

Table 1. Tanzania: Financial Performance Criteria and Benchmarks Under the Program Under the Poverty Reduction and Growth Facility Arrangement, January-December 2001.  
(In billions of Tanzania shillings, unless otherwise indicated)

	2000		2001			
	Prog.	(Prov.)	Mar.	Jun.	Program Sep.	Dec.
<b>Performance criteria 1/</b>						
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
<b>Benchmarks 10/</b>						
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 indicative targets for 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; for central government revenues, 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 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 1a. Tanzania: Calculation of Net Domestic Financing of the Budget, June 1999-December 2000  
(In billions of Tanzania shillings)

	2000						
	Jun.	Jul	Aug	Sep	Oct	Nov	Dec
Monetary survey:							
Net claims on government	384.3	377.0	355.4	355.3	415.4	400.2	375.1
Advances	0.7	0.6	0.6	0.7	0.7	0.7	0.8
Bank of Tanzania (BoT)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Banks	0.7	0.6	0.6	0.7	0.7	0.7	0.8
Securities and bills	518.5	512.7	505.0	514.3	537.7	533.0	549.6
BoT	140.4	140.3	139.3	139.3	146.6	146.6	146.6
Banks	378.2	372.4	365.7	374.9	391.0	386.3	403.0
Deposits	-134.9	-136.3	-150.3	-159.7	-123.0	-133.5	-175.2
BoT	-106.6	-110.5	-127.4	-129.4	-96.3	-110.7	-149.1
Banks	-28.2	-25.8	-22.9	-30.3	-26.6	-22.8	-26.1
Adjustments	-7.9	-7.6	-18.0	-15.2	-13.6	-11.7	-9.6
Government of Zanzibar deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MDF and PRBS accounts 1/	-7.9	-7.6	-18.0	-15.2	-13.6	-11.7	-9.6
Net claims on government monetary survey (adjusted)	376.4	369.4	337.4	340.1	401.8	388.4	365.5
Domestic Debt Report of the Ministry of Finance (MoF)							
Stocks	233.3	230.3	223.5	223.5	223.5	223.5	223.5
Bonds	453.6	458.6	459.8	462.1	466.0	476.0	475.5
Treasury bills	145.4	151.3	151.2	155.6	161.1	164.9	163.3
Promissory notes	7.3	7.1	6.1	7.0	1.3	1.3	1.3
Duty drawback scheme	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatized parastatal loans	14.5	14.5	14.5	14.5	14.5	14.5	14.5
Crop authority debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Southern paper mills	0.6	0.6	0.6	6.7	6.7	13.9	13.9
Fertilizer subsidy	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mortgages of the sisal estates	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Compensation for acquired buildings	0.3	0.3	0.3	0.3	4.0	4.0	4.0
Tax reserve certificates	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Sales agreement LAPP	3.1	3.2	3.2	3.2	3.1	3.1	1.7
Total	859.0	866.8	860.1	873.7	881.0	902.0	898.5
Total domestic financing							
Loans and advances	0.7	0.6	0.6	0.7	0.7	0.7	0.8
Deposits	-142.8	-143.9	-168.3	-174.9	-136.5	-145.2	-184.9
From monetary survey	-134.9	-136.3	-150.3	-159.7	-123.0	-133.5	-175.2
Adjustment MDF/PRBS	-7.9	-7.6	-18.0	-15.2	-13.6	-11.7	-9.6
Stocks, bonds, bills, etc from the Domestic Debt Report MoF	859.0	866.8	860.1	873.7	881.0	902.0	898.5
Adjustment for parastatal debt	...	...	...	-6.1	-6.1	-13.3	-13.3
Total	716.9	723.5	692.4	693.5	739.1	744.2	701.1
Bank 2/							
Nonbank 2/							
Net domestic financing							
Change for the period		6.6	-31.0	1.0	45.6	5.1	-43.1
Change from June 30, 2000		6.6	-24.5	-23.4	22.2	27.3	-15.8

Sources Monetary Survey and balance sheets BoT and commercial banks; Domestic Debt Report of the Ministry of Finance.

1/ Correction to BoT balance sheet to include balances in the Multilateral Development Fund (MDF) and the Poverty Reduction Budget Support Fund (PRBS) in government deposits.

Table 1b. Tanzania: Calculation of the Program Adjuster for the Shortfall (Excess) of Net Foreign Financing of the Budget (Program for the year 2001)

	2000/01				2001/02	
	Jul-Sep Act.	Sep-Dec Est.	Jan-Mar Program	Apr-Jun Program	Jul-Sep Program	Oct-Dec Program
(In millions of U.S. dollars)						
Programmed net foreign financing						
1. For the period	59.0	66.8	4.5	30.1	84.3	59.1
2. Cumulative since July 1, 2000	...	125.8	130.3	160.4	244.7	303.8
Actual net foreign financing						
3. For the period	59.0	66.8	...	...	...	...
4. Cumulative since July 1, 2000	...	125.8	...	...	...	...
Shortfall (-)/excess (+)						
6. For the period (3-1)	0.0	0.0	...	...	...	...
7. Cumulative since July 1, 2000 (4-2)	0.0	0.0	...	...	...	...
8. Adjuster to floor NIR (=7) 1/ Benchmark/performance criteria	...	...	0.0	0.0	0.0	0.0
Adjusted benchmark/performance criteria	...	...	527.3	485.6	540.8	578.6
9. Average period exchange rate (Tanzania shilling/US\$)	799.2	802.6	...	...	...	...
(In billions of Tanzania shillings)						
Actual net foreign financing						
10. For the period	47.2	53.6	...	...	...	...
11. Cumulative since July 1, 2000 2/	47.2	100.8	...	...	...	...
Shortfall (-)/excess (+)						
12. For the period (6*9/1000)	...	...	...	...	...	...
13. Cumulative since July 1, 2000 3/	...	...	...	...	...	...
14. Adjuster to ceiling NDA and NDF 4/ NDA:						
Benchmark/performance criterion	...	...	...	...	...	...
Adjusted benchmark/performance criterion	...	...	...	...	...	...
NDF:						
Benchmark/performance criterion	...	...	...	...	...	...
Adjusted benchmark/performance criterion	...	...	...	...	...	...

