International Monetary Fund

Mali and the IMF

Press Release:
IMF Executive Board Approves New Extended Credit Facility Arrangement for Mali and US$9.2 Million Disbursement
December 18, 2013

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Mali: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding

December 2, 2013

Letter of Intent

Bamako, December 2, 2013

Ms. Christine Lagarde
Managing Director
International Monetary Fund
700, 19th Street, N.W.
Washington, D.C. 20431
United States

Dear Madam Managing Director:

1. On June 10, 2013, the Executive Board of the International Monetary Fund (IMF) approved a disbursement of an amount equivalent to SDR 10 million (US$15 million) for Mali under the Rapid Credit Facility (RCF) to support the government policies seeking to maintain macroeconomic stability and to restore growth in 2013, as part of the broad-based support of technical and financial partners for the country's revival after the 2012 security and political crisis.

2. The attached Memorandum of Economic and Financial Policies (MEFP) describes recent developments in the Malian economy and the progress made in implementing our policies in 2013. As explained in the MEFP, nearly all the indicators for our policies at end-June 2013 have been achieved and most measures subject to structural benchmarks have been implemented.

3. This memorandum also sets out the economic and financial policies that the Malian government intends to implement between now and the end of this year and during the course of the next three years to preserve macroeconomic stability, support the nascent economic recovery, strengthen the implementation of reforms to improve the management of public finances that were interrupted by the security and political crisis in 2012, and facilitate private sector development.

4. To help achieve the objectives of this program, the government seeks a three-year arrangement in an amount equivalent to SDR 30 million (US$46 million) under the Extended Credit Facility (ECF). This arrangement will be used to anchor the government's macroeconomic policies and act as a catalyst for financial support from Mali's development partners. The half-yearly reviews associated with the arrangement will make it possible to send a clear signal to all stakeholders in Mali's development regarding the quality of the macroeconomic and financial policies implemented by the government.

5. The government believes that the measures and policies described in the attached MEFP are appropriate for attaining the objectives of this program. It will take any additional measures necessary to that end. It will consult with the IMF on the adoption of such measures prior to any revision of the policies indicated in the attached MEFP.

6. The government will provide Fund staff with all information mentioned in the Technical Memorandum of Understanding (TMU) concerning progress made under the program.

7. The government intends to make public the contents of the IMF staff report, including this letter, the attached MEFP, the TMU, the informational annex, and the debt sustainability analysis performed by IMF and World Bank staff. It therefore authorizes the IMF to publish these documents on its website once the IMF Executive Board approves the new three-year arrangement under the ECF.

Very truly yours

/s/

Bouaré Fily Sissoko, Minister of Economy and Finance

Attachments:

1. Memorandum of Economic and Financial Policies
2. Technical Memorandum of Understanding

Attachment I—Memorandum on Economic and Financial Policies

1. This memorandum of economic and financial policies (MEFP) presents recent developments and performance in regard to Mali's economic and financial policies implemented in connection with the request for disbursement under the Rapid Credit Facility (RCF) and request for a three-year arrangement under the Extended Credit Facility (ECF).

Recent economic developments, economic outlook in 2013, and performance in regard to the RCF-supported policies

A. Recent Economic Developments and Economic Outlook in 2013

2. In 2013, real GDP growth is expected to resume and reach 5.1 percent, through sustained growth expected in nearly all sectors of the economy following improvement in the security situation and the resumption of assistance. Gold production is the only segment expected to post a modest decline (-3.8 percent) due to the closing of one mine. The good harvest from the preceding year, which saw favorable rainfall and good conditions including government support to farmers through input subsidies, is expected to keep average inflation for the year at less than 1 percent.

3. The current account deficit (including grants) is expected to widen to 7.0 percent of GDP in 2013 due to the decline in gold prices and increased imports accompanying the economic recovery. It is expected that the deficit will be financed almost entirely through net capital inflows, primarily in the form of external aid, and foreign direct investment. Accordingly, the overall balance of payments is expected to post a small surplus.

4. The money supply is expected to increase by 7.4 percent in 2013, driven by credit to the economy.

5. The damage to banks in the north and the 2012 recession undermined the stability of the banking sector. The risk-weighted capital ratio, which stood at 17.4 percent in 2011, declined to 14.3 percent in December 2012 and 14.4 percent in June 2013. The balance of nonperforming loans increased to 21.5 percent of total credits (10.2 percent after deducting provisions). The financial stability of the microfinance sector also deteriorated: the share of nonperforming loans increased to 11.5 percent in 2012.

6. Fiscal performance was in line with indicators set at the time of the request for the RCF disbursement.[1] Tax revenue at mid-June was in line with policy objectives, but expenditures were

[1] IMF Country Report No. 13/168. Mali: Request for Disbursement under the Rapid Credit Facility.

sharply below the programmed amounts. Accordingly, the basic fiscal balance[2] as well domestic bank and financial market financing of the government fell short of the programmed amounts (by roughly 2 percent of GDP). The government successfully issued CFAF 89 billion (US$180 million) in Treasury bills during the first half, a sufficient amount to redeem all Treasury bills coming due. The government paid nearly all its debt service payments due in 2013 with the exception of one installment of a Libyan loan, for which it contacted the Libyan authorities to reschedule payment. It began clearing its external arrears accumulated at end–2012: those arrears, which stood at CFAF 27 billion (US$54 million) as at December 31, 2012, have been reduced to CFAF 8.5 billion (US$17 million) as at October 15, 2013.[3] The government agrees to clear all these arrears in 2013 and has appropriated CFAF 27.1 billion in the 2013 supplemental budget (LFR) for this purpose.[4]

7. For the remainder of 2013, the authorities are maintaining the objectives adopted in the supplemental budget approved by the National Assembly on May 10, 2013, the key elements of which were presented in the May 10, 2013 Memorandum of Economic and Financial Policies (¶¶ 20 –27).[1] The 2013 LFR aims to increase net tax revenue to at least 15.1 percent of GDP. It also aims to contain the deficit of basic fiscal balance and overall deficit at 0.3 percent and 3.2 percent of GDP, respectively, while aligning execution of expenditure with the priorities of the 2012–17 medium-term growth and poverty reduction strategy (G-PRS) and the 2013–14 Plan for the Sustainable Recovery (PRED).[5] To support the recovery the 2013 LFR sets as a priority clearance of external debt arrears of CFAF 27.1 billion (¶6) and the arrears vis-à-vis suppliers estimated at CFAF 29.8 billion. The September 2013 budget execution review identified the need to increase the subsidy to electric power company *Energie du Mali* (EDM) from CFAF 40 billion to CFAF 57.5 billion, which the government decided to do by forgiving tax liabilities accumulated by EDM. The CFAF 30 billion financing gap identified during preparation of the 2013 LFR will be made up through proactive contact with the technical and financial partners, who agreed to support Mali at the Brussels Conference (¶ 11). If support from the donors is delayed, the authorities will relax the target for net domestic bank and financial market financing of the government by CFAF 25 billion, as provided in the Technical Memorandum of Understanding (¶7) and reduce non-priority expenditures for the remainder of the shortfall (Table 3).

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[2] The basic fiscal balance is equal to the difference between the sum of revenue and expenditure under the authorities' direct control, i.e., revenue (including resources from the Heavily Indebted Poor Countries (HIPC) Initiative) plus grants for general budgetary support less current expenditure and domestically financed capital expenditure.

[3] The remaining arrears are those accumulated vis-à-vis the Libyan Foreign Bank.

[4] IMF Country Report No. 13/168. Mali: Request for Disbursement under the Rapid Credit Facility.

[5] IMF Report No. 13/111. Mali: Growth and Poverty Reduction Strategy Paper.

B. Performance with Respect to Policies Supported by the RCF Loan Disbursements

8. All the program indicators at end-March and June 2013 presented in the May 10, 2013 Letter of Intent were met except for the ceiling on the cumulative increase in external payment arrears (Table 1). In view of the fiscal performance (¶6), gross tax revenue slightly exceeded the end–June 2013 target. The basic fiscal balance remained well above the end–June floor due to lower execution of current expenditures than expected. The priority expenditures in the education, health, and social development sectors exceeded the programmed floor. Net domestic bank and financial market financing of the government was below the adjusted ceiling. The government has not contracted any non-concessional loans since the start of the year other than the two loans provided to increase electricity production capacity. Although the government repaid CFAF 20.2 billion in external debt arrears (¶6) during the first nine months of 2013 it accumulated CFAF 1.7 billion (US$3.5 million) of new external debt arrears, representing nonpayment of one installment of a loan from the Libyan Foreign Bank. The authorities sent several letters to the Libyan authorities requesting rescheduling of that debt but have yet to receive a response. While awaiting the Libyan authorities' response, the government has placed the amount due, CFAF 8.5 billion, in an escrow account at the BCEAO, and will continue to deposit an equivalent of amounts falling due until it agrees with the Libyan authorities on a solution.

9. Four of the six measures for which structural benchmarks were established were implemented (Table 2):

- The Directorate General of the Budget (DGB) produced monthly reports using the PRED5 and AICE applications allowing it to establish that the budgetary float at end–January 2013 was CFAF 56 billion (1.1 percent of GDP), of which CFAF 33 billion in expenditures that had been certified within the previous 90 days and CFAF 23 billion for which more than 90 days had elapsed.

