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PROJECT PERFORMANCE ASSESSMENT REPORT

REPUBLIC OF MALI

FIRST STRUCTURAL ADJUSTMENT CREDIT
(Credit No. 2188)

ECONOMIC RECOVERY CREDIT
(Credit No. 2580)

ECONOMIC MANAGEMENT CREDIT
(Credit No. 2894)

THIRD STRUCTURAL ADJUSTMENT CREDIT
(Credit No. 3582)

June 15, 2007

Country Evaluation and Regional Relations
Independent Evaluation Group

Currency Equivalents (annual averages)
(As of December 31, 2006)

CURRENCY UNIT = CFA FRANC (CFAF)
US$1 = CFAF 498.07

Abbreviations and Acronyms

AAA	Analytical and Advisory Activities
CFAF	CFA Franc
CMDT	*Compagnie Malienne pour le Développement des Textiles*
DPC	Development Policy Credit
EEC	European Economic Commission
EMC	Economic Management Credit
ERC	Economic Recovery Credit
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEF	Global Environment Facility
GNP	Gross National Product
HUICOMA	*Huilerie Cotonnière du Mali*
HIPC	Heavily Indebted Poor Countries
ICR	Implementation Completion Report
IDA	International Development Association
ID	Institutional Development
IEG	Independent Evaluation Group (formerly OED)
IFC	International Finance Corporation
MDG	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
MRSC	*Mission de Restructuration pour le Secteur Coton*
MSME	Micro, Small, and Medium-Sized Enterprises
MTEF	Medium Term Expenditure Framework
NPV	Net Present Value
ODA	Official Development Assistance
OED	Operations Evaluation Department (changed its name to IEG effective December 2005)
PE	Public Enterprise
PESAP	Public Enterprise Sector Adjustment Project
PFP	Policy Framework Paper
PPAR	Project Performance Assessment Report
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
SAC	Structural Adjustment Credit
UNDP	United Nations Development Program
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union

Fiscal Year
January 1 – December 31

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Director, Independent Evaluation Group	:	Mr. Ajay Chibber
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IEG Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEG annually assesses about 25 percent of the Bank's lending operations. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons. The projects, topics, and analytical approaches selected for assessment support larger evaluation studies.

A Project Performance Assessment Report (PPAR) is based on a review of the Implementation Completion Report (a self-evaluation by the responsible Bank department) and fieldwork conducted by IEG. To prepare PPARs, IEG staff examine project files and other documents, interview operational staff, and in most cases visit the borrowing country for onsite discussions with project staff and beneficiaries. The PPAR thereby seeks to validate and augment the information provided in the ICR, as well as examine issues of special interest to broader IEG studies.

Each PPAR is subject to a peer review process and IEG management approval. Once cleared internally, the PPAR is reviewed by the responsible Bank department and amended as necessary. The completed PPAR is then sent to the borrower for review; the borrowers' comments are attached to the document that is sent to the Bank's Board of Executive Directors. After an assessment report has been sent to the Board, it is disclosed to the public.

About the IEG Rating System

The time-tested evaluation methods used by IEG are suited to the broad range of the World Bank's work. The methods offer both rigor and a necessary level of flexibility to adapt to lending instrument, project design, or sectoral approach. IEG evaluators all apply the same basic method to arrive at their project ratings. Following is the definition and rating scale used for each evaluation criterion (more information is available on the IEG website: http://worldbank.org/IEG/eta-mainpage.html).

Relevance of Objectives: The extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). *Possible ratings:* High, Substantial, Modest, Negligible.

Efficacy: The extent to which the project's objectives were achieved, or expected to be achieved, taking into account their relative importance. *Possible ratings:* High, Substantial, Modest, Negligible.

Efficiency: The extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. *Possible ratings:* High, Substantial, Modest, Negligible. This rating is not generally applied to adjustment operations.

Sustainability: The resilience to risk of net benefits flows over time. *Possible ratings:* Highly Likely, Likely, Unlikely, Highly Unlikely, Not Evaluable.

Institutional Development Impact: The extent to which a project improves the ability of a country or region to make more efficient, equitable and sustainable use of its human, financial, and natural resources through: (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements and/or (b) better alignment of the mission and capacity of an organization with its mandate, which derives from these institutional arrangements. Institutional Development Impact includes both intended and unintended effects of a project. *Possible ratings:* High, Substantial, Modest, Negligible.

