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SUBJECT: LAC COUNTRY PERFORMANCE INDICATORS

A. INTRODUCTION

LAC's Action Plan process provides an opportunity for LAC Missions to collaborate with the implementation of the Bureau's performance-based budgeting system. LAC will again use country performance indicators to assist in the allocation of funding above Minimum Carrying Cost (MCC) levels for FY 1993. The indicators include measures of economic, social, environmental and democratic performance.

This message provides a description of the revised rating system being used and the tentative ratings, based on available data in AID/W for each country. The ratings are provided for Mission review and comment during the FY 92-93 Action Plan process. While the ratings were revised with the best available information in Washington, including inputs from last year's Action Plans, LAC recognizes that the Missions often have more recent in-depth information. Missions are encouraged to carefully explain and document any proposed revisions to the data and assessments for LAC review, so that revisions can be incorporated where appropriate into LAC country performance ratings and budgeting decisions. The most recent indicator information up through 1990 should be provided. Missions are also encouraged to provide review and comment on the overall rating system. LAC/DPP, with the assistance of LAC/DR, LAC/DI, and LAC/TI, will review and incorporate indicator revisions into the LAC Bureau FY 1993 ABS.

Country policy performance is rated in four areas with an overall score possible of 100. Macroeconomic performance has a maximum score of 50 and is based upon an evaluation of six underlying indicators. Commitment to broad-based development, as measured by the delivery of three key social services, has a maximum score of 20. Sound environmental management has a maximum score of 10. Commitment to democracy and human rights receives up to 20 points. The performance ratings for LAC countries are summarized in Table 1 (attached at end of text).

B. INDICATOR DEFINITIONS

1. MACROECONOMIC REFORM PROGRAM: Scored 10-8 normally if international financial institution-supported comprehensive reform program is currently satisfactorily functioning or country already has sound macro framework, 7-4 if government program not IFI-supported or program less than comprehensive, 3-0 if no comprehensive reform program or program contributes to unsatisfactory or deteriorating performance. Major policy elements evaluated by this indicator include: Stabilization (2/3 weight) -- Extent that monetary policy limits net domestic asset expansion by the banking system to levels that promote domestic price and exchange rate stability and prudent accumulation of net international reserves of the monetary authorities. Compares most recent (1990) performance to previous year's performance where there are major changes. Structural Adjustment (1/3 weight) -- Breadth, depth and stability of most recent (1990) and ongoing reforms, e.g., tax, privatization, trade regime, pricing, etc. Indicator times 1.5 gives maximum score of 15. LAC/DPP estimate.

2. DOMESTIC FINANCING OF DEFICIT: Domestic financing of consolidated public sector deficit (commitments basis), including Central Bank losses, as a percent of GDP. Where presented on a cash basis, provide estimate of extent of accrued revenues and arrears. Most recent year (1990) estimate. This indicator proxies fiscal pressure for excessive domestic credit creation and crowding out of private sector investment. Indicator subtracted from 10 gives rating. Maximum rating is 10 for zero domestic financing. IMF, World Bank, or LAC/DPP estimate.

3. EXCHANGE RATE: Average percentage differential between market and official exchange rate(s) for previous year weighted by proportion of transactions at the official rate (units of local currency per US dollar). Scored 10-8 if parallel/black market rate(s) exceeds official rate by ten percent or less, 7-4 if they are within 11-30 percent, 3-0 if they differ by more than 30 percent. Where past policy performance has been unstable, annual average of past year (1990) is used. Current point estimate is used where there has been a recent shift to a credible and stable policy, e.g., floating exchange rate as part of an IMF program. Indicator proxies exchange rate induced distortions of relative prices of imports and exports and tradeables and non-tradeables. Indicator rating has a maximum score of 10. Estimate by LAC/DPP.

4. BUSINESS REGULATORY ENVIRONMENT: Scale indicator based on an assessment of business regulatory environment. Indicator has a maximum score of 5. Preliminary LAC/TI estimates, to be revised by LAC/TI once Missions respond to the following business regulatory environment questionnaire. Missions are requested to provide concise informative responses as an annex to the Action Plan.

--(a) Are private ventures permitted to compete on a fully equal footing with State Owned Enterprises or privileged groups? IF not, what anti-competitive mechanisms are used?

--(b) Does the country adhere to international standards for protection of intellectual property rights (e.g., patents, copyrights, processing and trade secrets)?

--(c) Are foreign investors subject to any different treatment with respect to laws on ownership, employment, taxation, customs and judicial process than local businesses?

--(d) How much time/effort/money does it take for new corporations to be formed and licensed?

--(e) How much time/effort/money is involved in clearing customs for imports and exports (both inside and outside FTZs)?

--(f) Is the country a signatory to a Trade and Investment Framework Agreement, Bilateral Investment Treaty and/or OPIC Agreement with the United States? How have these functioned?

--(g) Does the country have laws and/or policies which inhibit the free flow of capital internationally, including restrictions on capital and profit repatriation?

--(h) Are labor unions significantly influenced/controlled/financed by political parties or other outside interest groups? Are labor disputes handled in a clear, predictable and transparent manner?

--(i) Are property rights of both men and women clearly and fairly protected? Are legal disputes handled in a clear, predictable and transparent manner?

--(j) Are there other regulatory issues not covered above that are important to doing business within the country?

5. TRADE REGIME: Trade-weighted average tariff rate and percentage of trade affected by quantitative restrictions. Scored 10-8 if tariffs (including stamp duties, exchange surcharges, etc.) average under 20 percent and are relatively uniform, 7-4 if tariff rates average between 20 and 30 percent, 3-0 if tariffs average over 30 percent. If tariffs rates vary significantly from the average and/or if quantitative restrictions (including export restrictions) are significant, points are deducted in proportion to the size of the induced economic distortions. This indicator

attempts to proxy the effect of the structure of tariffs and Q.R.s on degree of outward versus inward orientation of the trade regime. Indicator times .5 gives rating with a maximum score of 5. Most recent estimates by LAC/DPP.

6. MARKET PRICING - Proportion of traded items subject to price or marketing control weighted by average percent difference between uncontrolled prices (border prices for tradeables) and controlled prices. Scored 10-8 if price controls/subsidies/taxes produce minimal price distortions (e.g., under 10 percent) in goods, labor, and credit markets, 7-4 if price controls/subsidies/taxes produce some significant distortions (over 10 percent), 3-0 if controls/subsidies/taxes generate many significant distortions. Document major control induced distortions, including utility tariffs, agricultural prices (farmgate, wholesale, retail), petroleum prices, rent controls, interest controls, binding minimum wages, etc. This indicator is a proxy of the structural inefficiencies induced by price distortions. Indicator times .5 gives maximum score of 5. Current (1990) estimates by LAC/DPP.