- In comparing turnover reported to the Directorate General of Taxation (DGI) and imports reported to the Directorate General of Customs (DGD), the Joint Economic and Financial Intelligence Committee (CMRIEF) concluded that 81 percent of importers reported turnover in 2010 and 2011, which seems abnormally low relative to their imports during those years.[6]

- The National Directorate of Treasury and Public Accounting (DNTCP) reviewed the details of all items constituting the net government position vis-à-vis the banking system (PNG) at December 31, 2012 in cooperation with the BCEAO National Directorate. The review determined that the government position vis-à-vis the banks was a net creditor position of CFAF 55 billion (1.1 percent of GDP) for the government in the broad sense as used in the

[6] The turnover reported to the DGI by close to 1,000 businesses, or 80 percent of importers, in both 2011 and 2012 was roughly CFAF 500 billion (US$1 billion, or 10 percent of GDP) less than the imports declared to the DGD increased by a margin of 30 percent.

West African Economic and Monetary Union (WAEMU) directive on the government fiscal reporting table (TOFE). That figure includes a Treasury net debtor position of CFAF 112 billion (2.1 percent of GDP) and a net creditor position for other public entities of CFAF 167 billion (3.2 percent of GDP).

- The DGI drafted a report on the interim results of its program to audit businesses, for which the February 2013 CMRIEF report indicated that the turnover figures were abnormally low. The audit program has already served to confirm tax deficiencies in the amount of CFAF 5.1 billion (US$10 million), of which CFAF 300 million (US$600,000) has been collected to date.

- The Council of Ministers has yet to review the joint proposals of the Ministry of Economy, Finance, and Budget, the Ministry of Energy, EDM, and the Electricity and Water Regulatory Commission (CREE) to restore a positive margin between the selling price of electricity and the total production cost. The proposals are being prepared for review by the Council of Ministers before end–February 2014.

- The report of the results of an audit of domestic arrears accumulated by the government in 2012 following the freeze on spending in the wake of the March 2012 events and reduction of appropriations in the 2012 LRF has not yet been produced. A consultant was selected pursuant to competitive bidding in August 2013 to conduct the audit within a period of 90 days.

Economic and financial policies for 2014–16

10. The 2012–17 G-PRSP, adopted in December 2011, and the 2013–14 PRED, adopted in April 2013, will serve as reference for the 2014–16 economic and financial policies.[8] The objective of the G-PRSP is to transfer Mali into an emerging country and agro-livestock power capable of providing Malian men and women with a good standard of living. The G-PRSP is based on five pillars: (i) strengthening peace and security, (ii) increasing macroeconomic stability, (ii) promoting stronger, sustainable, pro-poor growth aimed at creating jobs and increasing incomes, (iv) consolidating the long-term bases for development and facilitating equitable access to quality social services, and (v) strengthening institutions and governance. The PRED includes the same subset of programs from the G-PRSP as well as programs addressing infrastructure rehabilitation, reconciliation, security, elections, and management of the return of government and refugees and displaced populations in the northern regions. The areas to be covered are essentially peace and security, the social sectors, employment, professional training, rural development, transportation, income-producing activities, and transparency in public financial management.

11. Despite an uncertain international environment, Mali's economic outlook appears favorable with the restoration of security, the successful presidential elections, and the return en masse of Mali's development partners. The May 15, 2013 Donor Conference for Development of Mali held in Brussels was a great success, bringing together 80 countries and 28 international organizations that

committed to contributing € 3.25 billion ($4.4 billion, CFAF 2,200 billion, or 39 percent of GDP) for the PRED implementation. The return of donors should boost GDP growth in real terms to 6.6 percent in 2014 and 5.5 percent in 2015 and 2016 through its effects on the construction and services sectors. The current operations deficit (including grants) is expected to widen to 10.4 percent of GDP in 2014 but should be financed almost entirely by foreign direct investment in the gold and telecommunications sectors and external assistance in the form of loans. The overall balance of payments is expected to be slightly positive during 2014–16. The implementation of prudent monetary and fiscal policies is expected to keep inflation below the community convergence criterion of 3 percent per year as long as rainfall is favorable.

12. The government's challenge for the coming years is twofold: to promote Mali's reconciliation following the political and security crisis that shook the country, and to put the country back on the path to development by restarting the reforms that were interrupted by the crisis. The first challenge amounts to sustainably resolving the conflicts in Northern Mali, improving governance, and consolidating the nascent economic recovery. The second challenge calls for strengthening the foundations of strong, inclusive economic growth while ensuring macroeconomic stability. The donors' return will mitigate the short-term budget constraints. However, creating fiscal headroom in the medium term to finance priority expenditures in the north and south of the country will require increased capacity to mobilize domestic resources and improved quality of expenditure. To reduce the large current account deficit of the balance of payments in the medium and long term, Mali needs a dynamic, competitive, diversified private sector, which calls for improvement of the business environment.

13. To meet this dual challenge, the government intends to implement a program that: (i) supports growth through prudent fiscal policy while favoring priority expenditures to reduce poverty, including in Northern Mali; (ii) improves fiscal management on the revenue as well as expenditure side; and (iii) modernizes the business environment to encourage private sector development and strengthen competitiveness.

A. Foster Growth through Prudent Budget Policies Aligned with Priorities for the Growth and Poverty Reduction Strategy

14. The government intends to continue implementing sustainable fiscal policies in accordance with its commitments in connection with its participation in the WAEMU. In particular, the government will adopt and implement a fiscal policy aimed at maintaining the basic fiscal balance close to equilibrium within the meaning of the new definition adopted by WAEMU in 2009.[2] Moreover, the government will maintain the overall fiscal balance (including project grants, sectoral budgetary support, and capital expenditure financed from external resources) at a level compatible with public debt sustainability as indicated by the Debt Sustainability Analysis conducted annually in cooperation with IMF and World Bank staff.

15. Expenditures executed in connection with the budgets will reflect the priorities of the GPRSP and the PRED (¶10). As proof of its determination to implement those priorities, the

government agrees to maintain spending in social sectors above a floor (proposed indicative target, Table 3).

16. In the context of these commitments, the government proposes a 2014 fiscal framework along the following lines:

- The targeted amount of revenue and grants is CFAF 1,387 billion, or 22.5 percent of GDP, of which CFAF 959 in tax revenue, or 15.6 percent of GDP. The framework provides sufficient resources to cover refunds of VAT credits (¶23). This revenue objective is based on the collection of taxes on petroleum products in an amount at least equal to that observed during first quarter 2013. If the government decides to apply a lower petroleum tax rate for economic or social reasons, it will take measures with respect to revenue or non-priority expenditure to maintain the fiscal balance at the level provided in the 2014 budget proposal.

- Proposed total expenditure and net lending is CFAF 1,593 billion, or 25.9 percent of GDP, of which CFAF 1198.4 billion, or 19.5 percent of GDP financed from domestic resources. The composition of expenditure is aligned with the G-PRS objective, with 31 percent allocated to strengthening of the social sector, 28 percent to infrastructure development and productive sectors, 24 percent to governance and the public authorities, and 8 percent for the development of Northern Mali. The framework provides CFAF 20 billion for clearance of audited domestic arrears incurred vis-à-vis suppliers following the freeze on spending introduced in the wake of the March 2012 events. By March 2014, the government will propose an input subsidy strategy that will limit execution to the CFAF 35 billion envelope provided in the 2014 budget. Given the growing cost of the government's commitments in this area, the Ministry of Economy and Finance (MEF) will prepare a proposal for reform of the subsidies by end–February 2014 to limit the impact on the government budget.

- Accordingly, the anticipated basic fiscal balance shows a surplus of CFAF 31 billion (or 0.5 percent of GDP) and the overall deficit including grants (cash basis) is CFAF 242 billion (or 3.9 percent of GDP).

17. The fiscal framework differs from the 2014 draft budget law (PLF) submitted to the National Assembly by the Government on October 7, 2013 in one main respect: it includes donor implemented projects in the amount of CFAF 338 billion (5.5 percent of GDP), while the PLF includes only the amount of CFAF 184 billion (2.9 percent of GDP). In effect, the government has included in the PLF only those projects for which the negotiations had been concluded at the time of the PLF preparation. In contrast, the fiscal framework includes also those projects for which the negotiations are well advanced and the start is envisaged in 2014. The government will submit a revised draft budget to the National Assembly by May 31, 2014 with an upward revision for the foreign-financed projects to reflect the additional projects for which the negotiations have concluded.

B. Improve Public Financial Management

18. The government will continue to improve public financial management, in particular by remedying the weaknesses indicated by the public expenditure and financial accountability (PEFA) assessment in 2011. The evaluation found progress in Mali's public financial management system in the areas of budget credibility, comprehensiveness, and transparency and the preparation and execution of budget laws. However, it underscored persistent weaknesses concerning tax collection, domestic debt servicing, cash flow management, accounting, reporting, and external control. The government is continuing implementation of the Government Action Plan to Improve and Modernize Public Financial Management (PAGAM/GFP II) covering the period 2011–15.

Improve revenue management

19. The government agrees to increase the tax/GDP ratio by an amount equivalent to at least 0.5 percent of GDP per year through the implementation of tax reforms aimed at expanding the tax base and intensification of reforms undertaken by the DGI, the DGD, and the National Directorate of Government Lands and the Land Tax Register (DNDC) to increase revenue collection (proposed performance criterion, Table 3).