Outcome: The extent to which the project's major relevant objectives were achieved, or are expected to be achieved, efficiently. *Possible ratings:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry and supported implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of the project). *Possible ratings:* Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower assumed ownership and responsibility to ensure quality of preparation and implementation, and complied with covenants and agreements, towards the achievement of development objectives and sustainability. Possible ratings: Highly Satisfactory, Satisfactory, Unsatisfactory, Highly Unsatisfactory.

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Principal Ratings

First Structural Adjustment Credit (Credit No. 2188)

	ICR *	ICR Review **	PPAR
Outcome	Satisfactory	Moderately Satisfactory	Moderately Satisfactory
Sustainability	Likely	Likely	Likely
Institutional Development Impact	Not Rated	Negligible	Modest
Bank Performance	Satisfactory	Not Rated	Satisfactory
Borrower Performance	Satisfactory	Not Rated	Satisfactory

Economic Recovery Credit (Credit No. 2580)

	ICR *	ICR Review **	PPAR
Outcome	Highly Satisfactory	Highly Satisfactory	Highly Satisfactory
Sustainability	Likely	Likely	Likely
Institutional Development Impact	Not Rated	Modest	Not Evaluable
Bank Performance	Satisfactory	Not Rated	Satisfactory
Borrower Performance	Satisfactory	Not Rated	Satisfactory

Economic Management Credit (Credit No. 2894)

	ICR *	ICR Review **	PPAR
Outcome	Satisfactory	Moderately Unsatisfactory	Moderately Satisfactory
Sustainability	Likely	Likely	Likely
Institutional Development Impact	Modest	Modest	Modest
Bank Performance	Satisfactory	Unsatisfactory	Unsatisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

Third Structural Adjustment Credit (Credit No. 3582)

	ICR *	ICR Review **	PPAR
Outcome	Satisfactory	Satisfactory	Moderately Unsatisfactory
Sustainability	Likely	Likely	Likely
Institutional Development Impact	Negligible	Modest	Modest
Bank Performance	Satisfactory	Satisfactory	Unsatisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible operational division of the Bank.
** The ICR Review is an intermediate Independent Evaluation Group (IEG) product that seeks to independently verify the findings of the ICR.

Key Staff Responsible

First Structural Adjustment Credit (Credit No. 2188)

Project	Task Manager/Leader	Division Chief/ Sector Director	Country Director
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Economic Management Credit (Credit No. 2894)

Project	Task Manager/Leader	Division Chief/ Sector Director	Country Director
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Third Structural Adjustment Credit (Credit No. 3582)

Project	Task Manager/Leader	Division Chief/ Sector Director	Country Director
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Preface

This Project Performance Assessment Report (PPAR) evaluates the four structural adjustment lending operations to the Republic of Mali from 1990 to 2003.

The First Structural Adjustment Credit (SAC I) for SDR 50.3 million (equivalent to US$70 million) was approved by the Bank's Board on December 11, 1990. It was co-financed by the European Economic Commission (EEC), the African Development Bank (AfDB), and the governments of the Netherlands, Germany, Switzerland, and Norway, for a total of US$86.2 million equivalent. It was also associated with additional financing totaling US$123 million from the governments of France, the USA, Canada, and Japan; as well as a disbursement of US$27 million equivalent in conjunction with the first annual agreement under an IMF Enhanced Structural Adjustment Facility (ESAF) arrangement. The total financing package associated with this operation was over US$306 million equivalent.

The Economic Recovery Credit (ERC) of SDR 18.2 million (US$25 million) was approved by the Bank's Board on March 17, 1994. It was associated with a disbursement of SDR 29.46 million in conjunction with the second annual agreement under the Fund ESAF.

The Economic Management Credit (EMC) of SDR 41.6 million (US$60 million) was approved by the Bank's Board on June 27, 1996. Although not formally co-financed, the project reportedly attracted financing from the governments of the Netherlands, Canada, and the USA, as well as from the European Union (EU), and the AfDB.

The Third Structural Adjustment Credit (SAC III) for SDR 55 million (US$70 million) was approved by the Bank's Board on December 11, 2001. It was associated with additional financing from the IMF, and the governments of France and the Netherlands. This credit was supplemented by an IDA grant of SDR 10.5 million (US$15 million) in December 2003.

