

Table 1. Mauritania: Quantitative Benchmarks and Performance Criteria for 2000

	Performance criteria				Quantitative benchmarks			Performance criteria		
	Mar-00	Jun-00		Actual	Sep-00		Actual	Dec-00		Actual
Actual	Target	Adjusted Target	Target		Adjusted Target	Target		Target	Adjusted Target	
(In millions of ouguiyas)										
Ceiling on net domestic assets of the central bank 1/ 2/	7,246	11,411	3,651	2,205	-4,560	-12,418	-13,453	-684	-6,357	-10,208
Overall balance of consolidated central government operations 3/ 4/	-4,646	-7,163	-6,823	-6914	1,274	1,816	-54	-1,042	-838	-10,138
(In millions of U.S. dollars)										
Arrears on medium- and long-term external public debt 5/	344.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New nonconcessional external borrowing contracted or guaranteed by the government or the central bank 6/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.9
Ceiling on the accumulation of new arrears on public or publicly guaranteed external debt 7/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floor on net foreign assets of the central bank 8/ 9/	18.1	-10.3	25.4	29.5	61.6	97.7	100.3	45.6	72.0	86.4
(In millions of ouguiyas)										
Memorandum item:										
Reserve Money	11,319	9,086		8,842	9,289		9,068	9,570	9,570	9,222

Sources: Mauritanian authorities; and Fund staff estimates.

1/ Based on an exchange rate of US\$1 = UM225 for 2000.

2/ The benchmarks/performance criteria relating to the ceiling on domestic assets of the central bank will be adjusted downwards (upwards) for any shortfall (excess) from the amounts set out in the adjustment factors table (Attachment, EBS/00/287, 12/28/00) on cash debt service payments and upwards (downwards) for any shortfall (excess) of program financing (excluding the Fund). The adjustment for program financing will be up to a maximum of US\$20 million. In addition, the ceiling on domestic assets of the central bank will be adjusted for any change in central bank foreign liabilities resulting from a rescheduling granted by official bilateral creditors. Moreover, the benchmarks/performance criteria relating to the ceiling on net domestic assets of the central bank will be adjusted downwards for the equivalent in ouguiya terms of the payment coming from abroad for the sale of the cellular license.

3/ Cumulative flows since the beginning of the year.

4/ The benchmarks/performance criteria relating to the overall balance of consolidated general government operations will be increased by any shortfall from the amounts shown in the adjustment factors table concerning interest due on external debt and foreign financed capital expenditure. They will also be adjusted downwards for excess in foreign financed capital expenditure of up to 5 percent above the amount shown in the adjustment factors table. Finally, the benchmarks/performance criteria on the overall balance of consolidated general government will be adjusted downwards for any shortfall from the amount set out in the adjustment factors table on HIPC Initiative debt service relief (excluding interim relief granted by the World Bank).

5/ Observance of this performance criterion would require agreement with non-Paris Club creditors on a rescheduling on terms at least comparable to those offered by the Paris Club in the context of the March 2000 rescheduling, of both the stock of arrears outstanding at the point prior to a new rescheduling and of those maturities falling due over the program period. Excludes amount subject to rescheduling.

6/ This performance criterion applies not only to debt defined in point No. 9 of the Guidelines on Performance Criteria with respect to Foreign Debt (adopted on August 24, 2000), but also to commitments contracted or guaranteed for which value has not been received. Short-term import credit is excluded. Concessional borrowing is defined as any new debt that includes a grant component of at least 35 percent at a discount rate specific to the currency based on the OECD's commercial interest reference rate.

7/ To be applied on a continuous basis. Excludes amounts subject to rescheduling.

8/ Excluding changes in gold reserves.

9/ The benchmarks/performance criteria relating to the net foreign assets of the central bank of Mauritania will be adjusted upwards (downwards) for any shortfall (excess) from the projections in the adjustment factors table on cash debt service payments. They will also be adjusted downwards (upwards) for any shortfall (excess) in program financing from the projections in the adjustment factors table; in this case, shortfalls will be adjusted up to a maximum of US\$20 million. In addition, benchmarks and performance criteria will be adjusted for any change in central bank foreign liabilities resulting from a rescheduling granted by official bilateral creditors. Finally, the benchmarks/performance criteria related to the floor on the net foreign assets of the central bank will be adjusted upward for the amounts related to the sale of the cellular license coming from abroad.