7. ELEMENTARY SCHOOL ENROLLMENT: Gross enrollment rate plus change in the rate during most recent 5-year period. If most recent enrollment rate is within the optimal range of 100 to 106, the indicator is valued as 100. Rates over 107 are treated as negative deviations from the optimal range. Enrollment rates up to 100 generally represent increased access, while rates over 106 represent excessive repetition and system inefficiency. Maximum score is constrained to 100. Indicator times .1 gives rating with maximum score of 10. Gross enrollment rates for most recent 5-year period (in most cases 1982 to 1987) reported by World Bank in World Tables, 1989-90 PC Edition and/or reported by Missions.

8. INFANT VACCINATION RATES: Percent of children less than one year of age who are immunized in 1989 or most recent data. Average of vaccination rates for BCG, DPT 3, measles, and polio 3. Indicator is transformed to rating with a maximum score of 5. LAC/DR and CIHI/ISII estimates using World Health Organization and Demographic and Health Surveys.

9. CONTRACEPTIVE PREVALENCE - Percent of women of reproductive age practicing contraception using modern methods. Most recent data (generally 1982-89). Indicator is transformed to a rating with a maximum score of 5. Estimates by LAC/DR and CIHI/ISTI using Contraceptive Prevalence and Demographic and Health Surveys. Missions are encouraged to present more recent national prevalence survey findings.

10. ENVIRONMENTAL MANAGEMENT: Scale indicator based upon an assessment of a country's environmental and natural resource policies and institutions. LAC/DR/E has provided preliminary overall scores for each country. As an annex to the Action Plan, Missions are requested to provide their own numerical evaluations to each question using the below scale. Concise information supporting the Mission's scoring should also be provided. LAC/DR/E

will use the provided information to assign final scores. The sum of the ten individual question scores divided by 4 yields the overall score, which has a maximum of 10.

Question scoring guide:

4 = Comprehensive policies, programs and institutions are in place and effectively implemented.
3 = Intermediate between 4 and 2
2 = Policies, programs and institutions exist, but coverage maybe incomplete and/or implementation is only moderately effective.
1 = Intermediate between 2 and 0
0 = Policies, programs and institutions may exist, but coverage incomplete and/or implementation is ineffective.

Environmental Questionnaire:

--(a). Has the government established effective coastal zone management laws and programs that promote the sustainable development of this environmentally sensitive and economically important area?

--(b). Are there forest management laws and programs that ensure sustainable use/production of forest resources and socio-economic benefits for local communities (eg. extractive reserves)?

--(c). Does the government address agrochemical use problems? Are pesticides subsidized? Is there a government or private quality assurance program in place to ensure that pesticide-residue limits are not exceeded on agricultural exports?

--(d). Does the government have incentives for sustainable agricultural practices? Is land use planning used as a tool to guide agricultural development? Are there appropriate incentives (e.g., property taxes, water user fees, etc.) to promote intensive, rather than extensive use of prime agricultural land?

--(e). Are environmental health issues being addressed by policies and programs that control water and air pollution, and that promote sanitation and sewerage systems? Are environmental monitoring programs (eg. water quality monitoring) in place? Are water and sanitation programs linked to health and hygiene education? Is solid waste efficiently collected and disposed of in approved landfills?

--(f). Are there programs/policies for watershed management, and are environmental assessments done to prevent watershed degradation? Are recommendations from such assessments effectively implemented?

--(g). Are there environmental education programs, and are they provided for all education levels?

--(h). Has the government established areas for parks and for the conservation of the country's biological diversity?

--(i). Is there a national environmental policy or conservation strategy? Does the public, including both men and women, participate in environment and natural resource management and planning activities? Are NGOs encouraged to be involved in environmental issues?

--(j). Are there policies and programs to encourage efficient energy use (e.g., energy prices are not subsidized, private production is encouraged)?

11. DEMOCRACY AND HUMAN RIGHTS: Measured by the Freedom House ratings for political rights and civil liberties, a more thorough, detailed and objective rating system than the in-house method previously used by LAC. Freedom House is an independent non-profit organization that has conducted a comparative survey of freedom/democracy sine 1972. Countries are ranked annually on a scale of 2 (fully free) to 14 (not free) on the basis of a checklist of political rights and civil liberties that measures such variables as elections, breadth of political participation, freedom from political terror or intimidation, and individual human rights. These checklists and the country narratives from Freedom House are being sent to the democracy offices in each Mission. The numerical ratings provided herein are for the 1990-1991 period and have been provided by Freedom House in advance of publication of the 1990-91 survey, to published in early spring 1991. This explains any discrepancy between ratings and the text sent to Missions. Freedom House requests that these rankings not be divulged externally until the book is published.

LAC/DI believes the Freedom House survey is the best system currently available. However, Missions are invited to comment on their perception of the rating's accuracy. For use in LAC's Performance Rating System, the Freedom House indicator is transformed to a scale with a maximum score or 20.

C. PERFORMANCE INDICATOR DATA AND ASSESSMENTS:

1. MACRO REFORM PROGRAM:

--(a). BELIZE: 8 (1990). The GOB continues to maintain a relatively sound macroeconomic framework which was initiated in 1984 with support of an IMF stand-by and USAID ESF. Continued conservative monetary and fiscal policy is projected for 1990, with net domestic assets of the banking system expanding only 2.4 percent annually (relative to liabilities to the private sector). This has supported price stability (1990 CPI increase of 2.4 percent), a stable market exchange rate that is equivalent to the fixed official exchange rate, and a US Dollars 6 million increase in net international reserves of the monetary authorities (gross reserves equivalent to 3.9 months of imports). Generally weak public enterprise management (including inappropriate transfers to subsidize parastatal debt service), heavy emphasis on international trade taxes, quantitative trade restrictions (which were increased in 1990) and the need for domestic tax reform remain. Evidence of ongoing comprehensive reform program in these areas is not apparent. Source: Belize-IMF Article IV, June 1990.

--(b). BOLIVIA: 9 (1990). Bolivia has an Extended Structural Adjustment Facility (ESAF) with the IMF that is comprehensive in scope and a sound economic policy framework. The ESAF program has been well-implemented with respect to both its stabilization and structural adjustment components. In the course of 1989 the GOB slipped on credit ceiling targets because of Argentina's delay in making payment on natural gas shipments, but the IMF, in its review of performance, recognized these extenuating circumstances.

On the basis of the banking system's NDA expansion Bolivia does less well on stabilization than might be expected: . While the banking system's NDA expansion as a percent of the previous period's broad money supply has fallen from its high level of 108 percent in 1986, in 1989 it was still at 29.9 percent. For both 1988 and 1989 NDA expanded much faster than programmed. The programmed rate of expansion for 1990 is 0.7 percent, but given previous performance it might not be attained.