This PPAR is based on the relevant documents for the four operations reviewed by the Bank's Board, and other documents relevant for understanding the context of the operations reviewed. They include country assistance strategies, IMF reports, and Economic and Sector Work (ESW) reports. The PPAR is also based on interviews, conducted during a mission to Mali in July 2005, with government officials and members of civil society who were knowledgeable of Bank support in the areas reviewed; with Bank staff at headquarters and in the Bamako office; with IMF staff; and with staff of resident offices of some of the other donors active in Mali.

Comments from the Bank's Regional Management have been incorporated. The draft PPAR was sent to the Government of Mali for comments, but no comments were received.

This report was prepared by Adil Kanaan (Consultant), with Gerard Kambou and James Sackey as Task Managers. Janice Joshi, Vikki Taaka and Cecilia Tan provided administrative support.

Summary

1. This Project Performance Assessment Report (PPAR) evaluates the four structural adjustment credits to the Republic of Mali from 1990 to 2003: the 1990 SAC I (IDA-US$70 million; co-financing-US$306.2 million), the 1994 ERC (IDA-US$25 million), the 1996 EMC (IDA-US$60 million), and the 2001 SAC III (IDA-US$70 million, plus IDA Supplementary grant of US$15 million; co-financing-US$20 million).

2. The strategic context for these loans was articulated in a set of country assistance strategies and related documents spanning the period 1990-2003. The main themes of these country strategies emphasized the following objectives: (i) promoting economic growth within a stable macroeconomic environment; (ii) promoting sectoral and structural reforms, and; (iii) supporting poverty reduction through improvements in human resource development.

3. The four operations and the supplement to SAC III, totaling US$240 million of IDA resources and US$326.2 million of donor co-financing, supported reforms in macroeconomic stabilization, including trade, pricing policies, and fiscal and public expenditure management, which had satisfactory outcomes. Other major objectives supported by the four operations, including civil service reform, improving access of women to land and credit, and reforming the very important cotton sector had unsatisfactory outcomes.

4. Despite the progress made in achieving macroeconomic stabilization, the economy remained vulnerable to external shocks because of its dependence on a few major products. The economy also continued to depend heavily on external financial aid and debt relief. Progress on poverty reduction had also been slow, although a two percent average growth in real per capita income was realized over the last decade. There were also encouraging improvements in social indicators, especially in education. On the basis of these developments, the overall outcome of Bank assistance in the four operations is rated *moderately satisfactory*, with sustainability rated *likely* and institutional development impact rated as *modest*.

5. The main lessons learned from this review are:

- Country ownership of the reform process matters very much. For those components of the reform process, such as the public resource management, in which government commitment was strong, reforms were generally well implemented. By contrast, for those reform components in which country commitment was not as strong, such as civil service restructuring, gender development, and fundamental cotton sector reform, outcomes were poor.

- It would be better to keep the design of adjustment operations simple and focused on a limited number of key policy areas, whose implementation can be realistically expected within the short disbursement period dictated by an adjustment operation. A well designed monitoring and evaluation system could complement this effort.

Vinod Thomas
Director-General
Evaluation

1. Background and Strategic Context

Political

1.1 Mali became independent from France in 1960. Following a military coup in 1968, General Moussa Traoré took over power and governed for about 23 years. During this period, the military leadership attempted to pursue economic reforms but for several years faced debilitating internal political struggles and disastrous sahelian drought. By 1990, there was growing dissatisfaction among the general population with the demands for austerity brought about by the economic reforms.

1.2 A major uprising led by students and civil servants in 1991 led to the formation of a new transition government. Following a consultative process, Colonel Amadou Toumani Touré was appointed President. This transition period and the consultation involved laid the groundwork for the evolution of the budding democracy in the country.

1.3 In June 1992, Alpha O. Konaré became the first elected President for a five-year term. This period was characterized by attempts by the government to balance between the prerogatives of the new democracy and the re-establishment of state authority, following the social turmoil associated with the uprising. The students and civil servants, who had been instrumental in bringing about the transition to democracy, had also become a potent political force with demands of their own. This period also witnessed the intensification of the Touareg rebellion in the north, the ripple effects of which continue to this day. In view of this instability, three cabinet reshuffles took place between June 1992 and December 1994. Fortunately, despite the political unrest, economic liberalization moved forward steadily.

1.4 Parliamentary and presidential elections took place in 1997 in an atmosphere of heightened political turbulence and protests by the opposition. President Konaré was re-elected for a second term.

