



MALI

May 7, 2018

STAFF REPORT FOR THE 2018 ARTICLE IV CONSULTATION AND EIGHTH AND NINTH REVIEWS UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT—INFORMATIONAL ANNEX

Prepared By

The African Department (In Consultation with Other
Departments)

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RELATIONS WITH THE FUND

(As of March 31, 2018)

Membership Status: Joined: September 27, 1963.

Article VIII

General Resources Account:	SDR Million	%Quota
<u>Quota</u>	186.60	100.00
<u>Fund holdings of currency</u>	153.28	82.14
<u>Reserve Tranche Position</u>	33.33	17.86

SDR Department:	SDR Million	%Allocation
<u>Net cumulative allocation</u>	89.36	100.00
<u>Holdings</u>	74.73	83.63

Outstanding Purchases and Loans:	SDR Million	%Quota
<u>RCF loans</u>	22.00	11.79
<u>ECF Arrangements</u>	121.85	65.30

Latest Financial Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
ECF	Dec 18, 2013	Dec 17, 2018	186.60	91.65
ECF	Dec 27, 2011	Jan 10, 2013	30.00	6.00
ECF ^{1/}	May 28, 2008	Dec 22, 2011	52.99	52.99

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Principal</u>	11.30	13.80	15.20	15.40	17.00
<u>Charges/Interest</u>	0.09	0.13	0.13	0.13	0.13
Total	11.39	13.93	15.33	15.53	17.13

Implementation of HIPC Initiative:

	Original <u>Framework</u>	Enhanced <u>Framework</u>	<u>Total</u>
I. Commitment of HIPC assistance			
Decision point date	Sep 1998	Sep 2000	
Assistance committed by all creditors (US\$ Million) ^{1/}	121.00	417.00	
Of which: IMF assistance (US\$ million) (SDR equivalent in millions)	14.00	45.21	
Completion point date	Sep 2000	Mar 2003	
II. Disbursement of IMF assistance (SDR Million)			
Assistance disbursed to the member	10.80	34.74	45.54
Interim assistance	--	9.08	9.08
Completion point balance	10.80	25.66	36.46
Additional disbursement of interest income ^{2/}	--	3.73	3.73
Total disbursements	10.80	38.47	49.27

^{1/} Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

^{2/} Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

Implementation of Multilateral Debt Relief Initiative (MDRI):

I. MDRI-eligible debt (SDR Million) ^{1/}	75.07
Financed by: MDRI Trust	62.44
Remaining HIPC resources	12.63
II. Debt Relief by Facility (SDR Million)	

	<u>Eligible Debt</u>			
	<u>Delivery Date</u>	<u>GRA</u>	<u>PRGT</u>	<u>Total</u>
	January 2006	N/A	75.07	75.07

^{1/} The MDRI provides 100 percent debt relief to eligible member countries that qualified for the assistance. Grant assistance from the MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

Implementation of Catastrophe Containment and Relief (CCR): Not Applicable

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

Decision Point:

Point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decides on the amount of assistance to be committed.

Interim Assistance:

Amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

Completion Point:

Point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as defined in footnote 2 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

Safeguards Assessments: Safeguards assessments: An updated assessment of the BCEAO conducted in 2018 is substantially complete. The assessment found that the bank continues to have a strong control environment and governance framework. Following previous assessments recommendations, the bank adopted International Financial Reporting Standards (IFRS) in 2015 and the selection criteria for the external auditors was strengthened. The audited financial statements in the period since the last assessment in 2013 have had unmodified (clean) audit opinions and are published on a timely basis.

Exchange Rate Arrangements:

Mali is a member of the West African Economic and Monetary Union (WAEMU). The union's common currency, the CFA franc, was pegged to the French franc at the rate of CFAF 50 = FF 1 from 1948 until early 1994. Effective January 12, 1994, the CFA franc was devalued, and the new parity set at CFAF 100 = FF 1. Effective January 1, 1999, the CFA franc was pegged to the Euro at a rate of CFAF 655.96 = EUR 1.

Mali accepted the obligations of Article VIII, Sections 2, 3, and 4 on June 1, 1996. Mali's exchange system has no restrictions on making payments or transfers for current international transactions and the country does not engage in multiple currency practices.