Reform tax policy

20. The government intends to continue gradually reducing exemptions through the implementation of the following measures:

- as begun with the 2013 budget law,[7] the inclusion of an annex to proposed budget laws containing a table of all exemptions provided in the General Tax Code, the Customs Code, the Investment Code, the Mining Codes, the law governing property development, and all other laws or government decisions providing tax benefits, the respective legal basis and implementation date, and the estimated loss of revenue for the government;
- control exemptions provided under existing laws;
- analysis of the benefits of those exemptions to the Malian economy, to be prepared by the MEF by June 30, 2014; and
- the gradual elimination, to the extent possible, of exemptions provided in the General Tax Code, Customs Code, Investment Code, Mining Code, laws governing property

[7] The 2013 budget law includes annexes quantifying exemptions from taxes and duties at CFAF 231 billion in 2011 (4.6 percent of GDP), of which CFAF 121 billion (2.4 percent of GDP) in revenue collected by the DGI and CFAF 109 billion (2.2 percent of GDP) collected by the DGD). In 2012, exemptions from taxes and duties represented CFAF 229 billion (4.3 percent of GDP) of which CFAF 111 billion (2.1 percent of GDP) in revenue collected by the DGI and CFAF 117 billion (2.2 percent of GDP) collected by the DGD. During first quarter 2013, exemptions from taxes and duties represented CFAF 50 billion (0.9 percent of GDP), of which CFAF 23 billion in revenue collected by the DGI and CFAF 27 billion collected by the DGD.

development, and all other laws and government decisions providing tax benefits, beginning with the 2015 budget law.

21. To halt the erosion of tax revenue on petroleum products,[8] the government intends to implement the following measures:

- Calculation of the retail petroleum product price structure based on actual market values of imported products, in accordance with community legislation, identification of the consumption subsidy resulting from the establishment of retail prices at levels below those indicated by that calculation, and publication of that presentation of the price structure beginning in January 2014;

- As initiated with the 2013 budget law, the inclusion in proposed budget laws of an estimate of the consequences for the government budget of the failure to fully adjust petroleum product prices to changes in international prices;

- Development of different options by end–February 2014 to adjust petroleum product prices to changes in international prices, supporting measures to minimize social consequences, and a communication strategy vis-à-vis the public by the National Office for Petroleum Products (ONAP), the DGD, and other agencies concerned, in light of Annex II of the IMF staff report on the 2012 Article IV consultations with Mali,[9] and the technical assistance report by the IMF Fiscal Affairs Department (FAD) following the August 2013 mission; and

- Implementation of a new petroleum product price adjustment mechanism by end–June 2014.

22. The government will simplify tax laws to lighten as much as possible the administrative burden of tax return preparation for operators and revenue collection for the DGI. This simplification effort will cover both the normal system applicable to major taxpayers, the simplified system applicable to medium-sized taxpayers, the synthetic tax applied to small taxpayers,[10] and the tax on wages and salaries. The government will conduct all preliminary studies and consultations with a view toward implementing this simplification beginning with the 2015 budget law.

[8] Except in 2009, tax revenue on petroleum products has declined each year since 2005, from 3 percent of GDP in 2005 to less than 1 percent of GDP in 2012. See Mark De Broeck and Roland Kpodar, Mali: petroleum product pricing mechanism, IMF, Fiscal Affairs Department, August 2013, Figure 6, page 17.

[9] Country Report No. 13/44. Mali: 2012 Article IV Consultations.

[10] As an example of the complexity of the existing tax system, the rate schedule used to calculate the flat tax includes 219 professional categories, which can be applied only through negotiation with the staff given the necessarily incomplete aspect of the categories and the multiple activities of many operators. See Patrick Fossat, et al., Mali: *Continued modernization of the tax system administration*, IMF Fiscal Affairs Department, August 2013, ¶37, page 15.

Reform the tax, customs, and government lands administrations

23. Priority will be given to the implementation of the reforms begun in 2011 aimed at long-term improvement of the operation and efficiency of the VAT, which represents roughly 40 percent of tax revenue. The following measures will be implemented to this end:

- To ensure that VAT credits are refunded within the established deadlines, the Treasury account opened at the BCEAO on January 18, 2011, the use of which is restricted to refunding VAT credits, will continue to be funded by all VAT receipts paid by mining companies on their imports, and 10 percent of domestic VAT receipts.

- To simplify the budget treatment of VAT credit refunds, the government proposes to convert the escrow account at the BCEAO described above to a "special Treasury appropriation account" in the 2014 budget law, in accordance with the provisions of financial regulations. The mechanism will ensure that VAT credits are properly and effectively refunded as required by community legislation to exporting gold companies and to all other companies that generate VAT credits except resellers, as it currently stands. VAT refunds payable to gold companies for 2012 amount to CFAF 47.9 billion, of which CFAF 7.2 billion were paid in 2013, and are estimated at CFAF 46.8 billion for 2013, of which 11.7 billion will be paid in 2014. The amount of VAT credits generated by gold companies in 2014 is estimated at CFAF 51.7 billion, of which CFAF 12.9 billion will be paid in 2015.

- To eliminate the accumulation of VAT credits vis-à-vis domestic operators, the system of VAT withholding at source will be eliminated entirely on January 1, 2014.[11]

- To ensure that the elimination of VAT withholding at source does not result in a loss of tax revenue, the DGI: (i) will implement a communication campaign by end–November 2013 regarding taxpayer obligations with respect to declaring and paying VAT, which will be directed particularly at suppliers to large businesses and all government suppliers; and (ii) closely monitor effective VAT payment by government suppliers, for which VAT withholding at source will be eliminated on January 1, 2014.

- To increase the number of businesses that effectively pay VAT,[12] the DGI will launch a campaign to audit VAT credits, beginning with businesses whose activity should not systematically generate VAT credits (particularly commercial activities and service providers), and produce a report on the interim results of the audits by February 28, 2014.

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[11] VAT withholding at source was eliminated on December 31, 2011 except for the Treasury, for which it is being gradually eliminated as from May 31, 2013, when Treasury withholding at source was reduced to 40 percent of VAT.

[12] During the period January 1, 2012 to May 31, 2013, only 27 percent of large businesses and 20 percent of medium-sized businesses effectively paid VAT, given the large number of permanent VAT credits. See Patrick Fossat, et al., August 2013.

- To simplify VAT collection, the government introduced a provision in the 2014 tax annex to the 2014 budget setting the VAT turnover threshold at CFAF 50 million.

24. The DGI, the DGD, the DNDC, and the Directorate General of Government Property Administration (DGABE) will continue their efforts to improve tax, customs, and property administration:

- Implementation of multidisciplinary verifications

    - The Joint Economic and Financial Intelligence Committee (CMRIEF) was created on March 15, 2012 to improve the efficiency of tax audits and identify new taxpayers by using, inter alia, all databases of taxpayers or economic operators available to the DGI, the DGD, the DNDC, the DGABE, and the Directorate General of Public Contracts (DGMP).

    - By comparing imports declared to the DGD and turnover reported to the DGI, the CMRIEF determined that over 80 percent of importers, or roughly 1,000 businesses, appear to have understated their turnover reported to the DGI in 2011 and 2012 by an estimated total of CFAF 500 billion in each of those years (¶9). The DGI included those businesses in its 2013 audit program, beginning with the 430 businesses that appear to have underreported their turnover by the largest amounts in absolute terms, and will produce a report on the interim results of the verification program by February 28, 2014 (proposed benchmark, Table 4).

    - By comparing the public contract amounts in the DGMP database with turnover reported to the DGI, the CMRIEF determined that over 90 percent of government contractors, or roughly 450 businesses, reported turnover less than the value of the contracts awarded to them in 2010 and 2011. The DGI will include those businesses in its 2013 audit program, beginning with the 430 businesses that appear to have underreported their turnover by the largest amounts in absolute terms, and will produce a report on the interim results of the verification program by February 28, 2014 (proposed benchmark, Table 4).

- *Change in the DGE and DME business turnover thresholds to rationalize taxpayer administration*. To improve management of taxpayers and expand the number of taxpayers managed by the DGE and the DME, the Council of Ministers adopted an administrative order raising the DGE turnover threshold from CFAF 500 million to CFAF 1 billion, and will issue an order that will reduce the DME turnover threshold from CFAF 100 million to CFAF 50 million. This modification will improve DGE management and oversight of businesses, rapidly increase the number of taxpayers managed by the DME, and improve VAT administration by placing full responsibility with the DGE and the DME as soon as the Parliament adopts the proposed law setting the VAT turnover threshold at CFAF 50 million (¶23).

- *Promotion of voluntary taxpayer compliance*. The DGI published the list of taxpayers managed by the DGE and the DME on the MEF website in October 2011, and the updates in July 2013, in order that the public could appreciate the results of efforts to expand the tax base. As at September 30, 2013, the DGE handled 422 taxpayers, the DME handled 1,359, and the individual taxpayer offices (*Centres des Impôts*, CDIs) for the six communes of Bamako handled 80,508 taxpayers.

- *Increase in the number of taxpayers managed by the DGE and the DME*. The DGI agrees to increase the cumulative number of taxpayers managed by the DGE and the DME by at least 50 percent in 2014 and 25 percent per year thereafter starting in 2015 using, in particular, the results of audits initiated following CMRIEF reports.

- *Improvements in the SIGTAS taxpayer database*. The SIGTAS database includes numerous data entry errors, which will be corrected to the extent possible before June 30, 2014. Regular reports will be produced for this purpose.

- *Payment of taxes to the DGE and the DME via bank transfer*. To simplify the payment of taxes, the DGI will identify, by February 28, 2014, the measures needed to enable the DGE and DME taxpayers to pay their taxes by bank transfer.

- *Improved efficiency of tax audits*. The DGI agrees to increase the share of large and medium-sized businesses audited from the current 10 percent to 25 percent for large businesses and 20 percent for medium-sized businesses in 2014. The DME commits to reduce the non-filer rate among medium-sized businesses from 26 percent between January 2012 and April 2013 to less than 15 percent in 2014 and less than 10 percent in 2015. The DGI agrees to reduce the non-filer rate for CDIs from over 70 percent between January 2012 and April 2013 to less than 45 percent in 2014 and less than 15 percent in 2015.