While Bolivia has achieved relative price and exchange rate stability, there have been problems with net reserves accumulation, and it can be argued that continued NDA expansion at the recent rates would not be compatible with good performance on these factors in the long run.

--(c). COLOMBIA: 8 (1990). Colombia has a basically sound economic policy framework. Its macroeconomic situation has not required an IMF Stand-by. The exchange rate is determined by a managed float, which has kept the exchange rate at a reasonable level. Important elements of multiple currency practice remain, however, in the exchange and trade system.

The new government is introducing a program of import liberalization designed to open up further the economy to international trade and investment and to increase its efficiency.

Principal features of the program include replacement of quotas, where they exist, with tariffs, followed by reduction of tariffs, combined with an ongoing depreciation of the currency in real terms to increase competitiveness. Negotiations are underway with the World Bank for program and project lending to support the program.

Monetary policy has been less than fully satisfactory. Net domestic asset expansion has averaged 25 to 30 percent per year as has inflation, and shows no sign of coming down. On the other hand, inflation is stable, with no tendency to accelerate significantly.

--(d). COSTA RICA: 7 (1990). Costa Rica fell out of compliance with its 18-month stand-by agreement with the IMF in late 1989, mainly because of a deteriorating fiscal situation which continued into early 1990. This has also resulted in delays in release by the World Bank of the second and third tranches under SAL II. As a result Costa Rica had to use more of its own foreign exchange than it originally planned to complete a debt-buyback arrangement with commercial banks. Higher petroleum import prices put further strains on international reserves, and by October importers had to wait 40-45 days to get foreign exchange. The new government has significantly reduced the fiscal deficit and is in the final stages of negotiating a new stand-by with the IMF.

--(e). DOMINICAN REPUBLIC: 2 (1990). In spite of sporadic GODR efforts to implement needed reforms, the economic situation reached crisis proportions in late 1990. Net domestic assets of the banking system were allowed to increase over 60 percent in 1990 (relative to liabilities to the private sector) to accommodate the need for public sector deficit financing and private sector credit expansion. The resulting inflation (60 percent), exchange rate instability (numerous devaluations that repeatedly fell short of the depreciating market rate), loss of official international reserves on the order of dollars 300 million, and the further accumulation of international arrears (approaching dollars one billion by the end of 1990) blocked donor assistance and needed imports, especially petroleum. This in turn produced consumer goods shortages, manufacturing shutdowns due to the lack of petroleum and electric power, and rising unemployment. The effectiveness of GODR efforts to devalue, raise controlled consumer prices, reform tax and tariffs, and control expenditures will likely be dissipated unless supplemented by a comprehensive program supported by an IMF stand-by and Paris Club debt rescheduling.

--(f). ECUADOR: 6 (1990). Ecuador has a fairly comprehensive yet somewhat gradualistic macroeconomic reform program supported by an IMF stand-by arrangement and by World Bank lending. As of early this year, the World Bank was continuing efforts to formulate a comprehensive structural adjustment lending program for Ecuador and had received a signed Letter of Development Policy from the Ecuadorian Authorities.

The macroeconomic program supported by the stand-by seeks to reduce inflation, narrow the external deficit, and improve the efficiency of resource use by achieving reductions in the overall public sector deficit and improving interest rate and exchange rate policies. Ecuador has reduced inflation, from 86 percent in 1988 to 54 percent in 1989, and has initiated a tax reform.

Ecuador successfully implemented its latest stand-by arrangement in 1989 but subsequently went off track with excessive spending and is currently out of compliance but with prospects for getting back into compliance or negotiating another stand-by.

In 1989 the banking system's NDA grew at about 10 percent compared to 44.3 percent in 1988. This is a significant improvement. There has been very gradual progress on a lot of structural adjustment fronts, but there is a long way to go, especially in dealing with price controls and further liberalization of the exchange regime.

--(g). EL SALVADOR: 9 (1990). The Cristiani government obtained an IMF stand-by in August 1990, the country's first since 1983. This has supported a comprehensive economic program, including both stabilization and structural elements. Several important structural measures have been adopted, including movement toward bank privatization, higher interest rates, and an end to the government monopoly on coffee exporting.

--(h). GUATEMALA: 3 (1990). The significant policy reforms begun by the current government in 1986 have not been sustained. Fiscal reforms provided only temporary benefits, as revenue collections deteriorated significantly between 1988 and 1990. Monetary policy has been erratic, periodically allowing rapid spurts of credit expansion. There is no IMF stand-by (and less than half the amount of the 16-month, October 1988 stand-by was drawn), and the GOG is out of compliance with the targets of its own program, to which ESF disbursements are tied. The GOG is in non-accrual status with the World Bank and also is in arrears to the IDB. Inflation in 1990 is likely to reach 40 percent, compared with 11 percent in 1988 and 1989.

--(i). GUYANA: 8 (1990). The government of Guyana has initiated a tough and far-reaching policy reform program which is supported by an IMF stand-by and Enhanced Structural Adjustment Facility (ESAF). The stabilization program projects net domestic assets of the banking system to increase 5 percent in 1990 compared to 23 percent in 1989. This is to facilitate a 2 million dollar increase of net foreign assets of the Bank of Guyana, the clearing of all international arrears, and reduced inflation (from over 100 percent in 1989 to less than 40 percent in 1990). The structural adjustment program provides for sweeping reforms, including the exchange rate unification, tax reform, removal of price controls, divestment of major parastatals, and liberalization of import licensing for agricultural inputs. Performance through September was mixed but satisfactory enough to allow for disbursement of IMF funds. Actual performance should be updated by the Mission.

--(j). HAITI: 4 (1990). Satisfactory performance with an IMF stand-by through December 1989 was disrupted by deteriorating Treasury revenue performance and excessive credit to the public sector. Net domestic assets of the banking system increased 11 percent in FY 1990, as real GDP declined 3 percent. The resulting excess credit produced inflation (15-20 percent), a loss of US dollars 11 million in net official reserves, and increases in the parallel exchange rate. The exchange controls were initially increased, but partially reformed mid-year as exchange shortages mounted. Political instability and weakened managerial capacity within government generated an unstable policy environment. However, USAID policy conditionality successfully supported reduced import tariffs for flour and cement and helped to minimize overall policy retrogression.