Table 2. Mauritania: Structural Measures
Included in the PRGF-Supported Program for 2000

	Structural Measures	Time table	Status
A. External sector			
1.	Increase the percentage of proceeds from non-mineral exports remaining at the disposal of exporters to:		
	80 percent ^{1/}	June 2000	On time
	100 percent ^{1/}	December 2000	On time
2.	Increase the period during which exporters may retain the proceeds from nonmineral exports to:		
	12 months ^{1/}	June 2000	On time
	Unlimited ^{1/}	December 2000	On time
3.	Reduce the surrender requirement (to the central bank) on SNIM's repatriated export proceeds as follows:		
	from 40 percent to 30 percent ^{1/}	June 2000	On time
	from 30 percent to 20 percent ^{1/}	December 2000	On time
4.	Allow residents to open foreign currency deposit accounts with commercial banks ^{1/}	December 2000	On time
5.	Eliminate the "Statistical Visa" for exports while introducing a system to monitor exports and corresponding repatriations of foreign exchange.	December 2000	Measure taken with delay
B. Pricing policy			
1.	Set up and maintain a mechanism for petroleum product prices that adjusts domestic retail prices automatically every two months and in addition, every time international oil price changes exceed +/-5 percent. ^{2/}	May 2000	Measure taken with delay 4/
2.	Complete the study on pricing and reorganize distribution of petroleum products to landlocked areas	September 2000	Not observed
3.	Adopt the decree organizing distribution of petroleum products and ensure free entry to the sector ^{1/}	December 2000	Not observed
4.	Abolish price controls on land transport. ^{1/}	December 2000	Not observed 5/
5.	Evaluate the need for budget subsidies for transport to remote areas within the 2001 budget law (LdF 2001) in the context of a comprehensive transport sector reform	July 2000	Measure taken with delay 6/
C. Fiscal and public sector reforms			
1.	Eliminate the FSD and establish an excise tax system for petroleum products (May 2000 supplementary budget)	May 2000	On time
2.	Strengthen the Customs Inspection Unit and install a database linking it to the pre-shipment inspection company.	July 2000	Not observed
3.	Reconcile monthly SGS import verification data and custom duties collected on inspected imports. ^{3/}	July–December 2000	Not observed
4.	Re-examine the municipal import surcharge in light of the conclusions of the municipal taxation study, with a view to abolish it while identifying equivalent resources.	September 2000	Not observed 7/
5.	Eliminate tax exemptions granted to public enterprises, excluding those for SNIM's activities relating directly to iron ore extraction (Budget Law 2001) ^{1/}	September 2000	On time
6.	Eliminate all special VAT exemptions (Budget Law 2001) ^{1/}	September 2000	On time
7.	Unify the two VAT rates and define the domain for VAT exemptions particularly on essential goods according to the results of the VAT study (Budget Law 2001)	September 2000	On time
8.	Reform the organization of the tax directorate and its collection and inspection operations in line with FAD recommendations	September 2000	On time
9.	Draw-up a medium term expenditure framework for priority sectors, in particular health and education (Budget Law 2001) ^{1/ 8/}	June 2001	
10.	Revise the public procurement code in order to streamline procedures pertaining to contract award, supervision, and payment	December 2000	Not observed 9/
11.	Implement municipal tax reform (Budget Law 2001)	2000	Not observed

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Structural Measures	Time table	Status
D. Private sector development		
1. Implement an action plan to remove administrative barriers constraining private sector development on the basis of the FIAS report recommendations.	2000	Not observed
2. Put into effect implementing instruments relating to Decree 98/48 and Order R075 on liberalization of the transport sector.	December 2000	Not observed
E. Public enterprise reform		
1. Award a private company the concession for operating the société d'abattoir de Nouakchott (SAN) .	December 2000	Not observed
2. Open up to the private sector the capital and management of: PANPA, PAN, Baie du Repos, and Société des Bacs de Rosso	December 2000	On time 10/
3. Restructure the Food Security Committee (CSA) in consultation with the European Union	December 2000	Not observed
F. Privatization		
1. Adopt the new legal and regulatory structure for the reorganization of SONELEC	June 2000	Partially achieved 11/
2. Complete the evaluation phase of pre-qualification bidding documents for the privatization of SONELEC ^{1/}	December 2000	Not observed
3. Sign contract completing the sale of the telecommunications component of OPT to a strategic partner.	December 2000	Not observed 12/
G. Monetary policy instruments and reform of the financial sector		
1. Extend effective central bank supervision to non-bank financial institutions and new banks such as Banque de l'Habitat, Banque pour le Commerce et l'Industrie, and Mauritanie Leasing	December 2000	Not observed
2. Issue implementing regulations for internal audit and control of banks	December 2000	Not observed
3. Introduce regulations on supervision of savings cooperatives, review regulations governing micro-credit agencies, and amend the rules applied to micro-credit intermediated by NGOs.	December 2000	Not observed
4. Complete BAMIS repayment of the central bank advance ^{1/}	June 2000	On time
5. Issue anonymous treasury bills of small denomination by the BCM	December 2000	Cancelled 13/
6. Ensure strict observance by banks of credit concentration ratio at: 40 percent for individual borrowers, and 70 percent for groups of connected borrowers ^{1/} 35 percent for individual borrowers, and 62.5 percent for groups of connected borrowers ^{1/}	June 2000 December 2000	Not observed 14/ Not observed 14/
7. Bear and record in Central Bank accounts the financial loss related to the sale of Banque de l'Habitat's participation over a period of 3 years starting from 2000.	2000	On time