- *Improved effectiveness of the DGD*. The DGD will carry out its action plan to implement the recommendations of the June 2013 FAD technical assistance mission.[11] The action plan aims to: (i) optimize human resources management; (ii) improve management of material and financial resources; (iii) control commercial operations; (iv) intensify efforts to combat fraud and cross-border crime; (v) facilitate trade and partnership; and (vi) optimize information and communication technologies by implementing the migration to the SYDONIA World system on January 31, 2015. Ultimately, the migration is expected to allow all customs documents to be processed in paperless form and institute a fully electronic customs declaration system. To contribute to maintaining the competitiveness of Malian businesses, the DGD will more systematically strengthen verification of certificates of WAEMU origin in cooperation with the issuing authority and will produce an internal report on the results of verification prior to February 28, 2014.

- *Modernization of the DNDC*. The DNDC will implement the recommendations of the organizational audit sponsored by the Institutional Development Commission (*Commissariat au development institutionnel*) essentially concerning modernization of its organization and automation of tasks. The DNDC will implement measures to increase the collection of capital gains tax on real estate sales by individuals, the collection of which began on October 1, 2011. The DNDC will continue activities to establish the land register and will set up a secure archiving system. It agrees to associate at least 4,000 property titles in the land register information system database by June 30, 2014 in addition to the 1,500 titles currently recorded in the database.

- *Modernization of the DGABE*. The Ministry of State Domains and Land Affairs (MDEAF) will modernize the DGABE through the introduction of modern management tools such as results-based management, greater utilization of automated systems (use of the materials accounting application in the accounting offices of ministries and public institutions), and implementation of reforms for better monitoring and appraisal of the government portfolio.

25. To consolidate its efforts to reform the tax system and the tax and customs administrations, the government has requested assistance under the IMF tax and customs policy and administration topical trust fund to develop a multi-year technical assistance program linked to the achievement of results. The DGI and the DGD will prepare a program of reforms accompanied by a timetable and communication plan to implement the recommendations of the Fossat report prior to end-November 2013.

26. To develop its capacity to supervise mining companies and improve the mining and petroleum code, the government also requested assistance under the IMF natural resources wealth topical trust fund. The DGI and the National Directorate of Geology and Mines will transmit to the IMF staff all financial statements of all mining companies in operation from the start of the development phase and, if possible, the exploration phase; all feasibility or pre-feasibility studies for recent and future projects; and all contracts (including amendments), prior to November 30, 2013.

Improve expenditure management

27. The government will take measures to improve the regulatory framework for public financial management as well as for the preparation, execution, monitoring, and control of budget execution.

Transpose the harmonized legislative framework prescribed by WAEMU directives

28. The government agrees to transcribe in national laws and regulations WAEMU directives no. 01 and no. 06 to no. 10/2009 concerning the transparency code, budget laws, public accounting, budget nomenclature, the government chart of accounts, and the fiscal reporting table (TOFE). Directives 1 and 6 have been transposed. The administration has prepared draft texts transposing directives 7 through 10 and submitted them for opinion to the WAEMU Commission. The government also agrees to transcribe Directive 01/2011 concerning the financial regimes of local governments. The government will ensure that the regulatory texts are published as soon as the laws and decrees transposing the directives have been adopted in order that they can be

implemented beginning in fiscal year 2014. They will be accompanied by instructions and guides to ensure they are quickly and uniformly understood to facilitate implementation.

Improve preparation of the government budget

29. To improve the budget presentation and facilitate assessment of the efficiency of public expenditure, the government will gradually implement budget programming and results-based management, in accordance with applicable WAEMU directives. A first step will be the 2014 vote on the proposed 2015 budget, which will take the form of program budgets as provided by the directive on budget laws. During a transitional period, the government will present not only the annexes described in the directorate but also, for information, a distribution of appropriations according to the current resource-based budget and a distribution of appropriations by region.

30. In order to gain visibility as early as possible as to the budgetary support provided by the technical and financial partners (TFP), the government will propose a joint budget review to the TFP, to take place during the first half of the year.

31. In order to involve the National Assembly in budget preparation as early as possible, beginning in 2014 the government will organize budget strategy discussions [with] the National Assembly during the first half of the year on the following year's budget proposal. The information prepared for the discussions, and all other reports relating to budget preparation and execution, will be published on the website of the Ministry of the Economy, Finance, and Budget (MEFB) in order to fully inform all stakeholders in Mali's development.

Improve government budget execution

32. In the context of 2013 budget execution and pursuant to community directives, commitments of ordinary operating expenditure and capital expenditure will be closed on November 30, 2013; commitments of other expenditures will be closed on December 20; payment orders will be closed on December 31, 2013; and government accountants' processing of payment orders, approval of invoices, and validation and authorization of payments will close on January 31, 2014. Accordingly, the carryover period will be limited to accounting operations, and an accounting closing circular was published on September 26, 2013 indicating the deadlines for commitments and validation with a view toward closing payment orders on December 31, 2013.

33. To improve transparency and expedite the process of awarding public contracts, the DGMP -DSP agrees to increase the information on contract awards published on its website, in line with practices observed in neighboring countries. The DGMP agrees to publish a list of government contract awards at regular intervals, specifying for each contract the contractor, contract amount, type of contracting procedure (e.g., open or limited competition, direct negotiation), and a citation to the provision of the government contracts code providing for the contracting procedure

selected.[13] The DGMP also agrees to propose measures by March 31, 2014 to expedite the signature of contracts in order to reduce the average time required to award contracts.[14]

34. To maximize the profitability of public investments and minimize the associated cost, the Directorate General of the Budget (DGB) and the National Directorate of Planning and Development (DNPD) will propose, by April 30, 2014, an action plan to achieve the following objectives once the 2015 budget proposal is prepared:

- evaluate the cost of projects proposed by sector ministries using a market price list;
- evaluate the possibility of refocusing appropriations to favor the completion of key projects;
- improve the methods of selecting investment projects to give preference to projects with certain, program financing that can be started without delay;
- strengthen the sector ministries' expertise and the DNPD's capacity for critical review in the selection of investment projects.

35. To gradually improve budgeting procedures and the monitoring and execution of investment appropriations, the following measures will be adopted:

- The 2013 budget law and proposed 2014 budget law introduced the budgeting of commitment authorizations (AEs) and payment appropriations (CPs) relating to three–year public investment expenditure. On that basis, the MEFB is arranging for the monitoring of AEs and CPs using the PRED5 expenditure management system.
- The procedure for carrying over CPs will be implemented through a transitional system in preparation for full application of the carryover system provided by WAEMU directives. The transitional system authorizes the carryover of CPs provided they are secured (i.e., covered by corresponding financing or budget savings in the following year) and provided for in the following year's cash flow plan. Also, unsecured CPs may be carried over up to a limit of 10 percent of the initial appropriations of the budget for domestically financed investment, subject to the existence of financing in the following year's cash flow plan. In prioritizing CPs to be carried over, those associated with validated expenditures for which payment orders have not been issued will take precedence up to the above ceiling; beyond that ceiling, the authorities must prepare a supplemental budget. The terms and procedures for implementation of carryovers will include an order adopted by the Council

[13] In 2011, the government awarded 1,586 contracts for a total of CFAF 418 billion (US$840 million, or 8.3 percent of GDP), of which 80 percent were awarded pursuant to open competitive bidding (56 percent in terms of value), 9 percent through limited dating (20 percent in value), and 7 percent through direct negotiation (24 percent in value).

[14] The average time required to award contracts decreased from 121 days in 2010 to 94 days during the first half of 2013.

of Ministers prior to March 31 of the following year that will identify: (i) CPs without payment orders as of December 31 that were canceled in previous year and carried over to the following year under the conditions indicated above; and (ii) CPs canceled and not carried over.

- Beginning with the implementation of the 2015 budget law, the procedure for carrying over CPs will be implemented in a system providing for full application of the carryover system provided by WAEMU directives, which only allow secured CPs included in the cash flow plan to be carried over.

36. To improve the expenditure execution process,[15] the government will conduct an audit of the expenditure cycle with technical assistance from FAD by February 28, 2014 (proposed structural benchmark, Table 4). The audit will evaluate the expenditure process and propose any useful rationalization to improve efficiency and consolidate the MEFB's institution of the payment arrears monitoring mechanism.

37. The monitoring of payment periods will be improved to avoid the accumulation of arrears. The fiscal management applications (PRED5 and AICE) will be used to monitor execution times for payment orders and ensure that payments are made within 90 days of validation of expenditure, in accordance with applicable WAEMU directives. Monthly tables will be produced for this purpose.

Enhance the transparency of public finances

38. To improve transparency as to the government budgetary, liquidity, and asset position, the DNTCP will gradually implement the new WAEMU directives on the fiscal reporting table (TOFE) and other financial statements. To ensure an orderly transition to the new TOFE, the DNTCP will the TOFE produce, during 2014, the TOFE using the 1996 and 2009 nomenclatures based on the TOFE as at December 31, 2013. In 2014, the program monitoring will be based on the 1996 TOFE. Beginning in 2015, the DNTCP will produce the TOFE using only the 2009 nomenclature to monitor budget execution, and program monitoring will be based on the 2009 TOFE. In 2014, the DNTCP will focus its attention first on producing three of the four financial statements provided by the 2009 directive, i.e.: (i) the TOFE (proposed benchmark, Table 4); (ii) the statement of public debt; and (iii) the presentation of cash flow operations. The fourth financial statement, i.e., the balance sheet of government assets and liabilities, will be produced for the first time in 2015 based on the position as at end–2014.