--(k). HONDURAS: 8 (1990). The new government has adopted a far-reaching economic reform program which is being supported by the IMF, World Bank, IDB, and a number of bilateral donors, including A.I.D. A complicated package of financial assistance, including bridge financing, was put together by donors to clear $246 million in arrears to the international financial institutions. A Paris Club debt-rescheduling arrangement was subsequently put together, and a consultative group meeting was held in December. Performance under the program has been generally good, but the GOH is coming under intense pressure from a variety of affected groups to relax some of the reforms it has enacted. Whether the government will hold firm on the reform program remains to be seen. Net domestic assets, which amounted to 2,008 million lempiras at the end of 1989, are scheduled to decline to L 1,330 million by the end of 1990. Actual performance should be documented by the Mission.

--(l). JAMAICA: 9 (1990). An IMF stand-by initiated in March 1990 and revised in September 1990 is back on track after significant policy adjustments, including full movement to a market-determined exchange rate, public sector deficit reduction equivalent to one percent of GDP, and reduced price distortions. Net domestic assets of the banking system are projected to increase 16 percent (relative to liabilities to the private sector) in FY 1990/91, facilitating a reduction of inflation (from 20 percent in 1989 to 15 percent in 1990), relative stability of the market exchange rate and a 97 million dollar increase of official international reserves. Privatization continues at a significant pace (annual government divestment proceeds exceed one percent of GDP), progress is being made with tariff reform and interest rate liberalization with support of World Bank and IDB sector loans and petroleum derivatives were decontrolled in the wake of the Gulf crisis.

--(m). NICARAGUA: 4 (1990). The major macroeconomic adjustment needed in Nicaragua is a reduction in the fiscal deficit. Between 1983 and 1989 the total fiscal deficit (including Central Bank losses) ranged from 30 percent to 54 percent of GDP. Inflation reached 14,316 percent in 1988 and 4,773 percent in 1989. The new government has not been able to reduce the fiscal deficit as rapidly as it had planned, despite indexing fiscal revenues, and credit expansion remains excessive. Inflation has slowed but is still high. In the area of structural adjustment, only limited progress has been made in privatization, reduction of public-sector employment, and reform of a severely repressed and technically weak financial system.

--(n). PANAMA: 8 (1990). In early 1990 the GOP initiated an economic recovery program designed to increase economic growth and efficiency and restore normal relations with international creditors. Continued satisfactory performance with a Fund-monitored program and clearance of over dollars 600 million of arrears to multilateral institutions is expected to lead to a stand-by, Paris Club debt rescheduling and World Bank and IDB programs beginning in early 1991. Financial stabilization is supported by a 0.2 percent decline of net domestic assets of the banking system decline in 1990, which is projected to facilitate a dollars 200 million increase of net foreign assets of the National Bank of Panama and continued domestic price stability (CPI increase of only 2 percent). The economic program also provides for improved fiscal performance (through wage bill cuts and increased tax and parastatal revenues), and initiation of trade liberalization, price decontrol and privatization.

--(o). PERU: 8 (1990). Peru has achieved a remarkable policy turnaround in recent months. The new government introduced a dramatic series of reforms starting with major readjustments of controlled prices. This has formed the basis for negotiation of a shadow program with the IMF and is paving the way, despite enormous obstacles in the form of arrears accumulated under the previous government, to eventual resumption of lending by the IFIs. A basically sound policy framework has been established, both with respect to stabilization and structural adjustment issues.

A key objective of the stabilization program has been to reduce the growth of net domestic assets from the high rates of recent years- over 1200 percent in 1989 (500 percent relative to liabilities to private sector at the beginning of 1989) to rates which will promote price and exchange rate stability and increases in net domestic assets. NDA expansion accelerated in the first three quarters of 1990. Following a very high rate of expansion in the third quarter of 1990 (almost 400 percent), when major adjustments of long-frozen prices of key commodities were implemented, NDA expansion has slowed enormously, to about 10 percent a month in September and November and a projected at 5.2 percent in December (84 percent annualized).

Mission input on assessing the latest actual performance data is of special importance for Peru, given the dramatic policy turnaround.

--(p). EASTERN CARIBBEAN: 7 (1990)
ANTIGUA: 2.
DOMINICA: 9.
GRENADA: 4.
ST. KITTS: 8.
ST. LUCIA: 10.
ST. VINCENT: 9

The Eastern Caribbean countries do not suffer from the type of macroeconomic imbalances typically seen in the rest the LAC region. The external accounts are generally in balance, and the common central bank restrains individual countries' ability to excessively expand credit. The chief macro policy problems are fiscal, with some countries' deficit financing crowding out private investment. In addition, the growth of the public sector wage bill is unsustainable in some countries. Antigua and Barbuda is alone among the EC countries in having an excessive external debt. Dominica has entered into a Tight Consultative Group arrangement with the IMF and World Bank. ST. Vincent, St. Lucia, and St. Kitts and Nevis have positive macroeconomic policy frameworks. Antigua and Grenada have work to do to correct macro policy problems.

2. DOMESTIC FINANCING OF DEFICIT (PERCENT OF GDP):

--(a). BELIZE: minus 3.5 percent (1990). Projection from IMF Article IV, June 1990. Mission should update with actual 1990 performance.

--(b). BOLIVIA: 2 percent (1990). For the last two years for which actual data available (1988 and 1989) domestic financing of consolidated nonfinancial public sector debt has averaged 2 percent of GDP. There is no evidence of Central Bank losses on foreign exchange or credit operations.

--(c). COLOMBIA: 1.4 percent (1990). The average of 1988 and 1989 is 1.4 percent. One percent is projected for 1990 (IMF Article IV report, June 15, 1990). There is no evidence that the Central Bank is making losses.

--(d). COSTA RICA: 3.0 percent (1990). The deficit of the consolidated nonfinancial public sector (CNFPS), which had averaged only 1.6 percent of GDP during 1984-88, jumped to 5.1 percent in 1989 as government expenditures rose sharply. Central Bank losses (which have been steadily declining) raised the total deficit to 7.0 percent. Measures undertaken by the new government are expected to lower the CNFPS deficit to 3.0 percent and the total deficit to 4.8 percent in 1990. Domestic financing of the total

1990 deficit is estimated at 3 percent.

--(e). DOMINICAN REPUBLIC: 1.8 percent (1990). IMF estimate 11/90.

--(f). ECUADOR: Minus 2.0 percent (1990) is projected. Reported deficits for 1988 and 1989 are plus 2.1 and minus 2.9 percent, respectively. The deficit in question is that of the nonfinancial public sector. There is no apparent evidence of Central Bank losses, but Mission confirmation of this is requested.

--(g). EL SALVADOR: 1.8 percent (1990). The deficit of the consolidated nonfinancial public sector was reduced from 5.9 percent of GDP in 1989 to an estimated 3.6 percent in 1990, with relatively little domestic financing. With Central Bank losses of an estimated 1 percent of GDP, however, domestic financing of the total public sector deficit in 1990 is estimated at 1.8 percent of GDP.

