

Table 2. Albania: Prior Actions for Completion of the Midterm Review and Structural Benchmarks for the Remainder of the First Annual ESAF Arrangement (through end-March 1999)

	Program Timing	Status as of Mid-November 1998	Revised Timing
<b>A. Prior Actions</b>			
1. Approval by parliament of a 1999 budget satisfactory to the IMF.	End-December 1998	Draft budget agreed with IMF staff.	
2. Budgetary employment ceiling set at 135,000 and employment reduced to this level.	End-December 1998	Employment reduced to 135,600.	
3. Approval by parliament of a law providing for the privatization of the National Commercial Bank.	Mid-January 1999	Draft law has been prepared by MoF.	
4. Holding of auctions for at least 90 small- and medium-sized enterprises (SMEs). Sale of at least 50 SMEs.	Mid-January 1999	List of companies prepared and some auction dates set.	
5. Privatization or liquidation of two of the remaining four former Enterprise Restructuring Agency (ERA) enterprises.	Mid-January 1999	Auction date set for one company.	
<b>B. Structural Benchmarks</b>			
<b>In the Original Program</b>			
1. Compensation from recovered assets of pyramid scheme companies only.	Throughout	Full compliance	Throughout
2. Full cooperation of all government agencies with administrators and auditors for all 17 pyramid scheme companies.	Throughout	Full compliance	Throughout
3. No new exemptions from VAT and customs duty.	Throughout	Full compliance	Throughout
4. Restrict new lending by banks with bad loans exceeding 20 percent of loan portfolio.	Throughout	Full compliance	Throughout
5. Set up and make fully operational central database on employment in the budgetary sector.	End-September 1998	Work underway based on completed survey.	End-December 1998

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6. Make customs reference valuation file fully operational in all major customs clearance houses.	End-September 1998	80–90 percent of dutiable items covered in the main two customs offices.	End-March 1999
7. Council of Ministers to adopt program of functional reviews covering a minimum of four ministries.	End-September 1998	Delayed	Council of Ministers to issue decision in November
8. Set up and make fully operational cash management system in Treasury Department.	End-1998	Delay due to withdrawal of foreign advisor	End-March 1999
9. Complete sale of all remaining state-owned small- and medium-sized enterprises.	End-1998	Not met	Most to be auctioned by end-March 1999
10. Bring Albanian Mobile Communications to the point of sale.	End-September 1998	Delayed	End-April 1999
11. Bring Albanian Telecom to point of sale.	End-1998	Delayed	End-1999
12. Complete privatization or liquidation of NCB.	End-1998	Delayed	Mid-year
13. Unify excise taxes on domestic and imported goods at rates at least revenue neutral with effect from January 1, 1999.	End-1998	MoF has prepared draft law.	End-1998
14. Set up and make fully operational external debt and aid database.	End-1998	Some delay	Debt database by end-1998 Aid database by end-March 1999

Table 2 (concluded). Albania: Prior Actions and Structural Benchmarks  
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	Program Timing	Status as of Mid-November 1998	Revised Timing
15. Complete functional reviews in at least two ministries.	End-March 1999	Work starting	End-March 1999
<b>New Benchmarks</b>			
1. Reduce budgetary employment by a further 2,000 employees to a maximum of 133,000.	End-March 1999		
2. Reduce average tariff rate and number of tariff rates.	End-March 1999		
3. Land market			
a) Complete first registration in 1,000 cadastral zones.	End-December 1998		
b) Complete first registration in 1,150 cadastral zones.	End-March 1999		
c) Completion of at least 2,000 sales transactions in agricultural land.	End-December 1998		
d) Completion of at least 2,500 sales transactions in agricultural land.	End-March 1999		
4. Privatize or liquidate final two former ERA enterprises.	End-March 1999		