Criteria	Dec. 2001 Indicative Benchmark	March 2002 Indicative Benchmark
		(In billions of Guinean francs)			
Central government primary balance (floor) 1/	27.2	-9.0	-7.1	33.6	12.5
Net bank credit to the government (ceiling) 3/ 4/	14.4	-63.9	-8.9	-17.8	-12.0
Reserve money (ceiling) 5/	346.9	362.1	368.5	358.4	386.3
		(In millions of U.S. dollars, end of period)			
Net foreign assets of the central bank (floor) 6/ 7/	21.3	71.0	93.2	98.4	155.5
New nonconcessional medium- or long-term external debt contracted or guaranteed by the government or the central bank 2/	0.00	0.00	0.00	0.00	0.00
Outstanding stock of short-term external debt contracted or guaranteed by the government or the central bank 7/	0.00	0.00	0.00	0.00	0.00
Outstanding external payments arrears (ceiling) 8/	0.00	0.00	0.00	0.00	0.00
		(In billions of Guinean francs, unless otherwise specified, end of period)			
Central government nonmining revenue 2/ 9/	127.8	296.5	449.6	598.6	148.7
Of which: customs revenue 2/ 9/	82.7	171.8	260.6	358.7	96.3
Central government noninterest current expenditure 1/ 2/ 9/	136.5	285.5	449.6	600.0	101.2
Current public expenditure in priority sectors 9/ 10/	17.1	35.2	56.1	97.9	20.7
Repayment of domestic arrears 2/ 9/	6.8	0.5	-0.6	-4.5	-2.9
Memorandum item:					
Nonproject external financial assistance (in millions of U.S. dollars) 2/	2.2	57.8	74.9	84.9	44.0

1/ On a commitment basis; the domestic primary balance is defined as the difference between total revenue (excluding grants) and noninterest domestic expenditure (excluding foreign-financed capital expenditure).

2/ Cumulative from the beginning of the respective calendar year of the test date.

3/ Excluding government paper issued in counterpart of the revaluation of the stock of gold.

4/ To be adjusted downward/upward for any cash settlement of domestic arrears lower/higher than indicated.

5/ For purposes of the program, during 2001 gold will be valued at the U.S. dollar price agreed for end-December 2000.

6/ To be adjusted upward for any new accumulation of external payments arrears, or cash settlement of such arrears inferior to the program's projections.

7/ Excluding commercial credits.

8/ Excluding arrears under negotiation with creditors, on a continuous basis.

9/ Does not constitute a performance criterion for end-September 2001.

10/ Priority sectors are defined to include public health, education, road maintenance, justice, and rural development, town planning, and social affairs. The precise definition of these expenditures is contained in the annexed Technical Memorandum of Understanding.

Table 2. Guinea: Structural Measures

Measures	Test Date
Public finances	
<ul style="list-style-type: none"> • Implementation of the customs reform program. • Implementation of the recommendations of the tax audits of four key public enterprises. • Reduction of tax exemptions. • Production of administrative and management accounts (<i>comptes administratif de gestion</i>) for the 1998 and 1999 fiscal years.* • Strengthening of internal control and audit of budget execution (financial inspectorate). • Strengthening of the Accounting Office of the Supreme Court. • Consolidation of public accounts. • Adoption by the Ministry of Economy and Finance of a repayment plan for domestic payments arrears.* 	Continuous 2001-03 2001-03 September 2001 December 2001 2001-02 September 2001 September 2001
Monetary reforms	
<ul style="list-style-type: none"> • Introduction of central bank bills with a 14-day maturity. • Elimination of the central bank guarantee for interbank transactions. • Liberalization of the conditions of foreign exchange accounts of residents in domestic commercial banks (other than foreign exchange bureaus). • Completion of study on the operation of the foreign exchange auction.** • Introduction of a revised regulatory framework governing foreign exchange swap transactions between the central bank and the commercial banks. • Initiation of a monthly publication of a central bank information and statistical bulletin. • Creation of a central bank website containing the monetary database. 	September 2001 April 2001 December 2001 June 2001 June 2001 July 2001 September 2001
Banking supervision and restructuring	
<ul style="list-style-type: none"> • Adoption of a regulatory framework providing for an adequate audit of banks.* • Submission to the Banking Committee (<i>Comité des Agréments</i>) of a proposal for increasing the minimum capital requirement from GF 2 billion to GF 5 billion. • Revision of the banking law, along with several application measures, to require all banks to hold their social capital in Guinean francs. • Adoption of strengthened regulations concerning the refinancing of banks under restructuring that are illiquid but solvent. • Decision on the provisional administration of banks under restructuring.** • Announcement by the Ministry of Economy and Finance of the liquidation of the <i>Crédit Mutuel de la Guinée</i>. • Adoption of an action plan for transforming the <i>Crédit Rural de la Guinée</i> into a specialized financial institution. • Adoption of the institutional and informational framework for microfinance institutions necessary for their prudential supervision by the central bank. 	September 2001 June 2001 June 2001 June 2001 April 2001 July 2001 December 2001

Notes: * = performance criterion for end-September 2001; ** = structural benchmarks.