39. The implementation of the new integrated treasury accounting application, AICE, will continue. It was deployed at the Koulikoro regional treasury office in January 2013, and will be deployed at the Treasury Central Accounting Agency (ACCT) before end–June 2014. Deployment

[15] The expenditure cycle is rather slow but complies with the WAEMU target for the time from validation to payment. For example, the average length of the commitment phase at the Ministry of Health is 50 days, and 52 days for the validation-payment phase (see "IMF Country Report No. 13/295. Mali: Technical Assistance Report. Resuming implementation of the WAEMU harmonized fiscal framework in a post-crisis context., page 30).

and testing of various functions of the application in the regions of Kayes, Ségou, Sikasso, Mopti, Tombouctou, Gao et Kidal and in the ACCT to carry out consolidation of budget execution and accounting in real time will be implemented by end–2014.The deployment of the AICE at the ACCT will facilitate the production of all the consolidated statistical accounting statements of government entities connected to the system, including the integrated Treasury accounts balance and the TOFE by January 1, 2015.

Improve treasury management

40. The DNTCP will continue the efforts under way to strengthen its knowledge of the line items comprising the net government position (PNG) vis-à-vis the banking system.[16] The DNTCP will produce a report by February 28, 2014 analyzing the changes in the PNG components, distinguishing the changes in line items most important to the net Treasury position (PNT) and those for the net position of other public entities (PNACP) in 2012 and 2013. The report will present the stocks at the beginning and close of the fiscal year and identify all owners of the accounts included in the PACP (proposed benchmark, Table 4). The BCEAO will continue to provide the DNTCP with the PNT extracted from the monetary survey in order to compile the TOFE in accordance with applicable WAEMU directives.

41. The DNTCP will gradually implement the single Treasury account (STA) at the BCEAO. As an initial step, to be implemented by June 30, 2014, 179 accounts maintained for the government accountants included in the scope of the PNT will be transferred to the STA —except those in areas where the BCEAO doesn't have offices, and after considering the results of the study of the impact on commercial banks of the transfer of the Treasury accounts to the BCEAO. As a second step to be carried out in 2015, the funds of all administrative public entities (EPAs) will be integrated with the TSA, beginning with those receiving the largest share of subsidies or direct public financing. The obligation of EPAs to deposit funds with the Treasury will be clearly reestablished and upheld under the principle of a single account provided by the applicable 2009 WAEMU directive. The government will clarify existing texts relating to EPAs deposit of funds with the Treasury by December 31, 2014. In the meantime, the government will consolidate the Malian matching funds for new co-financed projects in an escrow sub-account open at the BCEAO for those projects whose donors agree to the principle. The transfer of public funds to the STA will begin with the nine banks (of a total of 13) for which the BCEAO simulation as at December 31, 2012 indicated a liquidity ratio above the minimum 75 percent if government deposits were transferred to the STA.[17]

[16] As at December 31, 2012, the PNG was a creditor position of CFAF 54 billion (1.1 percent of GDP) for the government in the broad sense of the WAEMU directive on the TOFE, including a Treasury net debtor position of CFAF 112 billion (2.1 percent of GDP) and a net creditor position for other public entities of CFAF 166 billion (3.2 percent of GDP).

[17] See Benoît Taiclet et al., April 2013, page 12.

42. The DNTCP will strengthen its control of the EPAs.[18] The government will extend the accounting system prepared by the DNTCP to the EPAs on a mandatory basis prior to end–2013. The DNTCP will ensure that each EPA transmits semiannual budget execution reports to the DGPC and the responsible Directorate of Finance and Materials on a regular basis.

Strengthen internal and external control

43. The entities responsible for internal and external control will be strengthened. The internal and external control units indicated numerous administrative weaknesses in fiscal management in Mali. Internally, the *Contrôle Général des Services Publics* noted, inter alia, the lack of procedures manuals and utilization of manuals in the administration. To correct these weaknesses, the government adopted a 2011–15 national internal control strategy in August 2011, which will be implemented with support from several of the TFPs. The Auditor General's Office (BVG) is planning to undertake 27 audits in 2014 compared with 20 in 2013. The staffing of the Supreme Court Accounting Section will be increased, and the section will be transformed into a Court of Audit as soon as possible, in accordance with the relevant WAEMU directive.

44. The production and audit of the annual government financial statements will be accelerated. The Supreme Court is implementing a strategy of reconciling the accounts based on review of account positions produced by the DNTCP. For public accounts prior to 1992, the government adopted a proposed validation law on June 29, 2011 which the National Assembly approved on January 3, 2013. The Accounting Section reviewed the public accounts for fiscal years 1992 through 2008. The National Assembly approved budget review laws for fiscal years 2008, 2009, and 2010. The government submitted a proposed review laws for fiscal year 2011 to the National Assembly. It will adopt the proposed review law for fiscal year 2012 by end–2013, in accordance with relevant WAEMU directives.

Bring the public sector and private sector social security funds into financial balance

45. The government intends to adopt measures to ensure financial equilibrium of the *Caisse Malienne de Sécurité Sociale* (CMSS), which administers civil service pensions, and the *Institut National de Prévoyance Sociale* (INPS), which administers the pension plan, occupational accident insurance, and family benefits for private sector employees. According to recent actuarial studies (2005 and 2010 for the CMSS, 2006 for the INPS), the two systems could each face a deficit of 1 percent of GDP in 2015 unless reforms are implemented. The government presented a proposed law for reform of the CMSS to the National Assembly in 2008. In line with the reforms adopted by the National Assembly and analyses under way with technical assistance from the World Bank, the government will prepare before December 31, 2014 and implement reform plans for both systems

[18] Of the one hundred existing EPAs, only nine transmit their accounts on the regular basis. See Benoît Taiclet et al., April 2013, ¶ 84, page 39.

to eliminate their deficits in the medium term and create the fiscal headroom needed for priority spending under the G-PRSP.

Conduct a sustainable borrowing policy

46. The government will continue to conduct an external borrowing policy compatible with maintaining a sustainable level of external debt. The most recent debt sustainability analysis conducted with staff of the IMF and World Bank concluded that the risk of debt overhang remains moderate.[19] The analysis also confirms that debt sustainability is highly sensitive to the price of gold (representing 70 percent of exports, production of which will decline in the medium term), to financial and borrowing conditions, and to the continuation of sustainable fiscal policies. Therefore, the government reiterates its commitment to cover its external financing needs primarily with grants and loans with a minimum grant element of 35 percent. In 2013, the government confirms its commitment assumed at the time of its May 10 request for disbursement of RCF funds to limit the amount of nonconcessional loans to the amount of the two strategic loans signed in the electricity sector representing a cumulative total of CFAF 85 billion (proposed continuous performance criterion, Table 3).[20] In 2014, the government will not contract any nonconcessional loans. At the time of each program review, it reserves the right to reconsider this commitment if it identifies investment projects critical to the Malian economy that could not be financed under concessional terms.

47. Domestic debt management will be strengthened. To this end, the DGDP will compile an inventory of all domestic loan and guarantee agreements signed by the government in order to include the repayment schedules in the public debt data and budget laws. The DGDP has begun to collect this data from local banks, and has already identified direct and indirect government commitments vis-à-vis the banking sector of CFAF 247 billion (4.4 percent of GDP) as of September 30, 2013, of which CFAF 17 billion of past due amounts. A payment schedule was negotiated with the banks whereby CFAF 7.5 billion was repaid in 2012 and CFAF 9.2 billion in 2013. The DGDP has begun a second inventory of government arrears vis-à-vis the banking system, the results of which are expected by the end of the year. The government has retained a firm to conduct an audit of cumulative government domestic arrears following the spending freeze in the wake of the 2012 coup. The firm will provide its conclusions in December 2013, and the government will record a provision of CFAF 20 billion in the 2014 PLF to clear the arrears confirmed by the audit (¶16).

[19] See Mali: Joint [IDA]/IMF Debt Sustainability Analysis under the Debt Sustainability Framework for Low Income Countries (forthcoming).

[20] See IMF Country Report No. 13/168. Mali: Request for Disbursement under the Rapid Credit Facility.

C. Improve the Business Environment to Encourage Private Sector Development

48. The government will remove the principal constraints to the business environment, which were identified by the joint report of the World Economic Forum, the World Bank, and the African Development Bank on Africa's competitiveness as access to financing, corruption, insufficient infrastructure (including in the energy sector), complex tax laws, administrative bureaucracy, and labor force qualifications.

49. The government will take measures to mobilize resources to invest in infrastructure and simplify tax laws (¶22). In addition, it will take the following measures to maintain the stability of the financial sector and improve access to financing, improve the financial position and productive capacity of the electricity sector, and reduce corruption.

Promote stability and development of the financial sector

50. Recognizing that a sound financial sector is indispensable to keeping Mali on the path to sustainable growth, the government will resolve the most pressing problems for the sector. In particular, the government agrees to:

- provide for the security of bank branches that have reopened in Northern Mali since August;
- carry out the privatization of the Banque de l'Habitat du Mali by end–2014; the BHM will release its financial statements (balance sheet and income statement) in the local press;
- prepare an analysis by February 28, 2014, in consultation with the BCEAO, of the causes for the relatively large amount of past due and nonperforming loans on the banks' balance sheets, and solutions to reabsorb them; the MEF has requested technical assistance from an IMF Monetary and Capital Markets Department mission for this purpose; and
- restore confidence in the microfinance sector by closing insolvent institutions and devising a system to compensate depositors.