--(h). GUATEMALA: 3.3 percent (1990). The overall deficit of the public sector (including Central Bank losses) is estimated at 4.5 percent of GDP in 1990, compared with 4.4 percent in 1989. Domestic financing of this deficit is estimated at 3.3 percent in 1990, up from 3.0 percent in 1989. Mid-1990 measures designed to hold the fiscal deficit to 2.9 percent of GDP were not sustained.

--(i). GUYANA: 10 percent (1990). Domestic financing was projected to be 1.7 percent of GDP in 1990. However, actual domestic financing was 12 percent in 1989 compared to the program target of minus 10 percent (IMF Article IV Consultation with Guyana, July, 1990).

--(j). HAITI: 1.9 percent (1990). IMF estimate, September 1990.

--(k). HONDURAS: 3.6 percent (1990). Under a program supported by an IMF stand-by arrangement, the deficit of the consolidated nonfinancial public sector is being reduced from 9.2 percent of GDP in 1989 to a programmed target of 3.8 percent in 1990. Domestic financing of the 1990 deficit is to be held to 0.5 percent of GDP and to consist entirely of bond financing. However, Central Bank losses--caused by retaining the L 2.00 equals US 1.00 dollar exchange rate for public sector debt servicing--will amount to a projected 3.1 percent of GDP, thus making domestic financing of the total public sector deficit equal to 3.6 percent of GDP.

--(l). JAMAICA: 1.0 percent (1990): Average of actual 1.4 percent in 1989/90 and IMF projected minus 0.5 percent for 1990/91.

--(m). NICARAGUA: 10 percent (1990). Domestic financing of the total public sector deficit still exceeds 10 percent GDP.

--(n). PANAMA: 0.0 percent (1990). The public sector deficit equivalent to 7.0 percent of GDP is to be financed primarily by the release of blocked funds from abroad. Domestic arrears of dollars 51 million were cleared in 1990.

--(o). PERU: 7.1 percent (1990). The overall deficit of the consolidated nonfinancial public sector averaged 6 percent of GDP in 1988 and 1989; domestic financing of this deficit averaged 4.7 percent of GDP. As of the second quarter of 1990 prior to the initiation of the new government's program the NFPS deficit was 8.4 percent of GDP and the portion domestically financed was 7.1 percent. Central Bank losses were large in 1988 and significant in 1989 (two year average of 2.4 percent of GDP) but are thought to be close to zero in 1990.

--(p). EASTERN CARIBBEAN: 2 percent projection (1990). Mission should update.

ANTIGUA: 3.4 percent.
DOMINICA: 0 percent.
GRENADA: 5.1 percent.
ST. KITTS: 1.9 percent.
ST. LUCIA: 0 percent.
ST. VINCENT: 0 percent.

3. EXCHANGE RATE

--(a). BELIZE: 10 (1990). There is no market premium over the official fixed rate and foreign exchange is readily available.

--(b). BOLIVIA: 9 (1990). Bolivia has a unified, realistic, managed exchange rate. The Central Bank manages the exchange rate by using a daily auction system to sell foreign exchange. Depreciation appears to have maintained the exchange rate at or close to a market clearing level. There is no evidence of any significant differential between the auction rate and the parallel rate. The auction rate may be somewhat overvalued in real terms.

--(c). COLOMBIA: 8 (1990). Colombia has a managed exchange rate system which since 1985 has avoided overvaluation. The system is characterized by extensive licensing and/or prior registration requirements for both importers and exporters, and by important elements of multiple currency practice (under both sections 2 and 3 of Article VII) including commodity specific export taxes, profits remittance taxes, discriminatory tax credit certificates and advance license deposit requirements, etc. However, there is no indication of any significant differential between the official exchange rate and the parallel rate. Indeed, as of October 1987, the two were roughly equal.

The monetary authorities adjust the buying and selling rates of foreign exchange in small amounts and frequently. The result since 1985 has been a realistically valued exchange rate (given the changing level of trade restrictions and taxes), and continuing gradual depreciation in real terms contributing to export competitiveness.

The multiple currency practices described in various IMF documents seem to imply differentials between higher rate and standard rate categories of transactions ranging from 7 and 20 percent. The volume of trade and capital account transactions paying and/or receiving the higher rates relative to total foreign exchange transaction is probably fairly large. (e.g., one third) Therefore, the "transactions share weighted" differential between de facto exchange rates may range between 2 and 6 percent.

--(d). COSTA RICA: 9 (1990). Since May 1990 the exchange rate has been adjusted by 0.45 colones weekly, and adjustments in 1990 have roughly left unchanged the real effective exchange rate, which had appreciated slightly in 1989. The real effective exchange rate currently reflects a depreciation of about 40 percent with respect to 1980. The parallel market premium at times approached 10 percent in 1990 but more recently has been about 4 percent-5 percent. In mid 1990 the differential between the buying and selling rates was increased temporarily (for revenue purposes) from C1.00 to C1.75.

--(e). DOMINICAN REPUBLIC: 3 (1990). In spite of repeated devaluations through out the year, the market rate is estimated to have averaged 25 to 30 percent over the official rate. Changing exchange regulations added to the exchange rate instability and exchange shortages.

--(f). ECUADOR: 8 (1990). Ecuador has a largely unified exchange rate. The rate is managed flexibly and appears to be largely market determined. Depreciation in real terms is significant relative to 1983, but has been minimal since 1983. Elements of multiple currency practice remain. The differential between the parallel rate and the intervention rate had narrowed to about 17 percent by the end of 1989 and to under 2 percent by early 1990.

--(g). EL SALVADOR: 9 (1990). The real effective exchange rate depreciated by 14 percent between December 1989 and June 1990, at which time the dual-exchange-rate regime was abolished and private exchange houses were allowed to compete legally in the foreign exchange market. Official receipts and payments, as well as coffee export earnings, will continue to be handled by the Central Bank at a rate which is the average of the rates determined freely in the commercial-bank and exchange-house markets. Other export proceeds must be sold to commercial banks, while all other goods and services transactions may occur in any market. The spread between rates in the exchange-house and commercial-bank markets had narrowed to less than 2 percent by early November.

--(h). GUATEMALA: 7 (1990). The exchange rate was floated in

November 1989, but during 1990 the exchange-rate regime has been modified five times and its flexibility compromised. Lack of confidence by the private sector in the Central Bank's ability to conduct an appropriate exchange-rate policy has contributed to capital flight. A preferential exchange rate for petroleum imports was a major contributor to Central Bank losses until September. The premium on the black market was only about 2 percent in October and November and averaged no more than this during the rest of the year, although it did average nearly 6 percent in July. The exchange rate has been allowed to adjust in response to changes in demand and supply in the parallel market, but there have been periods of considerable exchange-rate volatility resulting from speculative behavior and other forces.