1.5 The Spring 2002 presidential elections saw the return of President Amadou Toumani Touré to power, as an elected civilian. He appointed Ag Hamani as Prime Minister (PM). Mr. Hamani was re-appointed as PM following the parliamentary election in July 2002. He subsequently resigned and was succeeded by Ousmane Issoufi Maiga.

1.6 In a nutshell, although the 23-year rule of Moussa Traoré was characterized by the socialist-type foundations of an *étatiste* economy, there were periods in the early 1980s when economic liberalization policies were pursued. In the early 1990s, Mali embarked on a dual program of political democratization and economic liberalization. Relative political stability has prevailed since then, punctuated with some turbulence related to the continuing Tuareg rebellion. In addition, major economic policy decisions have had to factor in the importance of the lobby of students and civil servants, as well as the interests of managers of some remaining and powerful public enterprises.

Economic

1.7 Mali is a large, land-locked country with a limited resource endowment and an underdeveloped physical infrastructure. Transportation within its distant regions is cumbersome, and access to ports in the region is difficult. It is among the poorest countries in the world, with a per capita gross national income of US$380 in 2005. The level of human resource development is very low. In the 2006, Mali ranked 175 out of 177 countries in the UNDP human development index.

1.8 The country's production has been dominated by agricultural commodities, made up of cereal crops, cotton and livestock. The exploitation of gold has accelerated and has recently started to exceed cotton in terms of value of exports. However, barring significant new discoveries, its production has already peaked and cannot be relied upon for too long into the future.

1.9 A key characteristic of the economy is its fragility because of its significant dependence on exogenous factors. Chief among those is the unpredictability and variability of rainfall, and its effects on cotton production and exports. Another is the unpredictable movements in the international prices of gold and cotton, Mali's main exports. Regional politics is another factor. Any major political turmoil in Mali's immediate neighborhood can be a significant exogenous shock to the economy, as has been the case with the political crisis in Cote d'Ivoire that erupted in September 2002. Finally, in view of Mali's very difficult economic situation due to these factors, it continues to be highly dependent on foreign aid for its financial survival. Although this aid has been forthcoming, the persistent need for it does represent a source of economic fragility.

1.10 Mali's push, at independence in 1960, for rapid growth and industrialization through a state-led development strategy led to serious macroeconomic imbalances in the early 1980s as debt arising from government's massive investment programs mounted. Throughout much of the 1970s, the fiscal deficit averaged in excess of 5 percent of GDP, financed largely from external official flows. For most of the 1960s and 1970s, economic policy became increasingly inward-looking, with high protection, controls over imports and many prices, and a proliferation of public enterprises in all sectors. The government, with the encouragement of the donor community, adopted stabilization and structural adjustment programs supported by the IMF and the World Bank beginning in 1982 in order to address its budgetary and balance of payments problems and to restore growth.

1.11 The stabilization measures helped reduce the budget deficit, brought inflation under control, and improved the external accounts. Cereal markets were liberalized, most price controls were eliminated and trade monopolies abolished. These efforts attempted to reduce the state's role in the economy; and to stabilize it. But while the reforms reversed the economic decline in the early 1980s, they were insufficient to spur private sector-led growth. Price controls and high effective rates of protection remained on some key products; reforms of public enterprise in electricity, telecommunication, railroad and air transport were only partial; the regulatory and administrative frameworks were cumbersome and legal institutions weak; the financial sector was inefficient and lacked

depth; and rigidities persisted in the labor market. In addition, while as a member of the CFA Franc (CFAF) zone, Mali benefited from monetary stability and low inflation for an extended period, in the mid-1980s, the fixed parity with the French franc (FF) had become incompatible with the sustained deterioration of the CFA zone's terms of trade and the sharp appreciation of the French franc against the U.S. dollar[1], making it difficult to promote export-oriented activities. In sum, at the start of the period under review, a deepening of reforms and renewed government commitment to their implementation were needed to move the economy onto a path of high and sustained growth.

World Bank Group Relations with Mali and Other Donors

1.12 Mali became a member of the World Bank and IDA in 1963. Since then, the Bank has maintained a close partnership with the country and has been active in a number of key economic sectors and areas, including agriculture and rural development, human resource development, infrastructure and, more recently, structural adjustment. During the review period of this report, the relationship went through many cycles, depending on the Government's willingness to accelerate reforms. This, in turn, was influenced by domestic political developments. Since the coming to power of the administration of President Traoré, the relationship has been on a positive upward trend, with the Bank's Country Office in Bamako, which was established in 1976, playing a role that is being appreciated by the government and the resident donor community.