Reform the electricity sector

51. The government will adopt measures to eliminate the structural deficit between the cost and selling price of electricity in Mali. Beginning in the early 2000s, the government instituted and electricity pricing policy that provides for the possibility of adjusting electricity prices to trends in the company's operational costs order to pay a subsidy enabling the public electricity company (EDM) to meet the objectives assigned to it. Pursuant to that policy, the government has

implemented four price adjustments since 2003,[21] resulting in a cumulative 8 percent reduction of the average price of electricity, while international prices of petroleum products increased by a factor of 2.6 over the same period. The increased price of hydrocarbons, the rapidly growing share of thermal production in the energy production mix, and the increasing operational difficulties as EDM (largely associated with the company's cash flow difficulties) served to exacerbate a loss that now stands at CFAF 27 per kWh[22] and total losses of CFAF 18 billion in 2011 and CFAF 12 billion in 2012, despite government subsidies of CFAF 11 billion in 2011 and CFAF 30 billion in 2012. By end-February 2014, the Council of Ministers will review the new proposals prepared jointly by the MEFB, the Ministry of Energy, and EDM to restore a positive margin between the selling price and average cost of electricity (structural benchmark, Table 4).

52. Pursuant to its electricity pricing policy, the government provided for a subsidy of CFAF 57.5 billion to EDM in 2013 and CFAF 30 billion in 2014 to keep the company financially afloat. Those transfers are necessitated by the government's decision to stabilize electricity prices and support the efforts to consolidate and strengthen the financial soundness of the sector. In the absence of a price adjustment, EDM's projected cash flow plan indicates the need for a subsidy of at least CFAF 55 billion in 2014 to enable it to meet its production objectives, pay its suppliers, repay debts, and maintain its bank overdraft within the ceiling of CFAF 22.5 billion negotiated with local banks. The amount of the transfer will be reviewed in March 2014 in light of the decisions by the Council of Ministers on the subject of options to eliminate the structural imbalance between the EDM's revenue and costs (¶51).

53. In the interim, the government will continue to regularly pay its electricity invoices and support the implementation of the sector development strategy by mobilizing financing for structural investments. In the context of that strategy – which includes expansion of the distribution network, interconnection with neighboring countries' networks, and diversification of production modes and is supported by the World Bank, among others – increased attention will be given to selecting investments based on development criteria at the lowest cost. The government will pay a subsidy of CFAF 30 billion included in the 2014 budget proposal at the start of the year in order to lessen the company's cash flow difficulties to the extent possible. EDM will take all steps necessary to increase its billing rates and reduce operating costs. EDM will release its financial statements (balance sheet and income statement) on its website.

Combat corruption

54. The government will conduct a vigorous anticorruption campaign. To this end, it agrees to carry out all measures described above to improve the management and transparency of public

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[21] Two reductions of 10 percent and 8 percent in 2003 and 2004, respectively, and two increases of 4 percent and 7 percent in 2009 and 2013, respectively, in the average price of electricity.

[22] In 2012, the average selling price of electricity was CFAF 91/kWh while the average cost was CFAF 127/kWh. In 2013, the average selling price is CFAF 96/kWh after the March 1, 2013 adjustment and the anticipated cost is CFAF 123/kWh.

finances, present to the National Assembly and enforce a proposed law against unlawful enrichment, enforce the provisions of the law providing for annual financial reporting by senior government officials to the Supreme Court, and address the problem of the endemic corruption in the judiciary, in particular by requiring judges to publish the rationale for judgments rendered. The government will give priority to addressing governance shortcomings identified by the BVG in its annual and sectoral reports. It will take all steps necessary to sanction transgressing agents through administrative or judicial measures, as applicable. Each year, the government will publish a report providing an update on remedial measures taken in response to the findings made by the BVG. The first report will be put online on the site of the Prime Minister's office by February 28, 2014. During the next review, the government will examine with IMF staff the extent to which intensified implementation of international anti-money laundering and terrorism financing directives in the financial sector could help the country combat corruption.

Program monitoring

55. The program will be monitored based on periodic performance criteria as at end–December 2013 and end–June and end–December 2014, continuous performance criteria, and indicative targets at end–March and end–September 2014, (Table 3), and structural benchmarks (Table 4). Performance criteria, indicative targets, and structural benchmarks are defined in the technical memorandum of understanding (TMU), which also defines the scope and frequency of data to be reported for program monitoring purposes. Completion of the first and second reviews under the program is expected on or after May 1, 2014 and on or after November 1, 2014, respectively.

Table 1. Mali: Indicative Targets, 2012–13 [1]

	2012	2013									
	Dec.	March				June				Sep.	Dec.
	Est.	Prog. [2]	Adj. Target	Est.	Status	Prog. [3]	Adj. Target	Est.	Status Prel.	Prog. [3]	Prog. [3]
					(in CFAF billions)						
Government bank and market financing (ceiling) [4]	74	29	20	-2	Met	52	27	-40	Met	34	24
Cumulative increase in external payments arrears (ceiling) [5]	27 [8]	0		0	Met	0		0	Met	0	0
New external borrowing contracted or guaranteed by the government on nonconcessional terms (ceiling) [5]	53	0		0	Met	85 [6]		0	Met	85 [6]	85 [6]
Gross tax revenue (floor)	816	182		191	Met	418		420	Met	676	907
Basic fiscal balance (floor) [7]	-40	-15	-9	35	Met	-41	-38	77	Met	-40	-22
Priority spending (floor)	312	38		62	Met	122		158	Met	217	346
Memorandum items:											
External budget support	4	0		0		10		59		114	154
General budgetary grant	4	0		0		10		59		74	114
Net change in pending bills (– = reduction)	-8	0		-8		-13		-1		-10	7
Tax refunds (–)	-58	-9		-4		-25		-22		-37	-50
Net change in arrears (– = reduction)	14	-4		8		-37		-27		-50	-66

Sources: Malian authorities; and IMF staff projections.

[1] Cumulative figures from the beginning of the year. See Technical memorandum of understanding (TMU) for definitions.

[2] IMF Country Report No. 13/44: Mali-Staff Report for 2012 Article IV Consultation and RCF Disbursement.

[3] IMF Country Report No. 13/168. Mali-Staff Report for Disbursement under the Rapid Credit Facility.

[4] The indicative target is subject to adjustment for external budget support, reduction of pending bills, tax refunds, and arrears payment. See TMU for more details.

[5] These indicative targets will be monitored on a continuous basis since the beginning of the year.

[6] These indicative targets in 2013 are linked to a loan $138.3 million by the Exim Bank of China of and a loan of € 24.5 million by the Islamic Development Bank to increase the supply of electricity.

[7] The targets for this indicative target are subject to adjustment for budgetary grants and tax refunds.

[8] Cumulative figures from the beginning of 2011.

Table 2. Mali: Structural Benchmarks for 2013

Measures	Timing	Macroeconomic rationale	Status
Produce, using the expenditure management software PRED 5, monthly reports tracking the time elapsed between the issuance of payment orders and actual payment.	28-Feb-13	Prevent the accumulation of arrears	Met
Produce a report, by the Joint Economic and Financial Intelligence Committee (CMRIEF), comparing the value of imports declared by operators in the ASYCUDA database of the Customs Directorate (DGD) with the turnover declared to the Tax Directorate (DGI) to identify taxpayers who might have underestimated their taxable earnings.	28-Feb-13	Increase tax revenue	Met
Preparate a report, by the National Directorate of the Treasury and Public Accounting (DNTCP), on the net government position vis-à-vis the banking system (NGP) at December 31, 2012, examining in detail all the items of the NGP and identifying—within all the items included in the NGP in the broad sense as used by the BCEAO pursuant to Community provisions—all those that are included in the narrow NGP and, within these, government assets in the banking system that are available for cash operations in 2013.	28-Feb-13	Improve cash management	Met
Review, by the Council of Ministers, the proposals prepared jointly by the Ministry of Economy, Finance and Budget , the Ministry of Energy, the state elelctricty company (EDM) and the Water and Energy Regulatory Commission (CREE) with a view to establish a profit margin between the sales price and the average cost of electricity.	30-Jun-13	Reduce budget transfers and raise economic growth	Not met Postponed to February 28, 2014
Draft a report, by the Tax Directorate (DGI), on the interim results of its tax audits on importers whose reported turnover seemed uncharacteristically low according to the February 2013 report of theJoint Economic and Financial Intelligence Committee (CMRIEF).	31-Aug-13	Increase tax revenue	Met
Report on the results of an audit of domestic arrears accumulated by the government in 2012 following the spending freeze in the wake of the March 2012 events and the reduction of appropriations in the 2012 supplementary budget.	31-Aug-13	Support economic activity by clearing arrears owed to operators.	Not met Postponed to December 31, 2013

Source: Malian authorities.

Table 3. Mali: Proposed Performance Criteria and Indicative Targets, 2013–14 [1]

	2013	2014			
	Dec.	March	June	Sep.	Dec.
	Prog.	Prog.	Prog.	Prog.	Prog.
	(in CFAF billions)				
Performance criteria [2]					
Net domestic bank and financial market financing of government (ceiling) [3]	24	30	48	38	11
Non-accumulation of external government payments arrears (ceiling) [4]	0	0	0	0	0
Non-concessional external debt at terms of one year or more and short-term external debt contracted or guaranteed by the government and/or public enterprises (ceiling) [4]	0	0	0	0	0
Gross tax revenue (floor)	911	231	499	742	1020
Indicative targets					
Basic fiscal balance (floor) [5]	-18	-43	-35	43	31
Priority poverty-reducing expenditure (floor)	346	50	122	233	382
Memorandum items:					
External budgetary support	184	0	0	96	142
General budgetary grant	144	0	0	96	96
Net change in budgetary float (– = reduction)	7	53	53	-8	-8
Tax refunds (–)	-58	-5	-13	-20	-62
Net change in arrears (– = reduction)	-37	-31	-34	-31	-28

Sources: Malian authorities; and IMF staff projections.