--(i). GUYANA: 2 (1990). The market-determined parallel rate exceeds the official rate by over 60 percent (G 100 versus G 60 per US dollar). Transactions in the official market have been limited to bauxite, rice, sugar, and telecommunications on the receipts side and to imports of fuel, sugar, rice inputs and food aid, and debt service payments.

--(j). HAITI: 6 (1990). The parallel market premium on the dollar was around 50 percent for much of the year. However, exchange regime liberalization in early 1990 allowed for a majority of transactions at the free market rate, with the notable exceptions of a 40 percent export surrender requirement and petroleum imports and debt service at the official fixed exchange rate.

--(k). HONDURAS: 7 (1990). In March 1990 the GOH moved all foreign transactions except public-sector debt servicing (see above) to a new interbank market and committed itself to restricting the spread between this market and the (illegal but tolerated) free market to no more than five percentage points. The initial interbank rate was set at 4.00, but it was not adjusted enough to keep the spread within the target range. By the end of August the free-market premium reached 37 percent, and only in October was an appropriate adjustment made. Whether the GOH can now keep the free market premium from exceeding 5 percent remains to be seen.

--(l). JAMAICA: 9 (1990). Market-determined interbank foreign exchange regime was adopted in September as part of a revised stand-by arrangement. Prior devaluations generally held the premium on the dollar in the market-determined rate to the 10-20 percent range. Access to exchange in the interbank spot and forward markets is partially controlled and arrears on earlier transactions remain.

--(m). NICARAGUA: 6 (1990). The new government substantially devalued the cordoba in early 1990 and achieved exchange-rate unification in June. The exchange-rate premium on the black market declined significantly to less than 10 percent in September. Nevertheless, the real effective exchange rate has depreciated only marginally since April and still indicates substantial overvaluation. A complicating factor is the GON's introduction of the cordoba oro, a parallel currency at par with the U.S. dollar. To date only small amounts of this currency have been issued. The creation of substantially larger amounts would make it difficult for the GON to maintain the cordoba oro's parity with the dollar.

--(n). PANAMA: 10 (1990). The Panamanian balboa is pegged to the U.S. dollar at the rate of one-to-one, with all transactions clearing at this rate. Except for coins, the U.S. dollar is the medium of exchange.

--(o). PERU: 8 (1990). Since August 1990 the Fujimori government has virtually unified the exchange rate. The differential between the official and the parallel rate was less than 3 percent in September 1990. Earlier in the year the differential had been as high as 318 percent. Elements of multiple exchange rate practices remain (e.g., differential export subsidies). The exchange rate which is thought to be overvalued in real terms, does not seem to be declining much, if at all, in real terms. However it is virtually unified and in a managed float. (Data from Peru Concept paper, 1990)

--(p). EASTERN CARIBBEAN: 10 (1990). The Eastern Caribbean's common currency is fixed at the rate of EC dollars 2.7 equal the US dollar. The official and parallel rates have run closely together for an extended period.

4. BUSINESS REGULATORY ENVIRONMENT (1990, maximum of 5)

BELIZE: 3
BOLIVIA: 3
COLOMBIA: 2
COSTA RICA: 4
Dominican Rep: 2
ECUADOR: 2
EL SALVADOR: 2
GUATEMALA: 2
GUYANA: 1
HAITI: 2
HONDURAS: 2
JAMAICA: 3
NICARAGUA: 1
PANAMA: 3
PERU: 2
EASTERN CARIBBEAN: 2
  ANTIGUA: 2
  DOMINICA: 2

GRENADA: 2
ST. VINCENT: 2
ST. LUCIA: 2
ST. VINCENT: 2

5. TRADE REGIME

--(a). BELIZE: 4 (1990). Tariffs, including revenue replacement duties and stamp taxes, range up to 100 percent. Quantitative import restriction affect over 30 items, while export licenses are required for 7 items.

--(b). BOLIVIA: 9 (1990). Licensing and quantitative restrictions have been abolished, except for controls on sugar, wheat and various minor goods. Tariff reforms have reduced tariffs on non-capital goods to 17 percent. By 1991 Bolivia is to have adopted a uniform tariff of 10 percent.

--(c). COLOMBIA: 2 (1990). Prior to March 1990 the average nominal surcharge inclusive tariff rate was 45 percent and there were, and will remain for some time, numerous goods whose import is subject to quantitative restrictions. Colombia is now in a state of transition, however, to a liberalized trade regime in which QRs will be replaced by tariffs by the end of 1991 and tariffs would then be reduced over a longer period (1992-1994) to reach an average tariff level of about 24 percent with a 16 percent surcharge. Tariff rates dispersion would also be reduced from the current level (currently the standard deviation is 14.3 percent compared to 17.2 percent before March 1991 (IMF Staff Report June 15, 1990).

--(d). COSTA RICA: 8 (1990). Costa Rica has been reducing its average tariff level under a World Bank SAL program, and under its accession to GATT in October 1990 it agreed to move to a more transparent and unified tariff and tax system, beginning with a new duty ceiling of 55 percent (except for automobiles). Surcharges and selective consumption taxes add to import costs. Import licenses for grain imports will be eliminated over four years in accordance with the terms of Costa Rica's accession to the GATT. Export subsidies (CATs) contribute significantly to the fiscal deficit.

--(e). DOMINICAN REPUBLIC: 3 (1990). The GODR has maintained a trade regime characterized by import prohibitions, high import duties with exonerations on a case-by-case basis, and export controls. Reforms in mid-1990 reduced import duties to three levels (10 percent for raw materials, 20 percent for semi-processed materials and 25 percent for consumer goods). In addition, a sliding excise tax between 30 and 60 percent is collected by customs. A 20 percent exchange surcharge on the value of imports remains.

--(f). ECUADOR: 3 (1990). Although the tariff system has been simplified and QRs and licensing eased, the trade regime continues to be protectionist and anti-trade biased, with QRs and high tariffs restricting trade. Exports are licensed, but export licenses are supposedly granted automatically.

--(g). EL SALVADOR: 9 (1990). Tariffs have been lowered to a range of 5-35 percent for all but a few products, and the weighted average tariff is less than 20 percent. The number of prohibited imports has been reduced from 200 in 1988 to 13 in 1990, none of which are significant. Prior import deposits were eliminated in August 1989, and the 180-day minimum import financing requirement was eliminated in December 1989.

--(h). GUATEMALA: 8 (1990). In March 1990 the GOG reduced tariff rates for most products to a range of 6 percent to 41 percent (including a 4 percent surcharge). The unweighted mean for all tariffs is now just under 20 percent and the standard deviation is 15 percent, compared to 25 percent and 22 percent, respectively, in 1987. Effective tariff rates show a high degree of dispersion. Nearly 80 items, covering 6 percent of domestic production, are subject to import prohibitions, and imports covering about 30 percent of domestic production are subject to inspection and licensing for health and security reasons. Some 61 export products are subject to licensing or prohibition, but it is not clear whether these restrictions are significant.

