

**Prior Actions, Performance Criteria and Structural Benchmarks**

<b>Measure</b>	<b>Due</b>	<b>Status</b>	<b>Note</b>
<b>Proposed prior actions</b>			
Rectify the general government budget, to achieve a zero deficit in 2008, as agreed in MEFP Table 3.			Budget rectifications were passed in first reading on June 30, 2008. Second reading is scheduled for July 4.
The decision by Chisinau municipality, which reintroduced a tariff for heating of 456 lei for the period of December 4 to April 14, will be contested in courts.		Observed	
Termocom will propose a mediator to the Chisinau council as described in the MEFP.		Observed	The formal proposal by Termocom was sent on June 13, 2008.
<b>Performance criteria</b>			
Neither government nor the NBM will provide preferential treatment to Banca de Economii (whether the tax treatment, access to general government deposits, or prudential forbearance).	Continuous	Observed	
Announce tender for privatization advisor to Banca de Economii.	31-Mar-08	Observed	The tender was announced in the FT on March 28, 2008.
Adoption of legislation to (i) give the STI the right to write-off uncollectible tax arrears and (ii) shift all tax audit, assessment, and collection powers to STI.	31-Mar-08	Not observed (implemented with delay)	The legislation was passed on June 27, 2008.
Adopt a new Licensing Law to exclude all entities licensed, regulated and supervised by the NBM and/or the NCFM from its provisions.	31-Mar-08	Observed	The Licensing Law was passed on March 14, 2008.
Sign the contract with the privatization advisor for Banca de Economii with a six-month time frame for bringing the bank to market.	30-Sep-08		
<b>Structural benchmarks</b>			
Heat tariffs received by utilities remain at cost recovery. A lower tariff than provided by ANRE methodology would imply new domestic expenditure arrears under the program.	Continuous	Observed	
Outstanding stock of NBM claims on government fully securitized.	31-Mar-08	Observed	
Introduction of a system whereby the State Treasury ensures that the balances in commercial banks of the social insurance budget (BASS) and the mandatory health insurance fund are zero-ed out on a daily basis.	30-Jun-08		
Remove quantitative restrictions on imports of meat and dairy products.	30-Jun-08	Observed	Import restrictions were lifted on May 23, 2008.
Introduce the targeted social assistance system throughout Moldova.	30-Sep-08		
The government approval of a draft law, which will consolidate all forms of remuneration in base pay for civil servants, with a view to implementing it in the 2009 budget year.	30-Sep-08		
Selection of an advisor through an open tender to assess the modalities for the possible privatization of Moldtelecom.	30-Sep-08		
Reduce public employment by 3000 people.	31-Dec-08		