

Table 1. Tanzania: Financial Performance Criteria and Benchmarks Under the First Annual Program
Under the Poverty Reduction and Growth Facility Arrangement, January-December, 2000
(In billions of Tanzania shillings, unless otherwise indicated)

	1999			2000						
	Jun.	Sep.	Dec.	Mar.		June		Sep.		Dec.
	Actual			Prog.	Act.	Prog.	Act.	Prog.	Act.	Prog.
Performance criteria 1/										
Net domestic assets of the Bank of Tanzania 2/ 3/ 4/	238.9	229.6	234.2	209.5		202.6		228.2		226.0
Adjusted				242.1	194.3	237.7	193.6	248.5	157.4	
Net domestic financing of the government of Tanzania 2/ 3/ 5/ 6/		44.5	2.6	-9.0		0.0		9.6		28.3
Adjusted				23.6	-10.0	35.1	9.0	29.9	-14.4	
Net international reserves of the Bank of Tanzania 3/ 7/	260.8	285.3	398.9	373.1		373.1		371.8		452.5
Adjusted				332.4	401.5	329.3	392.6	346.5	524.3	
Accumulation of external payments arrears 8/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracting or guaranteeing of external debt on nonconcessional terms 9/	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benchmarks 10/										
Central government recurrent revenue 6/ 11/	689.3	174.4	376.4	576.4	573.5	768.7	772.5	202.8	226.8	423.9
Increase in extrabudgetary expenditure 2/ 12/			0.0	0.0	0.0	0.0	0.0	0.0	8.3	0.0
Accumulation of budgetary arrears 13/		0.0	9.5	0.0

1/ Performance criteria for March and September 2000; benchmarks for June 2000 and December 2000.

2/ Ceiling.

3/ The benchmarks and performance criteria will be adjusted for a shortfall or excess in net foreign financing as described in the technical memorandum of understanding (TMU).

The program envisages cumulative net foreign financing from July 1999 for March, June, September, and December 2000 of US\$57.6 million, US\$68.8 million US\$109.3 million, and US\$10 respectively. Actual cumulative net foreign financing was US\$16.9 million, US\$4.8 million, and US\$71 million through March, June, and September 2000, respectively.

4/ The benchmark for net domestic assets of the BoT will be adjusted for changes in the reserve requirement for an amount equal to the change in percentage points in the reserve requirement times deposits of the public held with the banks. It will also be adjusted for the effect on net international reserves and the IMF accounts from the difference between the actual and the programmed exchange rate.

5/ Defined as net domestic financing of the budget by the banking system and net sales of government debt to the nonbank public. Excludes privatization proceeds and the recapitalization of government-owned banks.

6/ Cumulative from July 1999; for central government revenue cumulative from the beginning of the fiscal year (June-July).

7/ Floor, in millions of U.S. dollars.

8/ Continuous performance criterion. Excludes arrears on external debt-service payments pending the conclusion of debt-rescheduling agreements.

9/ The definition of concessional external debt is described in the TMU.

10/ Indicative targets for December 2000.

11/ Floor, defined to exclude dividend payments from the Bank of Tanzania in excess of the programmed amount of T Sh 4.5 billion in September 2000, and privatization proceeds.

12/ Defined as expenditure financed outside the regular budgetary accounts.

13/ Defined as arrears accumulated during the fiscal year, including arrears on wages, to suppliers, and on domestic interest and tax refunds.

Table 2. Tanzania: Structural Performance Criteria and Benchmarks Under the First Annual Program Supported Under the PRGF Arrangement for 2000

Sector	Measure (P—Performance Criterion)	Timing	Status
External	Base minimum dutiable values on international prices (except sugar)	July 2000	Implemented
Fiscal	Establish new duty drawback system	March 2000	Implemented
	Submit Public Finance Management Bill and Public Audit Bill to Parliament (P)	June 2000	Implemented
	Issue implementing regulations for Public Finance Management Act and Public Audit Act	August 2000	Expected February/March 2001
	Unify the withholding tax on interest earnings, dividends and royalties for holders and nonholders of TIC certificates (P)	July 1, 2000	Implemented
	Apply VAT to petroleum products at standard rate and simplify other petroleum taxes	July 1, 2000	Implemented
	Establish unified tax appeals mechanism	August 2000	Implemented.
	Begin producing comprehensive monthly flash commitment and expenditure reports	July 2000	Not implemented
	Begin reporting revenue collections through IFMS	April 2000	Partly implemented
	Complete inventory of all budgetary arrears, and allocate funds to eliminate them during 2000/01	June 2000	Implemented January 2001
	Financial	Adopt microfinance policy	April 2000
Issue 10 revised prudential regulations 5 regulations Remainder		June 2000 December 2000	Implemented (last three in January 2001).
Petroleum	Eliminate earmarking of any petroleum revenues for TPDC	June 2000	Implemented
	Include Energy Fund in budget	June 2000	Implemented
Parastatal	Select winning bidder for TTCL and begin final negotiations (P)	June 2000	Implemented
	Select consultants to prepare detailed plan for unbundling TANESCO	June 2000	Expected February 2001
	Remove 40 parastatal entities from government control: 20 entities 40 entities (cumulative)	June 2000 December 2000	34 entities privatized
	Adopt policy on retrenchment compensation in parastatal divestiture	May 2000	Implemented
	Adopt policy on debt treatment in parastatal divestiture	May 2000	Implemented
Poverty	Complete primary school mapping in 50 percent of district authorities	December 2000	Implemented
	Increase percentage of children under 2 years immunized (measles and DPT) from 71 percent (1996) to 75 percent	December 2000	85-90 percent immunized
Governance	Complete sectoral action plans under the National Anti-Corruption Strategy	December 2000	Implemented
Statistics	Complete household budget survey	December 2000	Expected May 2001