--(i). GUYANA: 4 (1990). Guyana's ad hoc system of import licensing is gradually being replaced by nondiscriminatory general system which automatically licenses bona fide transactions. The government has also liberalized payments on services and transfers, except for travel allowances. Import prohibitions apply to 36 categories of food. Most of these are to be eliminated by September 1991 (on a schedule agreed to with the World Bank), with the exception of prohibitions of nonprocessed meat, poultry, fruit and processed food items.

--(j). HAITI: 6 (1990). Tariff reforms initiated in 1986 and 1987 reduced average tariffs to around 20 percent, with a range from 0 to 40 percent. However, other taxes and fees effectively increase taxes on imports an additional 15 percent. Q.R.s have been eliminated except for 7 agricultural commodities.

--(k). HONDURAS: 8 (1990). Prior to March 1990 customs duties (including surcharges) ranged from 0 to 125 percent, and exemptions were widespread. In March 1990 duties were lowered to a range of 2 to 40 percent with a maximum surcharge of 15 percent. Virtually all exonerations, including those for the military as well as the civilian public sector, were eliminated (although they were reinstated for the news media in October). Further, automatic reductions on January 1, 1991 and January 1, 1992 will result in a range of 5 to 20 percent. Import permits are required for imports over dollars 3,000 but are to be eliminated by the end of 1990, although some form of import registration will be retained for statistical purposes.

--(l). JAMAICA: 4 (1990). Combined tariff and stamp duties do not exceed 10 percent for raw materials, 20 percent for capital goods, and 60 percent for consumer goods. Import licenses are required for basic foodstuffs, motor vehicles, certain chemicals, fertilizers, pharmaceutical products,wood projects, and public health/security items. Caricom Common External Tariff Arrangement limits many rates. JCTC has monopoly control of some food imports and all motor vehicle imports. Other public enterprises control petroleum and cement imports.

--(m). NICARAGUA: 5 (1990). Tariffs have been reduced from rates that in some cases exceeded 100 percent to a maximum of 40 percent except for tobacco, alcoholic beverages, and some other products.

--(n). PANAMA: 2 (1990). Trade protection is relatively high for the agricultural and manufacturing sectors with considerable tariff dispersion. Nominal tariffs range from zero to about 250 percent for manufactures and close to 300 percent for agricultural goods. The weighted average tariff is around 67 percent. Effective protection is much higher in the agricultural sector because of quantitative restrictions.

--(o). PERU: 3 (1990) Import licensing and other Q.R.s have been abolished in principle, and apparently in practice as part of the Fujimori government's reform program initiated in August. The Fujimori government has also greatly simplified the tariff system, moving to a system of only three rates: 15 percent, 25 percent and 50 percent. Previously there were 56 rates. Most exemptions were abolished. The average tariff rate has been reduced from 66 percent to 32 percent and dispersion as measured by the standard deviation around the mean from 25 percent to 17 percent. It has been announced that by 1992 there will be only one rate somewhere between 20 percent and 25 percent (from Peru ESRP concept paper annex).

--(p). EASTERN CARIBBEAN: 4 (1990). The Eastern Caribbean countries are members of CARICOM, which provides for a common external tariff. Tariffs are generally moderate but variable (e.g., range between 0-45 percent for manufactures), stamp duties up to 15 percent are applied in some cases, and licensing requirements are widespread. Interregional trade preferences for some products along with high effective protection against imports from other countries create significant distortions in the trade regime.

6. MARKET PRICING

--(a). BELIZE: 5 (1990). Price distortions resulting from government price setting/controls are significant. Price controls which cover some 36 items, have been focused on 8-10 items, including 5 food products. Electric utility rates are excessive.

--(b). BOLIVIA: 9 (1990). Virtually all prices in the product, labor and financial markets have been freed. Exceptions include sales to government.

--(c). COLOMBIA: 9 (1990). Product prices seem to be largely market determined following reforms. Interest rates are positive in real terms and wages are largely market determined. There is a view that mandated benefits and severance rules may be having important adverse effects on employment and labor mobility.

--(d). COSTA RICA: 7 (1990). There are still some subsidies for basic grains production, but the spread between producer support prices and international prices has been drastically reduced. Subsidies for public utilities and petroleum were also reduced in 1990. Interest rates are positive in real terms, with relatively modest exceptions. Wage-setting mechanisms for public-sector employees sometimes result in significant labor-market distortions.

--(e). DOMINICAN REPUBLIC: 7 (1990). Extensive control of domestic prices and delays in adjusting public sector prices to reflect international prices or unit cost of production have distorted relative prices. In late summer there was considerable movement toward market pricing of petroleum, consumer goods, and electric rates. It is unclear to what extent these adjustments will soon be dissipated by the ongoing inflation.

--(f). ECUADOR: 3 (1990). Actions to eliminate price controls have been slow. Price controls, which provide incentives for contraband trade with neighboring countries, remain in place. Despite an increase in the price of petroleum products, near-achievement of positive real interest rates, and the elimination or substantial reduction of subsidies on wheat, rice and sugar, significant price distortions remain (especially on petroleum products).

--(g). EL SALVADOR: 7 (1990). Price controls on 230 products were lifted in July 1989, and currently only 5 basic products are subject to controls. Government export monopolies for coffee, sugar, and cotton have been eliminated, utility tariffs have been adjusted upwards, but subsidies remain. Premium gasoline was selling at $2.36/gallon in November 1990 but diesel for buses was heavily subsidized at $0.22/gallon. Interest rates have become positive in real terms for loans and for medium- and long-term deposits.

--(h). GUATEMALA: 9 (1990). Despite the elimination of interest rate controls in late 1989, real interest rates became negative (minus 10-15 percent for much of the year) during 1990. Nevertheless, this phenomenon seems to be a market-based outcome (although financial market imperfections are present), as there is no evidence of any direct government controls on interest rates. Electricity rates were significantly subsidized until September, when they were roughly doubled. However, there is no mechanism for automatically adjusting these rates in response to future cost/price increases. Petroleum product prices are controlled, but recent adjustments have removed most of the subsidy elements.

--(i). GUYANA: 5 (1990). The scope of price controls has been reduced substantially in recent years. Price controls are currently limited to a few foodstuffs, petroleum products, bus and taxi fares. Controlled prices as well as public sector tariffs have been increased sharply since early 1989 in line with the devaluations of the Guyana dollar. Except for sugar, prices of controlled items generally cover their costs. Import prohibitions apply to 36 categories of food. Most of these are to be eliminated by September 1991 (on a schedule agreed to with the World Bank), with the exception of prohibitions of nonprocessed meat, poultry, fruit and processed food items.

