

Table 1. Djibouti: Status of Implementation of Prior Actions for Completion of the Third Review and Structural Performance Criteria for the 2002 Program

Action	Status as of December 4, 2002
<b>I. Prior actions for Executive Board completion of the third review</b>	
<ul style="list-style-type: none"> <li>Adoption by the financial authorities of an overall plan for settling domestic budgetary arrears on the basis of a complete audit of such arrears carried out with the assistance of consultants financed by the EU and the World Bank.</li> </ul>	Implemented
<ul style="list-style-type: none"> <li>Selection and hiring of external auditors by the BCD.</li> </ul>	Implemented
<ul style="list-style-type: none"> <li>Full settlement of all payment arrears on nonreschedulable and not in dispute external debt (government and government-guaranteed debt)</li> </ul>	Implemented on December 4, 2002
<b>II. Quantitative performance criteria at end-December 2001</b> (see Table 2)	
<b>III. Structural performance criteria as at end-December 2001</b>	
<ul style="list-style-type: none"> <li>Retirement of at least 850 civil servants and government employees eligible for exercising their rights.</li> </ul>	Implemented as of April 1, 2002
<b>IV. Ongoing structural performance criterion</b>	
<ul style="list-style-type: none"> <li>Starting December 2001, payment on the due date of all contributions to pension funds.</li> </ul>	Implemented
<ul style="list-style-type: none"> <li>Upon conclusion of the second review, the government will report foreign trade data to the IMF quarterly with a six-week lag. The government will also continue to provide the IMF each month with data on revenue, expenditure, and budgetary arrears, with a six-week lag.</li> </ul>	Partially implemented (external trade data are not reported as envisaged)
<b>IV. Performance criteria for end-June 2002</b>	
<ul style="list-style-type: none"> <li>Reduction by at least 2,500 in the number of total government employees, from the level at end-June 2001.</li> </ul>	Not yet implemented (actual reduction of 829 persons)
<ul style="list-style-type: none"> <li>Incorporation of tax exemptions granted under special regimes into the general tax code while limiting their scope of application to capital goods purchased at the time of the initial investment; limiting their applicability to a maximum term of five years; and introducing declining exemption amounts over the implementation period.</li> </ul>	Not yet implemented

Table 2. Djibouti: Performance Criteria and Quantitative Benchmarks, 2001–02

(In millions of Djibouti francs; unless otherwise indicated)

	2002								
	Dec. 31			Mar. 31		Jun. 30			
	Criteria	Adjusted Criteria	Est.	Target	Est.	Criteria	Adjusted Criteria	Est.	
I. Ceiling on the wage bill 1/ 2/	14,649	14,649	14,598	3,453	2,914	6,905	6,905	7,363	
II. Ceiling on domestic arrears 3/4/									
a. End-of-period stock 5/	26,312	24,727	25,585	26,312	24,939	0	0	25,367	
b. New 2/ 6/	3,300	4,835	4,931	0	2,894	0	0	4,565	
III. Ceiling on external arrears									
a. Government									
End-of-period stock 5/ 7/ 8/	353	353	752	382	802	410	205	313	
New 2/ 8/ 9/	124	124	263	29	83	57	29	243	
b. Public enterprises									
End-of-period stock 5/ 7/ 8/	0	0	545	0	545	0	0	444	
New 2/ 9/	0	0	545	0	0	0	0	0	
IV. Ceiling on net National Bank credit to the government 10/	3,171	3,171	2,916	3,074	2,262	3,979	3,979	1,946	
V. Ceiling on net commercial bank credit to the government 10/ 11/	-7	-7	43	-7	4	23	23	63	
VI. Ceiling on government borrowing from public enterprises 2/	0	0	0	0	0	0	0	0	
VII. Ceiling on nonconcessional external debt with a maturity of more than one year (excluding trade-related credits) contracted or guaranteed by: 12/									
a. Government	0	0	0	0	0	0	0	0	
b. Public enterprises	1,000	1,000	0	1,000	1,000	1,000	1,000	750	
VIII Floor for domestic budgetary receipts 2/ 13.	24,966	24,966	23,702	5,572	5,604	12,061	12,061	12,407	
IX. Floor for net international reserves: (in millions of U.S. dollars) 14/	11.2	11.2	9.5	11.2	11.0	11.2	11.2	8.8	
Memorandum items: 2/ 15/									
Total external budgetary assistances	2,884	2,844	1295	-97	783	807	-	1178	
External budgetary loans	1,270	1,270	0	0	889	0	-	1221	
External budgetary grants	1,044	1,044	871	0	0	0	-	82	
Other external budgetary assistance	570	570	424	-97	-106	807	-	-125	
Net IMF disbursements	458	458	454	-97	-95	807	-	-41	
Net AMF disbursements	112	112	-30	0	26	0	-	-218	

1/ The wage bill includes all wages, salaries, indemnities, benefits and allowances paid to civilian, military and security personnel of general government. The ceilings and targets exclude the costs and savings from the program for the demobilization of security and military personnel but include the savings under the program of planned retirements.

2/ Cumulative flows from the beginning of each calendar year.

3/ Arrears on the wage bill and to private suppliers, public enterprises, and pension funds.

4/ If net external budget financing flows fall short of (exceed) the amounts assumed under the program, the ceilings or targets on domestic arrears will be adjusted upward (downward) by the shortfall (excess).

5/ All ceilings or targets are based on the end-1999 actual stock. The stock of domestic arrears was revised based on the audit completed in 2002 and amounts to DF 25,277 million.

6/ Gross new arrears accumulated from beginning January of the calendar year.

7/ Any subsequent upward (downward) revision of this stock owing to improved data will give rise to an equivalent upward (downward) adjustment of the ceilings and targets for each subsequent period.

8/ The ceilings or targets will be reduced by the amount that may be obtained under debt rescheduling or forgiveness.

9/ The accumulation of new arrears on current debt service excluding rescheduled debt. The performance criterion applies continuously.

10/ End-of-period stock.

11/ Net credit to the government from the three presently operating commercial banks.

12/ This performance criterion applies not only to debt as defined in point No. 9 of the Guidelines on Performance Criteria with Respect to Foreign Debt (Decision No. 12274 (00/85), August 24, 2000), but also to commitments contracted or guaranteed of which

13/ Domestic budgetary receipts comprise tax and nontax receipts.

14/ Net international reserves of the Central Bank comprise gross international reserves minus external commitments and currency issue.

15/ Memorandum items are defined as follows: external budgetary loans and grants are only those in cash and exclude all loans and grants which are listed in the Public Investment Program or those which are earmarked by the donor for specific projects.