Table 3. Tanzania: Financial Performance Criteria and Benchmarks Under the Program
Under the Poverty Reduction and Growth Facility, January-December 2001.
(In billions of Tanzania shillings unless otherwise indicated)

	2000		2001			
	Prog.	(Prov.)	Mar.	Jun.	Sep.	Dec.
Performance criteria 1/						
Net domestic assets of the Bank of Tanzania 2/ 3/ 4/	238.9	155.1	134.9	173.2	154.5	171.7
Net domestic financing of the government of Tanzania 2/ 3/ 5/ 6/		-15.8	9.2	0.0	0.0	0.0
Net international reserves of the Bank of Tanzania 3/ 7/	260.8	553.1	527.3	485.6	540.8	578.6
Accumulation of external payments arrears 8/	0.0	...	0.0	0.0	0.0	0.0
Contracting or guaranteeing of external debt on nonconcessional terms 9/	0.0	...	0.0	0.0	0.0	0.0
Benchmarks 10/						
Central government recurrent revenue 6/ 11/	689.3	462.1	681	897.3	247.5	495
Increase in extrabudgetary expenditure 2/ 12/		...	0.0	0.0	0.0	0.0
Accumulation of budgetary arrears 6/ 13/	...	[.]	0.0	0.0	0.0	0.0

1/ Performance criteria for March and September 2001; benchmarks for June and December 2001.

2/ Ceiling.

3/ The benchmarks and performance criteria will be adjusted for a shortfall in net foreign financing as described in the Technical Memorandum of Understanding. The projected amounts of net foreign financing are cumulative from July 2000; for March 2001, US\$130.3 million; June 2001, US\$160.4 million; September 2001, US\$244.7 million; and December 2001, US\$303.8 million.

4/ The benchmark for net domestic assets of the BoT will be adjusted for changes in the reserve requirement as described in the Technical Memorandum of Understanding.

5/ Defined as net domestic financing of the budget by the banking system and net sales of government debt to the nonbank public. Excludes privatization proceeds and the recapitalization by issuing government debt of government-owned banks and parastatal companies.

6/ Cumulative from July 2000.

7/ Floor, in millions of U.S. dollars.

8/ Continuous performance criterion. Excludes arrears on external debt-service payments pending the conclusion of debt-rescheduling agreements.

9/ The definition of external debt is provided in the Technical Memorandum of Understanding.

10/ Indicative targets for June and December 2001.

11/ Floor, defined to exclude dividend payments from the Bank of Tanzania in excess of the programmed amount of T Sh 4.5 billion in September 2000, and privatization proceeds.

12/ Defined as expenditure financed outside the regular budgetary accounts.

13/ Defined as arrears accumulated during the fiscal year, including arrears on wages, to suppliers, and on domestic interest and tax refunds.

Table 4. Tanzania: Structural Performance Criteria and Benchmarks for the Program Under the Poverty Reduction Growth Facility Arrangement for 2001

Sector	Measure	Timing	Status
Fiscal	Complete the verification and auditing of all budgetary arrears by an external auditor. 1/	End-March, 2001	
	Requiring all LPOs of local spending units to be generated by the IFMS through their respective sub-treasuries.	July 1, 2001	
	Complete the reconciliation of the balances of all Government accounts at the BoT as at June 30, 2000. 1/	End-March , 2001	
	Complete the reconciliation of the balances of all Government accounts in commercial banks as at June 30, 2000. 1/	June 30, 2001	
	Commence operations of the large taxpayer unit in the TRA.	July 1, 2001	
	Eliminate all remaining tax exemptions for the Government (except those constituting contractual obligations).	July 1, 2001	
External	Harmonize the split import duty rates for all goods.	July 1, 2001	
Statistics	Ensure adequate funding for the preparation of a core set of macroeconomic statistics by the NBS in the budget for 2001/02	July 1, 2001	

1/ Performance criterion.