Sharing a common trade policy with other members of WAEMU, Mali has shifted key trade policy-making to the sub-regional level. The common external tariff (CET) was adopted in January 2000. Mali complies with the union's tariff rate structure and has effectively dismantled internal tariffs. Between 1997 and 2003, WAEMU tariff reform reduced the simple average custom duty from

22 percent to 15 percent; the maximum rate is currently 20 percent. Imports to Mali are not subject to quantitative restrictions.

Mali's exports to the European Union generally enjoy non-reciprocal preferential treatment in the form of exemption from import duties under the Everything but Arms initiative. Malian goods enjoy nonreciprocal preferential access to the markets of developed countries other than the European Union under the Generalized System of Preferences. Mali is also eligible to benefit from the United States' African Growth and Opportunity Act. Mali imposes no de jure restrictions on exports.

Article IV Consultations:

Mali is on a 24-month consultation cycle. The Executive Board completed the last Article IV consultation (Country Report No. 15/339) on December 2, 2015.

Technical Assistance¹

Department	Type of Assistance	Time of Delivery	Purpose
FAD	Expert	March 2018	Strengthening support functions
FAD	IMF staff/Expert	February 2018	Tax administration
AFRITAC	Expert	February 2018	National accounts
AFRITAC/MCM	Expert	February 2018	Medium-Term Debt Management
AFRITAC	Expert	February 2018	Public Financial Management
FAD	IMF staff/Expert	January 2018	Tax administration
FAD	Expert	December 2018	Mining code
AFRITAC	Expert	November 2017	Public Financial Management
AFRITAC	Expert	November 2017	Tax administration
AFRITAC	Expert	November 2017	Customs administration
STA	Expert	November 2017	Balance of Payments
AFRITAC	Expert	October 2017	Public Financial Management
FAD	Expert	September 2017	Strengthening compliance risk management
AFRITAC	Expert	July 2017	Public Financial Management
AFRITAC	Expert	June 2017	Customs administration
FAD	IMF staff/Expert	June 2017	Public Expenditure Management Assessment (PIMA)
MCM	Expert	May 2017	Nonperforming loan strategy
AFRITAC	Expert	May 2017	Tax administration
FAD	Expert	April 2017	Program budgeting
AFRITAC	Expert	April 2017	Public Financial Management

¹ Since previous Article IV.

Department	Type of Assistance	Time of Delivery	Purpose
AFRITAC	Expert	April 2017	Tax administration
FAD	Expert	April 2017	Computerized Accounting System
AFRITAC	Expert	March 2017	Public Financial Management
FAD	Expert	February 2017	Revenue Administration
FAD	Long-term expert	January 2017	Advisor Malian Treasury
AFRITAC	Expert	January 2017	Public Finance Statistics
AFRITAC	Expert	January 2017	National accounts
AFRITAC	Expert	December 216	Public Financial Management
AFRITAC	Expert	November 216	Public Financial Management
FAD	IMF staff/Expert	August 2016	Tax policy
FAD	Expert	August 2016	Public accounting, Treasury function, cash management
FAD	IMF staff/Expert	June 2016	Program budgeting
FAD	Long-term expert	January 2016	Advisor Malian Treasury
FAD	Expert	December 2015	Preparation of Quality Assurance Plan
FAD	IMF staff/Expert	November 2015	Tax administration
AFRITAC	Expert	November 2015	Public Financial Management
AFRITAC	Expert	November 2015	Customs administration
AFRITAC	Expert	October 2015	Government Finance Statistics
AFRITAC	Expert	October 2015	Tax administration
LEG	IMF staff	September 2015	AML/CFT
AFRITAC	Expert	August 2015	Debt Management
AFRITAC	Expert	July 2015	National accounts

Department	Type of Assistance	Time of Delivery	Purpose
FAD	Expert	June 2015	Training on the FARI model
FAD	IMF staff/Expert	June 2015	Local taxation and decentralization

Resident Representative

Mr. Abdoulaye Tall has been the Fund Resident Representative in Bamako since May 2016.