--(j). HAITI: 7 (1990). Price distortions resulting from government price setting, controls and internal taxes/subsidies are relatively minimal. However, examples of distortions include below-market clearing prices for telephone service, electricity, water, petroleum products and state land rents. Legislation authorizing price controls is not enforced.

--(k). HONDURAS: 6 (1990). Although the ceiling on bank lending rates was raised from 17 percent to 19 percent in May, lending as well as deposit rates are now significantly negative. Year-to-year inflation in 1990 is expected to be at least 25 percent, and the annualized rate for recent months is even higher. Some progress has been made in reducing agricultural price controls, which now affect only 9 processed products, but the GOH has failed to meet most of the targets in the 1990 PL 480 Title I program for price and marketing reforms. Progress has been better in the area of utility pricing, where significant increases have been made in electricity, water, and telephone tariffs. The electricity price reforms are expected to make possible an IBRB/IDB energy sector loan in 1991.

--(l). JAMAICA: 6 (1990). Price controls are maintained on basic food items, fertilizers, animal feed, herbicides/pesticides, pharmaceuticals and textbooks. JCTC pricing of imports creates considerable price distortions. Progress was made in 1990 in adjusting prices to market levels and decontrolling petroleum prices.

--(m). NICARAGUA: 3 (1990). The cordoba oro has played a useful role as a unit of account by providing for positive real interest rates in the financial system and for indexation of public utility rates. A substantial number of prices remain subject to control, however, and state trading monopolies continue to exist. Wage determination for the public sector results in significant distortions.

--(n). PANAMA: 7 (1990). Price controls are applied flexibly in general but are monitored more closely on products that are under import quotas, especially agricultural commodities, including rice, maize, sorghum, potatoes, and wheat.

--(o). PERU: 8 (1990). Prior to August 1990, price controls for many commodities and services, in particular for public sector-produced and distributed goods and services, such as gasoline, kept such prices very low, decapitalizing public enterprises, creating enormous distortions in relative prices, and reducing fiscal revenue collections in real terms. The Fujimori government has raised the controlled prices to realistic levels, despite the very large increases that were involved, removing or greatly reducing the distortions. With the recent sharp reduction in inflation, interest rate ceilings are currently no longer binding. Although controls remain, prices and interest rates are at more realistic levels and more flexible than before. (Peru ESRP concept paper)

--(p). EASTERN CARIBBEAN: 5 (1990). Price and profit margin controls distort markets in the region.

7-11. SOCIAL SERVICES, ENVIRONMENTAL AND DEMOCRACY AND HUMAN RIGHTS COMMITMENT: Indicators by country are presented in Table 2 below:

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TABLE 1: LAC PERFORMANCE RATINGS SUMMARY, 1990

Country	Overall Perform Ranking	Overall Perform (100%)	Macro Policy (50%)	Social Servs (20%)	Environ Mgt (10%)	Dem/HR Commit (20%)
Costa Rica	1	82.9	38.0	16.9	8.0	20.0
Jamaica	2	79.7	39.5	16.2	7.0	17.0
Belize	3	77.0	39.5	14.0	5.0	18.5
Bolivia	4	75.5	42.5	12.5	5.0	15.5
Panama	5	75.1	39.5	16.6	5.0	14.0
E Caribbean	6	74.5	35.3	15.2	6.0	18.0
Honduras	7	72.6	34.4	15.7	7.0	15.5
Colombia	8	70.3	36.1	16.7	5.0	12.5
El Salvador	9	70.2	40.7	12.0	5.0	12.5
Ecuador	10	69.7	32.0	13.7	7.0	17.0
Peru	11	59.6	30.4	11.7	5.0	12.5
Guatemala	12	58.9	28.7	11.7	6.0	12.5
Dom Republic	13	56.7	21.2	15.0	5.0	15.5
Haiti	14	55.9	28.6	11.3	5.0	11.0
Nicaragua	15	50.7	17.0	14.7	5.0	14.0
Guyana	16	46.6	19.5	14.6	3.0	9.5
Antigua		63.7	26.1	16.1	6.0	15.5
Dominica		80.5	40.0	16.0	6.0	18.5
Grenada		64.7	27.4	14.3	6.0	17.0
St. Kitts		76.2	36.6	13.6	6.0	20.0
St. Lucia		82.2	41.5	16.2	6.0	18.5
St. Vincent		79.7	40.0	15.2	6.0	18.5

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TABLE 2: LAC PERFORMANCE INDICATOR DATA, 1990

Country	Macro Reform	Deficit Dom Fin	Exchgn Rate	Business Regs	Trade Regime	Market Pricing	School Enroll (1982)	School Enroll (1987)	Infant Vacc (1989)	Contcep Preval (1987)	Environ Mgt	Democry Commit
Belize	8	-3.5	10	3	4	5	85	85	78.3	32	5	3
Bolivia	9	2	9	3	9	9	85	91	44.8	12	5	5
Colombia	8	1.4	8	2	2	9	121	114	82.8	54	5	7
Costa Rica	7	3	9	4	8	7	103	98	88.8	57	8	2
Dom Republic	2	1.8	3	2	3	7	97	103	52.3	47	5	5
Ecuador	6	-2	8	2	3	3	116	117	61.0	36	7	4
El Salvador	9	1.8	9	2	9	7	74	70	62.3	46	5	7
Guatemala	3	3.3	7	2	8	9	75	78	53.8	19	6	7
Guyana	8	10	2	1	4	5	98	99	63.0	28	3	9
Haiti	4	1.9	6	2	6	7	67	78	42.8	6	5	8
Honduras	8	3.6	7	2	8	6	95	102	80.5	33	7	5
Jamaica	9	1	9	3	4	6	104	106	84.8	40	7	4
Nicaragua	4	10	6	1	5	3	100	99	74.8	23	5	6
Panama	8	0	10	3	2	7	104	106	77.3	54	5	6
Peru	8	7.1	8	2	3	8	114	122	58.0	24	5	7
E Caribbean	7	2	10	2	4	5	92	99	92.3	39	6	3
Antigua	2	3.4	10	2	4	5	80	87	96.7	37	6	5
Dominica	9	0	10	2	4	5	90	116	93.3	47	6	3
Grenada	4	5.1	10	2	4	5	90	118	87.3	27	6	4
St. Kitts	8	1.9	10	2	4	5	100	87	84.5	40	6	2
St. Lucia	10	0	10	2	4	6	95	95	93.8	40	6	3
St. Vincent	9	0	10	2	4	5	97	90	98.3	40	6	3