[1] Cumulative figures from the beginning of the year, unless otherwise indicated. See Technical memorandum of understanding (TMU) for definitions.

[2] End-December 2013, end-June 2014, and end-December 2014 are test dates for performance criteria; end-March and end-September 2014 are test dates for indicative targets.

[3] This target is subject to adjustment for external budget support, reduction of pending bills, tax refunds, and arrears payment.

[4] Monitored on a continuous basis since the signing of the letter of intent in 2013 and the beginning of the year in 2014.

[5] This indicative target is subject to adjustment for budgetary grants and tax refunds.

Table 4. Mali: Proposed structural benchmarks for 2014

Measures	Timeframe	Macroeconomic rationale
Submission of a report to the Cabinet of Ministers by the Directorate General of Taxes (DGI) on the interim outputs of its corporate verification program, for which the Joint Economic and Financial Intelligence and Investigation Committee (CMRIEF) produced reports in February and September 2013 showing that turnover was abnormally low.	28-Feb-14	Increase tax revenue
Distribution to donors of a report on the results of an audit of the expenditure chain.	28-Feb-14	Improve governance and budget execution
Publication of a report on the website of the Ministry of Economy and Finance by the National Directorate of the Treasury and Public Accounting (DNTCP) analyzing the movements of the items of the Net Government Position towards banks (NGP), highlighting the movements of the most significant items included in the net Treasury position (NTP) and in the net position of other government entities (NPACP) in 2012 and 2013 as well as presenting the beginning- and end-of-year stocks and identifying the holders of all accounts included in the NPACP.	28-Feb-14	Strengthen cash management
Dicussion by the Council of Ministers of proposals prepared jointly by the Ministry of Economy and Finance, Ministry of Energy, and the state electricty company *Energie du Mali* (EDM) with a view to establishing a profit margin between the sales price and the average cost price of electricity.	28-Feb-14	Reduce budget transfers and increase economic growth
Government Flow of Funds Table (TOFE) for end-December 2013 and end-March 2014 in keeping with the latest applicable WAEMU directive of 2009.	30-Jun-14	Improve fiscal transparency

Table 5. Mali: Central Government Consolidated Financial Operations, 2014
(Billions of CFAF)

	March Prog.	June Prog.	September Prog.	December Prog.
Revenue and grants	302.8	641.3	1,053.6	1,387.1
Total revenue	264.2	562.0	834.6	1,111.6
Budgetary revenue	239.3	512.2	760.0	1,012.1
Tax revenue	226.3	486.2	722.1	958.6
Direct taxes	71.6	166.1	232.4	334.9
Indirect taxes	154.7	320.1	489.7	623.7
VAT	85.2	177.1	270.7	367.4
Excises on petroleum products	7.3	14.9	22.8	30.2
Import duties	30.9	63.0	96.2	127.2
Other indirect taxes	36.1	77.8	119.6	160.5
Tax refund	-4.8	-12.7	-19.6	-61.7
Nontax revenue	13.0	26.0	37.8	53.5
Special funds and annexed budgets	24.9	49.8	74.6	99.5
Grants	38.6	79.3	219.0	275.5
Of which: Projects	24.4	49.4	78.5	120.0
Of which: Budgetary support	14.2	28.4	138.3	152.5
General	0.0	0.0	95.7	95.7
Sectoral	14.2	28.4	42.6	56.8
Total expenditure and net lending (payment order basis)	401.2	801.2	1,190.7	1,592.9
Budgetary expenditure	377.5	753.7	1,119.5	1,498.0
Current expenditure	221.5	441.1	646.3	851.7
Wages and salaries	82.6	165.2	247.8	330.4
Goods and services	61.6	123.1	184.7	246.2
Transfers and subsidies	68.4	136.9	189.8	242.7
Interest	8.9	16.0	24.0	32.4
Of which: domestic	3.7	5.5	8.3	11.0
Capital expenditure	156.0	312.6	473.3	646.3
Externally financed	93.1	186.8	284.6	394.8
Domestically financed	62.9	125.8	188.6	251.5
Special funds and annexed budgets	24.9	49.8	74.6	99.5
Net lending	-1.1	-2.3	-3.5	-4.6
Overall fiscal balance (excl. grants)	-137.0	-239.2	-356.1	-481.3
Overall fiscal balance (incl. grants)	-98.4	-159.8	-137.1	-205.9
Variation of arrears	-31.5	-34.4	-31.2	-28.0
Adjustment to cash basis	53.4	53.4	-8.3	-8.3
Overall balance (cash basis, incl. grants)	-76.5	-140.9	-176.6	-242.1
Financing	76.5	140.9	176.6	242.1
External financing (net)	46.4	92.5	139.0	230.7
Loans	54.5	109.0	163.5	264.5
Project loans	54.5	109.0	163.5	218.0
Budgetary loans	0.0	0.0	0.0	46.5
Amortization	-9.5	-33.6	-43.0	-55.8
Debt relief	1.4	17.1	18.5	22.0
Variation of External Arrears (Principal)	0.0	0.0	0.0	0.0
Domestic financing (net)	30.1	48.3	37.5	11.5
Banking system	30.1	48.3	37.5	0.0
Central bank	-2.1	-2.2	-4.4	-4.7
Commercial banks	32.2	50.5	41.9	16.1
Adjustment[1]	0.0	0.0	0.0	0.0
Privatization receipts	0.0	0.0	0.0	0.0
Non-bank financing	0.0	0.0	0.0	0.0
Financing gap	0.0	0.0	0.0	0.0
Memorandum items				
Basic fiscal balance[2]	-42.5	-35.2	42.7	31.1
Government bank and market financing	30.1	48.3	37.5	11.5

Sources: Ministry of Finance; and IMF staff projections.

[1] Adjustment to account for the difference between the definitions of the government in the fiscal table and the monetary situation.

[2] Total revenue, plus general budgetary grants, plus revenue from HIPC debt relief, minus total expenditure and net lending, excluding externally financed capital spending.

Attachment II—Technical Memorandum of Understanding

1. This TMU defines the performance criteria and indicative targets presented in Table 3 of the Memorandum on Economic and Financial Policies (MEFP). It also determines the frequency and deadlines for reporting data to the staff of the International Monetary Fund (IMF) for program monitoring purposes.

Definitions

2. Unless otherwise indicated, the government is defined as the central government of the Republic of Mali and does not include the local authorities, the central bank, or any other public entity with autonomous legal status that is not included in the Government Financial Operations Table (TOFE). The National Directorate of the Treasury and Government Accounting (DNTCP) reports the scope of the TOFE in accordance with the account classification provided by the BCEAO and forwards it to the central bank and IMF staff.

Performance Criteria

3. Except as noted, the following financial targets will serve as performance criteria for end–December 2013, end–June, and end–December 2014, and as indicative targets for end–March and end–September 2014.

A. Ceiling on Net Domestic Bank and Financial Market Financing of Government

4. **Net domestic bank and financial market financing of government** is defined as the sum of (i) the net position of the government in the narrow sense, as defined below; and (ii) financing of the government through the issuance (net of redemptions) of securities to individuals or legal entities outside the banking system or to nonresident banks domiciled in the West African Economic and Monetary Union (WAEMU).

5. The **net position of the government in the broad sense** is defined as the balance of the government's debts and claims vis-à-vis the central bank and the commercial banks. The scope of the government's net position is that used by the Central Bank of West African States (BCEAO) pursuant to Community provisions. It involves a definition of government that is broader than the definition given in paragraph 2 and includes the local authorities, certain projects, and some public administrative entities. The government's claims include CFAF cash balances, postal checking accounts, secured liabilities, and all deposits by government agencies with the BCEAO and the commercial banks, with the exception of government industrial and commercial agencies (EPIC) and state-owned corporations, which are excluded from the calculation. The government's debts to the banking system include all debts to these financial institutions. Cotton Stabilization Fund deposits

and government securities held outside the Malian banking system are not included in the calculation of the government's net position. The broad net government position is calculated by the BCEAO.

6. The **net position of the government** in the narrow sense is defined as the difference between the government's debts and claims vis-à-vis the central bank and the commercial banks. The scope of the government's net position in the narrow sense is as defined in paragraph 2. The narrow net government position is calculated by the BCEAO.

Adjusters

7. The ceiling on net domestic bank and market financing of government will be adjusted upward if **external budgetary support** falls short of program projections. External budgetary support is defined as grants, loans, and debt relief operations (excluding project grants and loans, sectoral budgetary support, IMF resources, and HIPC debt relief, but including general budgetary support). The adjuster will be applied at a rate of 100 percent up to a threshold of CFAF 25 billion and at a rate of 0 percent for larger amounts.

8. The ceiling on net domestic bank and market financing of government will be adjusted upward (downward) if the **net reduction in the budgetary float** is higher (lower) than program amounts (MEFP, Table 3). The budgetary float is defined as payment orders that have not been paid by the National Directorate of the Treasury and Public Accounting (DNTCP) in the context of budget execution or on miscellaneous correspondent or depositor accounts, irrespective of how long such payments have been outstanding.

9. Lastly, the ceiling on net bank and market financing to government will be adjusted upward (downward) for the **payment of VAT credits, other tax refunds, and audited external and domestic arrears from previous fiscal years**, which exceed (fall short of) program amounts (MEFP, Table 3).

B. Non-accumulation of External Government Payments Arrears

10. External payments arrears is defined as external debt-service obligations (principal and interest) owed or guaranteed by the government that have not been paid at the time they are due, as specified in the contractual agreement, subject to any applicable grace period. The definition of external debt given in paragraph 15 applies here. Arrears owed to official bilateral creditors are not covered by this definition if the government is attempting to negotiate a rescheduling of the debt, provided that the government pays into escrow the amounts due under such loans as they come due, subject to any applicable grace period, as specified in the contractual agreement.