JOINT MANAGEMENT ACTION PLAN IMPLEMENTATION

Title	Products	Provisional Timing of Missions	Provisional Delivery Dates
A. Mutual Information on Relevant Work Programs			
World Bank Work Program in the next 12 months			
Fund Work Program in the next 12 months	Tenth ECF review	November 2018	January 2019
B. Requests for Work Program Inputs			
Bank Request to the Fund	Regular updates of medium-term macro projections		
Fund Request to the Bank	Regular updates on energy projects		
	Regular updates on agricultural projects		
	Updates of Poverty DPO		2017
C. Agreement on Joint Products			
Joint product	Joint Bank-Fund Debt Sustainability Analysis		

STATISTICAL ISSUES

Mali—Statistical Issues Appendix (As of April 4, 2018)
I. Assessment of Data Adequacy for Surveillance
General: Data provision has some shortcomings, but is broadly adequate for surveillance.
National Accounts: Annual data are compiled with an outdated base year (1999). No quarterly data are available. With support from AFRITAC West efforts are under way to rebase GDP to 2015 and develop quarterly estimates. These data are expected to be released in 2019.
Price Statistics: In concert with the other member countries of the West African Economic and Monetary Union (WAEMU), the authorities have been compiling and timely publishing a harmonized consumer price index (CPI) for Bamako on a monthly basis since early 1998. The harmonized CPI has an outdated base year (2008).
Government Finance Statistics: Broadly adequate. As part of the process of economic integration among the member countries of the WAEMU, the country has made significant progress in bringing its fiscal data in line with the common framework that has been developed with IMF technical assistance (the harmonized table of government financial operations – TOFE based on the <i>Government Finance Statistics Manual 1986 (GFSM 1986)</i>). However, further efforts are needed to improve the timeliness and coverage of the TOFE and to progressively migrate towards <i>GFSM 2001/2014</i> as required by the WAEMU 10/2009 TOFE Directive. Work is progressing with the assistance of STA, AFRITAC West and AFRISTAT to expand the coverage of the TOFE to public agencies and local governments, as well as to strengthen coverage of domestic financing items. Quarterly budget execution reports are posted on the Ministry of Finance website on a timely basis. Annual data for the budgetary central government are sent to STA for the Government Finance Statistics Yearbook.
Monetary and Financial Statistics: MFS are broadly adequate and their institutional coverage is comprehensive. The dissemination of monthly monetary data from the Central Bank of West African States (BCEAO) takes four to six weeks consistent with e-GDDS recommendations. In August 2016, the BCEAO completed the migration of Mali's MFS to the standardized report forms (SRFs) for the central bank and other depository corporations.
Financial Sector Surveillance: The BCEAO recently finalized the development of FSIs for deposit takers for Mali. Regular reporting to the IMF's Statistics Department STA is expected to begin by December 2018.
External Sector Statistics: Since 2011, the balance of payments and international investment positions (IIP) statistics are compiled in conformity with the <i>Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)</i> . The national directorate of the BCEAO is responsible for compiling and disseminating these statistics, and the BCEAO headquarters for delineating the methodology and calculating the international reserves managed on behalf of the participating countries. Balance of payments and IIP statistics are published with a lag of less than

a year—the latest data published on the website of the BCEAO are for 2016. Mali has been participating in the Coordinated Direct Investment Survey (CDIS) since 2011.

II. Data Standards and Quality

Mali has been participating in the General Data Dissemination System (GDDS) (and its successor e-GDDS) since September 2001.

No data ROSC mission has been done in Mali.

Mali: Common Indicators Required for Surveillance (as of April 3, 2018)					
	Date of latest observation	Date received	Frequency of data	Frequency of reporting	Frequency of publication
Exchange Rates	Current	Current	D	M	M
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	January 2018	March 2018	M	M	M
Reserve/Base Money	January 2018	March 2018	M	M	M
Broad Money	January 2018	March 2018	M	M	M
Central Bank Balance Sheet	February 2018	March 2018	M	M	M
Consolidated Balance Sheet of the Banking System	January 2018	March 2018	M	M	M
Interest Rates ²	September	Current	I	W	M
Consumer Price Index	February 2018	March 2018	M	M	M
Revenue, Expenditure, Balance and Composition of Financing ³ – Central Government	December 2017	February 2018	M	Q	A
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	December 2017	February 2018	M	I	A
External Current Account Balance	2016	January 2018	A	A	A
Exports and Imports of Goods and Services	2016	January 2018	A	A	A
GDP/GNP	2016	December 2017	A	A	Semi-A
Gross External Debt	December 2017	February 2018	A	A	A
International Investment Position ⁶	2016	November 2017	A	A	A

¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

² Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Includes external gross financial asset and liability position vis-à-vis nonresidents.

Note: Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).