1.13 As of November 2005, there were eleven ongoing IDA-supported projects covering the areas listed above. Commitments under these projects amounted to US$478.4 million. This is in addition to two projects supported through GEF grants, for a total of US$9 million. IFC's portfolio in Mali as of November 2005 amounted to US$8.6 million, including interests in two mining companies. Mali is a participant in the joint IDA/IFC Micro, Small, and Medium-Sized Enterprises (MSME) Initiative in Sub-Saharan Africa. The Mali component of this initiative is part of a proposed US$55 million loan to the country intended for SME development, mining, telecommunications, and postal reforms. Mali joined MIGA in 1992. MIGA's outstanding portfolio consists of two contracts of guarantee with a US$25.2 million gross exposure, involving a Senegalese investor in a major telecommunications project.

1.14 There is a large community of donors active in Mali. While donor coordination had been poor, coordination seems to have recently started to improve, with the government playing a more active role since the adoption of the 2002-2006 PRSP. The Government holds periodic meetings with major donors, chaired by the Minister of Economy and Finance. Donors hold monthly meetings themselves, with the chair rotating every six months and alternating between bi-laterals and multi-laterals. The donors

[1] Mali is a member of the West African Economic and Monetary Union (WAEMU) which, together with the Central African Economic and Monetary Union (CAEMU) and the Comoros, form the *Communauté Financière Africaine* (CFA) franc zone. The other members of the WAEMU are Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Niger, Senegal, and Togo. On January 12, 1994, the CFA zone countries agreed unanimously to change the parity of the CFAF from 1FF = 50CFAF, the prevailing rate since 1948, to 1FF = 100 CFAF. Since 1999, the CFAF has been tied to the euro.

resident in Bamako broadly feel that the Bank could do better at consulting with them and keeping them informed, while they admit that the situation has been improving recently.

1.15 The Bank coordinated its activities regarding its structural adjustment operations and its macroeconomic dialogue very closely with the IMF. Three of the four operations reviewed in this report were associated with parallel IMF arrangements, which, jointly with the support through the Bank's operations, deserve credit for the country's improved macroeconomic performance (see Annex E). In addition, both the Bank and the Fund coordinated jointly with the Government in the preparation of important strategic and policy documents such as the Policy Framework Paper associated with SAC I, and the PRSP and PRSP annual progress reports associated with the subsequent adjustment operations. The IMF took the lead in the discussions with the Government leading to the devaluation of the CFAF in 1994, with the Bank playing a supporting role.

IDA Assistance Strategy

1.16 ***Main themes (1990-2005).*** The main themes that were present throughout the review period and were included as components in all the country assistance strategies are: (i) promoting economic growth within a stable macroeconomic environment: (ii) promoting sectoral structural reforms; and (iii) supporting poverty reduction through developing human resources. The first was to be achieved by improving the incentives system and the overall business environment for private sector development. The second and third were to be achieved by improving public expenditure management, both for better overall fiscal performance and to ensure sufficient funding for social services. A third major theme that has been repeated in more than one country assistance strategy was the promotion of institutional development and good governance.

1.17 ***The early 1990s period.*** A review of available Bank reports did not reveal any stand-alone country assistance strategy in the early 1990s. An internal review for the 1990 SAC I, however, included a section on Bank Group assistance strategy in support of a Policy Framework Paper (PFP) that had been agreed with the government[2]. The main objective of that strategy was to assist the government in fostering growth with equity, as key to poverty alleviation. It sought to do that by focusing on three areas: (i) rationalizing the incentives system to promote private sector growth; (ii) improving public resource management to reduce the fiscal deficit, while assuring the efficient provision of essential public services; and (iii) alleviating long term resource constraints by strengthening the human resource base and natural resource management.

1.18 ***The mid-1990s country assistance strategy.*** This strategy was prepared and processed on the heels of the devaluation of the CFAF in January 1994 and the Emergency Recovery Credit which had been approved in March of that year. President Konaré had been in office for almost two years, and progress was being made in political democratization and economic liberalization. The country assistance strategy, which

[2] The Bank's assistance strategy was formally stated in the early 1990s in the context of the Natural Resource Management Project and updated in FY93 in the context of the Private Sector Assistance Project.

covered the mid-to-late 1990s period, stressed that, in contrast to the pre-devaluation period when the emphasis was necessarily on domestic adjustment, the devaluation called for a shift in strategic focus to external adjustment in order to preserve any increases in competitiveness brought about by the devaluation. The main strategic objectives were: (i) economic growth; (ii) human resource development; and (iii) helping vulnerable groups; all in the context of a stable macroeconomic environment and an improvement in institutional capacity.