11. During the program, the government undertakes not to accumulate external payments arrears (except on debts that are being renegotiated or rescheduled). The performance criterion with respect to the non-accumulation of external payments arrears will be applied on a continuous basis throughout the program period.

C. Ceiling on Non-concessional External Debt at Terms of One Year or more and on Short-term External Debt Contracted or Guaranteed by the Government and/or Public Enterprises

12. **Definition of debt.** The definition of the debt is set out in IMF Executive Board Decision No 6230–(79/140), point 9, as revised on August 31, 2009 by Executive Board Decision No. 14416 –(09/91):

a) the term "debt" will be understood to mean a current, i.e., not contingent, liability, created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, at some future point(s) in time; these payments will discharge the principal and/or interest liabilities incurred under the contract.
Debts can take a number of forms, the primary ones being as follows:

   i. loans, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets that are equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);
   ii. suppliers' credits, i.e., contracts where the supplier permits the obligor to defer payments until sometime after the date on which the goods are delivered or services are provided; and
   iii. leases, i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, but without transferring ownership, title to which is retained by the lessor. For the purpose of the guideline, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement excluding those payments that cover the operation, repair or maintenance of the property.

b) Under the definition of debt set out in this paragraph, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation are debt. Failure to make payment on an obligation that is not considered debt under this definition (e.g., payment on delivery) will not give rise to debt.

13. **Guaranteed debt.** The guarantee of a debt by the government is understood to be an explicit legal obligation to ensure that a debt is serviced in the event of nonpayment by the borrower (involving payments in cash or in kind).

14. **Concessional debt.** A debt is understood to be concessional if it includes a grant element of at least 35 percent;[1] the grant element is the difference between the nominal value of the loan and its present value, expressed as a percentage of its nominal value. The present value of the debt is calculated on the date on which it is contracted by discounting the future stream of payments of debt service due on this debt.[2] The discount rate used for this purpose is 5 percent.

15. **External debt.** For the purposes of the relevant performance criterion, external debt is defined as debt borrowed or serviced, or requiring repayment, in a currency other than the CFA franc. This definition also applies to debt among WAEMU countries.

16. **Performance criterion applicable to debt.** The performance criterion applies to new nonconcessional debts contracted or guaranteed by the government, the Mali energy company (EDM), and the Malian textile company (CMDT), insofar as the government is the majority shareholder. The criterion shall apply to any debts or liabilities contracted or guaranteed for which value has not yet been received. The criterion shall also apply to private debt for which official guarantees have been extended and which, therefore, constitute a contingent liability of the government. This performance criterion is monitored on a continuous basis. No adjusters will be applied to this performance criterion.

17. **Special provisions.** The performance criterion shall not apply to; (i) debt rescheduling operations in existence at the time the arrangement is approved; (ii) import-related, short-term external loans (with maturities of less than one year); (iii) external loans contracted by the Malian Textile Company (CMDT) and guaranteed with cotton export revenue; and (iv) short-term external loans (at maturities of less than one year) contracted by the EDM to finance the purchase of petroleum products.

18. **Reporting requirements.** The government shall immediately report to the IMF staff any new external loans it contracts or guarantees, stating the conditions, no later than two weeks after signing the loan contract.

[1] The reference to the IMF website below leads to a tool that can be used to calculate the grant element in a wide range of financial arrangements: http://www.imf.org/externalnp/pdr/conc/calculator.

[2] Calculation of the grant element takes account of all the aspects of the loan contracts, including maturity, grace period, repayment schedule, originating fees, and management fees.

D. Floor on Gross Tax Revenue

19. The government's gross tax revenue is defined as the revenue appearing in the TOFE and includes all tax revenue in the national budget, before deducting the tax refunds generated during the year, in particular accumulated VAT credits.

Indicative Targets

20. The following targets will serve as indicative targets for end–December 2013 and end–March, end–June, end–September and end–December 2014.

A. Floor on the Basic Fiscal Balance

21. The basic fiscal balance is defined as the difference between net total revenue, plus budgetary grants (general budgetary support) and HIPC resources, and total authorized expenses plus net lending, excluding capital expenditure financed by creditors or donors, pursuant to the definition of the basic fiscal balance in the WAEMU texts (Additional Act No. 05/2009/CCEG/UEMOA of March 17, 2009, amending Act Nº04/1999 on the Convergence, Stability, Growth, and Solidarity Pact).

Adjuster

22. The floor on the basic fiscal balance is adjusted downward if **budgetary grants (general budgetary support)** fall short of program projections. The adjuster will be applied at a rate of 100 percent up to a threshold of CFAF 25 billion and at a rate of 0 percent for larger amounts.

23. Lastly, the floor on the basic fiscal balance will be adjusted downward (upward) for the **payment of VAT credits and other tax refunds** exceeding (under) the programmed amounts (MEFP, Table 3).

B. Floor on Priority Poverty-Reducing Expenditure

24. Priority poverty-reducing expenditure is defined as the sum of expenditure in the sectors of basic education, secondary and higher education, scientific research, health, and social development. It excludes project-related capital expenditure financed by foreign technical and financial partners.

Structural Benchmarks

25. Information concerning the implementation of measures constituting structural benchmarks will be reported to the IMF staff no later than two weeks after their scheduled implementation date.

26. As of May 31, 2011, **changes** were made to the **Government Financial Operations Table (TOFE)** as described below. Income and expenses recorded in suspense accounts are reported above the line as income or expenses, with no breakdown. In cash basis adjustments, a distinction is made between operations charged to previous fiscal years and those charged to the current fiscal year and, as well as, in the latter case, a distinction between funds in transit (less than three months) and types of arrears (more than three months) with respect to budgetary expenditures (including VAT credits and called guarantees, endorsements, and pledges). Under the heading "net domestic financing," bank financing is separated from privatization income and from other financing. Bank financing includes changes in the net position of the government vis-à-vis the central bank, the IMF, and the resident commercial banks. In showing operations with commercial banks, a distinction is made between the Treasury, the National Social Security Institute (INPS), and other government agencies. Other financing includes mainly changes in cash accounts (uncashed checks), advance tax installments received for the following year, adjustments to the installments received the previous year for the current year, operations with nonresident WAEMU creditors, and changes in deposits and consignments from Treasury correspondents.

Additional Information for Program Monitoring

27. To facilitate program monitoring, the government will report the information indicated in the following summary table to the IMF staff.

Summary of Reporting Requirements

Sectors	Type of Data	Frequency	Reporting Deadline
Real sector	National accounts	Annual	Year-end + 9 months
	Revised national accounts	Variable	8 weeks after revision
	Consumer price index breakdowns	Monthly	Month-end + 2 weeks
Public Finance	Net position of the government vis-à-vis the banking system in the broad sense (including the survey of the accounts of other government agencies with the banking system); net position of the government vis-à-vis the banking system in the narrow sense; and breakdown of nonbank financing	Monthly	Month-end + 4 weeks (provisional); month-end + 6 weeks (final)
	Balance of SOTELMA privatization income account deposits with the BCEAO	Monthly	Month-end + 3 weeks
	Central government TOFE	Monthly	Month-end + 4 weeks (provisional); Month-end + 6 weeks (final)
	Budget execution throughout the expenditure chain, as recorded in the automated system	Monthly	Month-end + 2 weeks
	Breakdown of income and expenses recorded in the TOFE	Monthly	Month-end + 6 weeks
	Separately report HIPC resources	Monthly	Month-end + 6 weeks
	Investment budget execution	Quarterly	End of quarter + 8 weeks
	Tax revenue as recorded in the TOFE showing tax refunds	Monthly	Month-end + 6 weeks
	Wage bill as recorded in the TOFE	Monthly	Month-end + 6 weeks
	Basic fiscal balance as recorded in the TOFE	Monthly	Month-end + 6 weeks

Sectors	Type of Data	Frequency	Reporting Deadline
	Tax and customs exemptions	Monthly	Month-end + 4 weeks
	Order fixing petroleum prices, tax revenue from petroleum products, and total exemptions granted	Monthly	Month-end
	Imports of petroleum products broken down by type and by point of entry	Monthly	Month-end + 2 weeks
	Expenses authorized and not paid 90 days after validation by the financial comptroller	Monthly	Month-end + 1 week
Monetary and Financial Data	Summary survey of the BCEAO, summary survey of the banks, survey of monetary institutions	Monthly	Month-end + 4 weeks (provisional): Month-end plus 8 weeks (final)
	Foreign assets and liabilities and breakdown of other items net (OIN) of the BCEAO and the commercial banks	Monthly	Month-end + 8 weeks
	Lending and deposit interest rates, BCEAO policy rate, BCEAO reserve requirements	Monthly	Month-end + 4 weeks
	Bank prudential ratios	Monthly	Month-end + 6 weeks
	Statement showing initial and ending balance of escrow account at the BCEAO on which the debt service coming due for the debt contracted with the Libyan Foreign Bank for the construction of the complex Administrative City in Bamako is deposited until an agreement is found with the Libyan authorities about the rescheduling of that debt.	Monthly	Month-end + 1 week
Balance of Payments	Balance of Payments	Yearly	Year-end + 12 months
	Revised balance of payments		8 weeks after each revision
External Debt	Breakdown of all new external loans	Monthly	Month-end + 4 weeks

Sectors	Type of Data	Frequency	Reporting Deadline
	Debt service with breakdown of principal, interest, relief obtained under the HIPC Initiative	Monthly	Month-end + 4 weeks
Budget Directorate	Priority poverty-reducing expenditure as defined in ¶23.	Quarterly	End of quarter + 4 weeks