1. If the shortfall is more than US\$60 million, the adjuster is US\$60 million.

2. Net foreign financing previous period plus net foreign financing present period.

3. Shortfall (excess) previous period plus shortfall (excess) present period.

4. If the shortfall is more than US\$60 million, the adjuster is US\$60 million times the end-period exchange rate.

Table 2. Tanzania: Structural Performance Criteria and Benchmarks for the Program Under the Poverty Reduction Growth Facility Arrangement for 2001

Sector	Measure	Timing	Status
<b>Fiscal</b>	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	
<b>External</b>	Harmonize the split import duty rates for all goods.	July 1, 2001	
<b>Statistics</b>	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.

Table 3. Tanzania: Priority Sector Expenditure Targets and Performance, 1999/2000 - 2002/2003

	1999/2000 Prel. Act.	2000/2001 Budget	2001/2002	2002/2003
			Projections	
	(In millions of Tanzania shillings)			
Grand total recurrent priority sector spending	281,984	339,641	409,884	519,408
Health	53,870	66,306	79,952	110,761
Education	158,917	182,061	227,449	288,958
Water	5,352	6,973	8,533	11,382
Agriculture	13,685	10,198	12,693	16,885
Judiciary	7,948	9,655	11,724	15,572
Roads	42,212	59,647	63,140	67,589
Other	...	4,800	6,393	8,261
Total OCs 1/	108,460	163,756	205,317	254,601
Health	21,850	32,685	40,856	60,156
Education	37,213	54,272	78,840	96,584
Water	2,123	4,862	6,078	8,205
Agriculture	5,475	6,331	8,164	11,022
Judiciary	3,913	5,700	7,125	9,619
Roads	37,887	55,106	57,861	60,754
Other (HIV)		4,800	6,393	8,261
Total core priority OCs 1/	52,335	88,733	128,319	162,360
Primary health	13,768	20,804	27,708	40,804
Basic education	13,421	20,974	38,935	41,097
Priority water	2,123	4,862	6,078	8,205
Priority agriculture	4,753	4,595	6,121	7,909
Priority judiciary	3,913	5,700	7,125	9,619
Rural roads	14,357	26,998	35,959	46,465
HIV		4,800	6,393	8,261
Total PEs 2/	173,523	175,885	204,567	264,807
Health	32,020	33,621	39,096	50,605
Education	121,704	127,789	148,609	192,374
Water	3,229	2,111	2,455	3,177
Agriculture	8,210	3,867	4,529	5,863
Judiciary	4,035	3,955	4,599	5,953
Roads	4,325	4,541	5,279	6,835
Total core priority development expenditures 3/	8,922	13,517	16,545	16,793
Priority health	2,875	4,423	4,375	4,375
Priority education	3,300	5,078	7,795	8,043
Priority water	2,747	4,016	4,375	4,375
	(In percent of current expenditure)			
Grand Total Recurrent Priority Sector Spending	24.2	27.0	27.5	32.7
Total OCs 1/	9.3	13.0	13.8	16.0
<i>Of which:</i> Total Core Priority OCs 1/	4.5	7.1	8.6	10.2
Total PEs 2/	14.9	14.0	13.7	16.7
Total core priority development expenditures 3/	0.8	1.1	1.1	1.1
	(In percent of GDP)			
Grand Total Recurrent Priority Sector Spending	4.1	4.4	4.9	5.6
Total OCs 1/	1.6	2.1	2.4	2.7
<i>Of which:</i> Total Core Priority OCs 1/	0.8	1.2	1.5	1.7
Total PEs 2/	2.5	2.3	2.4	2.8
Total core priority development expenditures 3/	0	0	0	0
	(Real per capita spending in 1999/2000 T sh)			
Grand Total Recurrent Priority Sector Spending	8,289	9,983	10,638	12,610
Total OCs 1/	3,188	4,813	5,329	6,181
<i>Of which:</i> total core priority OCs 1/	1,538	2,608	3,330	3,942
Total personal emoluments	5,100	5,170	5,309	6,429
Total core priority development expenditures 3/	262	397	429	408
	(In millions of T sh, unless otherwise indicated)			
Memorandum items:				
Current expenditures	1,167,527	1,256,081	1,488,367	1,588,598
Population (in millions)	34	34	35	36
CPI inflation (annual average; in percent)	6.9	5.4	4.6	4.1
Nominal GDP	6,894,343	7,653,890	8,439,649	9,295,311

Sources: Ministry of Finance; and Fund staff estimates and projections.

1/ OCs = Other charges.

2/ PE = Personal emoluments.