1.19 ***The late 1990s country assistance strategy.*** This strategy was originally intended to cover the late-1990s to the early-2000 period, but was *de-facto* extended to FY03 while the Bank supported the preparation of Mali's Poverty Reduction Strategy Paper (PRSP). The PRSP was completed about a year after the second-term of President Konaré, which ended in June 2002.

1.20 Building on the government's own development strategy at the time the country assistance strategy, jointly prepared with IFC, focused on two main areas for Bank Group support: (i) human resource development; and (ii) stable growth, based primarily on private sector development. The strategy noted that IDA support would also address a number of cross-cutting issues such as capacity building, decentralization, environmental protection, gender development, regional cooperation, and cultural development. But very little in IDA's program during the country assistance strategy period was designed to address these issues, except for the gender component of EMC.

1.21 ***The July 2003 country assistance strategy.*** By the time this country assistance strategy was being prepared, the economy had been trying to adjust for about ten months to the repercussions of the Cote d'Ivoire crisis, whose adverse effects continued well into the period of this country assistance strategy. A milestone on the economic front was that Mali had reached the Completion Points of the Original and the Enhanced HIPC Initiatives in September 2000 and March 2003, respectively. On the political front, Amadou Toumani Touré, by then a civilian, had been elected President in 2002 and had proclaimed the intention of his administration to carry on with the economic reform efforts.

1.22 The government's economic reform program was now embodied in a PRSP that rested on four pillars: (i) accelerated and re-distributive growth, considered the "pre-requisite pillar"; (ii) promoting institutional development, while improving governance and participation; (iii) the development of human resources and improved access to quality basic services; and (iv) the development of basic infrastructure and productive sectors. This represented a rather all-encompassing and non-discriminating strategic agenda. In the Joint Staff Assessment of the PRSP by the Fund and the Bank in March 2003, which was endorsed by the Boards of these two institutions, the two institutions called upon the government to set tighter priorities among its strategic objectives, with special emphasis on reducing poverty and accelerating social development.

1.23 This country assistance strategy, which covers the FY04-06 period, and was extended *de facto* through FY08, took the PRSP as its starting point and focused on three main themes: (i) promoting growth; (ii) developing human resources; and (iii) improving public finance management and governance. A primary objective of the overall strategy underpinning these three themes was to assist Mali achieve progress toward meeting the MDGs.

2. First Structural Adjustment Credit (SAC I)

2.1 ***Background and Context.*** In the early 1980s Mali faced a serious economic and financial crisis due to recurring droughts, a decline in the terms of trade, and inappropriate economic policies. The government launched a series of stabilization and adjustment programs in 1982. Initial progress eroded in 1986 following a sharp drop in the world price of cotton, and deteriorated further into a major economic crisis in 1987. Between 1985 and mid-1988, there were no new lending operations by the Bank in view of what the Bank considered to be very poor macroeconomic and sector policies at the time. The government resumed its adjustment efforts in mid-1988 and, with the assistance of the Bank and the Fund, prepared a PFP covering the 1988-90. A second PFP, covering the 1990-92, focused on five areas: (i) the incentives system for private sector development; (ii) public resource management; (iii) reform of the cotton sector; (iv) restructuring of the PE sector; and (v) reform of the financial sector.

2.2 ***Objectives and Design.*** The main objective of SAC I was to support two of the five areas of the second PFP: the incentives system and public resources management. The incentives system component included measures to: (i) simplify and rationalize foreign trade taxation; (ii) restructure direct and indirect taxation; and (iii) remove regulatory constraints facing private sector development. The public resources management component included measures designed to: (i) restructure current expenditures; (ii) reform the civil service; and (iii) improve the programming and monitoring of public investment. The IDA credit was disbursed in three tranches, following the fulfillment of tranche conditions pertaining to the policy reforms outlined above.