^{1/} Structural performance criterion.

^{2/} Continuous structural performance criterion.

^{3/} Performance criterion for December 2000.

^{4/} The July adjustment was made with one month delay.

^{5/} The study on the reorganization of the sector is completed. Its implementation is ongoing.

^{6/} The study was completed in October 2000.

^{7/} Carried over to the Budget Law 2002.

^{8/} This measure was a structural benchmark for September 2000, and was not observed on time.

^{9/} A draft of the new procurement code is now available.

^{10/} With the exception of the Société des Bacs de Rosso, for technical reasons.

^{11/} The Electricity Code, the Privatization Law, and the Law on Multisectoral Regulation were adopted. The Water Code will need to be discussed with the users before its adoption.

^{12/} The successful bidder has been designated and now has 45 days to provide the payment.

^{13/} After consultations, authorities and the Fund staff agreed that this measure is no longer pertinent.

^{14/} Concentration ratios were observed by four out of seven banks in June, and only by two banks in December.

Table 3. Mauritania: Quantitative Benchmarks and Performance Criteria for 2001 1/

	Dec-00 Actual Stock	Quantitative benchmarks Mar-01	Performance Criteria Jun-01	Quantitative benchmarks Sep-01	Quantitative benchmarks Dec-01	Dec-01 Target Stock
	Target					
	(In millions of ouguiyas)					
Ceiling on net domestic assets of the central bank	-12,565	-2,513	3,092	-5,573	-5,105	-17,670
Net domestic financing of the budget	...	-5,271	-2,285	-9,496	-14,310	...
	(In millions of U.S. dollars)					
Contracting or guaranteeing of new medium- or long-term nonconcessional external debt by the government or the central bank	7.9	0.0	0.0	0.0	0.0	...
Ceiling on the accumulation of new arrears on public or publicly guaranteed external debt	0.0	0.0	0.0	0.0	0.0	...
Net international reserves of the central bank	86.4	11.6	-10.1	25.2	24.4	110.8
Memorandum items:	(In millions of ouguiyas)					
Reserve Money	9,222.0	433.0	554.0	807.0	1,060.0	10,282.0
Tax revenues	...	7,144	16,981	24,296	37,054	...

Sources: Mauritanian authorities; and Fund staff estimates.

1/ For definitions of variables and the adjusters, see the attached technical memorandum of understanding (TMU). Targets are set on the basis of cumulative flows from the beginning of the year; unless otherwise noted.

Table 4. Mauritania: Proposed Structural Performance Criteria and Benchmarks
for 2001 under the PRGF-Supported Program

Structural Performance Criteria and Benchmarks	Time table
A. Structural Performance Criteria	
1. Eliminate the surrender requirement (to the central bank) on SNIM's repatriated export proceeds	June 2001
2. Draw up a medium-term expenditure framework for priority sectors: health and education 1/	June 2001
3. Adopt the draft law on clearing expenditures for fiscal years prior to 2001	September 2001
4. Adopt the draft law amending the Investment Code	November 2001
B. Structural Benchmarks	
1. Establish a nomenclature for expenditure supporting documentation	June 2001
2. Sign program contracts between the BCM and commercial banks, providing a timetable for compliance with the risk concentration ratios.	June 2001

1/ Consistent with the objectives described in the first sentence of paragraph 8 of the MEFP.