2.3 ***Relevance of Objectives and Design.*** The objectives, components and specific measures underlying this credit were consistent with the government's reform objectives and Bank assistance strategy; they were based on the PFP which was jointly prepared by the government, the Bank and the Fund. The Bank and the Fund took the lead, conceptually and analytically, in articulating the substantive contents of SAC I. They were then able to convince some of the key Malian interlocutors, such as the Minister of Finance at the time, of the desirability of the proposed policy measures, particularly those concerning trade. Those interlocutors, in turn, had to convince their colleagues in government and the President. This was not always easy; but in the end, Bank staff felt that the main policy measures enjoyed sufficient support to proceed with processing the credit.

2.4 A basic question that arises when assessing the design of this operation is: as long as Mali had a fixed and over-valued exchange rate, was a structural adjustment operation appropriate at the time? And if so, given the exchange rate issue, was the design of SAC I appropriate? Since the country was in a deep financial crisis by the late 1980s, it was in urgent need of fast financial support. The fact that a significant group from the international donor community put together a substantial financial package exceeding US$300 million to help out was testimony to the size of Mali's financial needs. Meanwhile, the overvalued CFAF itself had developed into a politically charged issue and there were limits to how much the Bank could push for its devaluation. It appears

then that the Bank had little choice but to go in with a fast-disbursing operation in a sub-optimal situation, limited to "internal adjustment" measures. It did so in coordination with the IMF.

2.5 Under the circumstances, the design of the operation was good, except for including a civil service reform sub-component in a fast-disbursing credit, without sufficient preparation and strong commitment by the Borrower. The set of measures included in all three incentives system sub-components and in two of the three public resources management sub-components were justified. To a great extent, they represented necessary but not sufficient conditions for improving overall economic performance once the exchange rate got more properly aligned. Thus, the lesson from the ICR that the internal adjustment could not have been expected to produce the required growth was correct.

2.6 ***Implementation and Achievement of Objectives*** The following measures were implemented under the incentives system component: elimination of all import restrictions and export taxes; replacement of specific taxes by *ad-valorem* taxes; reduction of the fiscal imports tax from 27 percent to 3 percent; replacement of the existing tax on goods and services by a value added tax (VAT); introduction of a declining tax on 18 categories of locally produced goods; and liberalization of the pricing system for petroleum products. A number of administrative reforms were also implemented, including: simplification of import and export formalities; revision of the commercial, investment and labor codes; simplification of procedures for the establishment of enterprises; and modification of the institutional framework governing the petroleum sector; and disengaging the state from all activities related to petroleum products.

2.7 As for the public resources management component, progress was achieved in strengthening budgetary control and monitoring procedures, and increasing allocations to priority expenditure categories. However, the civil service reform sub-component encountered serious problems, and the public investment sub-component suffered from weak institutional capacity and the inclusion of some projects in the investment program without proper economic justification, such as the *Palais des Congrès de Bamako*. The civil service reform sub-component, in particular, had a number of serious implementation difficulties, including problems with the voluntary departure program that ended up with distorted incentives. The Bank was keen to help improve the performance of the public sector by controlling public expenditures, and therefore, included measures designed to limit increases to the public sector wage bill, and to reduce the number of civil servants through a "voluntary departure" payments/incentives scheme. However, according to a number of Malian officials involved in the implementation of this credit, the civil service ended up losing some of its better personnel, including many experienced teachers of technical and vocational schools who opted to take advantage of the incentives. Some of these schools had to be closed at a time when the country needed them most, and the economy is still trying to make up for this shortage to this date. Another irony reported was that the availability of the funds from the IDA credit and related financing by other donors made it possible to resume salary payments that had been interrupted, countering the intent of the voluntary departure incentives scheme. Some employees who had already departed wanted to

rejoin, and sued the government in court when they were refused re-entry. The union of civil service employees also sued the government for blocking salary increases. The perception that this component had ironic and perverse results is generally held by both Malian officials and representatives of the donor community in Bamako. The main conclusion reached by the authorities and the donor community in relation to this component is that it was not a good idea to include a politically difficult civil service reform component in an adjustment operation, and to impose an unrealistically fast pace of reform in an area that needed much more time for successful implementation.

2.8 ***Outcome.*** The following factors had an adverse effect on project achievement: (i) the disturbances of March 1991 that led to the demise of the military dictatorship, but that also disrupted economic activity and severely affected the administration of the program; (ii) the fall in the price of cotton, which led to poor growth performance and budgetary difficulties; (iii) an overvalued CFAF that made Malian exports uncompetitive; and (iv) weak administrative capacity, which particularly affected the monitoring of public investment and poverty indicators. Therefore, despite the successful implementation of several important measures under the incentives system component, actual growth stagnated and fell below expectations in 1990 (0.4 percent compared to 3 percent), 1991 (minus 0.9 percent compared to 3.9 percent), and 1993 (minus 2.4 percent compared to 4.2 percent); although it exceeded expectations in 1992 (8.4 percent compared to 5.9 percent). Although the shortcomings in the implementation of the credit in the civil service area were significant, on balance achievements in trade and tax policy, regulation, and the increase in the proportion of expenditures on the social sectors lead to a rating of *moderately satisfactory*.

2.9 ***Sustainability.*** Despite the continued vulnerability of the economy to external shocks, and the resultant erratic nature of overall economic growth and performance; the structural reforms of the incentives system component, and budget management improvement measures implemented under this credit appear to have taken hold sufficiently to justify a rating of *likely* to the sustainability of the results achieved.

2.10 ***Institutional Development Impact.*** The credit's institutional development (ID) impact was *modest*. This rating is based on the observation that although measures like the introduction of a VAT were accompanied by the creation of an appropriate administrative apparatus, and the administrative and procedural measures applied to improve budget management helped lay the foundation for strengthening the capacity of the Ministry of Economy and Finance, they represented an encouraging but limited strengthening of institutional capacity.

2.11 ***Bank Performance.*** At the time when this credit was being prepared, the country was still under the Traoré regime and an *étatiste* economic structure. The main reason the Government was ready to embark on a broad economic reform program was that the economy was in deep crisis. It was, therefore, opportune for the Bank to play a central role in assisting the country to embark on such a path, through a structural adjustment operation which helped mobilize a substantial amount of financing to help Mali. The leadership role played by the Bank was appreciated by the Malian authorities and the donor community. On the other hand, the design of the credit was ambitious, and the politically and

technically difficult civil service reform component was not sufficiently well prepared to be implemented effectively under a fast-disbursing credit. Moreover, some of the Malian officials concerned felt that the Bank was heavy handed in imposing its conditions, some of which were viewed as unrealistic by the authorities, who went along because the country needed the funds. However, on balance, the Bank's overall performance is considered *satisfactory* as in the ICR.

2.12 ***Borrower Performance.*** In cooperation with the Bank and the Fund, the government prepared a PFP which laid the strategic basis for this credit, and it implemented a wide set of good adjustment measures under the incentives system component. However, due in part to technical capability constraints, the officials were too ready to agree to some of the conditions, particularly under the civil service reform component, when they knew in advance that they would not be able to implement them at the pace envisioned. In addition, implementation suffered during the political disturbances and transition period (April 1991-June 1992), due to staff disruptions and preoccupation with the events at the time. Still, because the adjustment measures implemented were significant, the Borrower's overall performance is rated *satisfactory* as in the ICR.

2.13 ***Lessons Learned.*** The main lessons learned from this operation were that: (i) in a situation where the Borrower lacks sufficient technical capabilities and is in dire need of external financing, the Bank should ensure that its proposals and conditions are well understood and truly accepted. It should listen more carefully and go a step further by actively soliciting the Borrower's views and endorsement and (ii) a civil service reform component needs to be well-prepared and agreed upon in advance if it is to be included in a fast-disbursing adjustment operation; otherwise, a separate institutional development project is probably preferable.

3. Economic Recovery Credit

3.1 ***Background, Context, and Objectives.*** The main objective of the Economic Recovery Credit (ERC) was to provide emergency financial support to Mali to help it overcome adverse short term repercussions, particularly on vulnerable groups, of the devaluation of the CFAF in January 1994. In order to meet the urgent need for funds, the credit was processed on a fast-track basis in only three months from conception to approval. In addition, the operation aimed to support the continued implementation of the reform program which was based on the 1994-96 PFP, and which was expected to increase the competitiveness of the economy and to encourage private sector-led growth. An ancillary objective was the desire to continue the policy dialogue between the Bank and Mali.

3.2 ***Relevance of Objectives and Design.*** In view of its emergency nature, the operation had a relatively straight-forward design. The single tranche, which needed to be disbursed quickly, was made available upon effectiveness and subject to a set of 14 prior actions covering fiscal, monetary, trade liberalization, pricing, and social safety net measures. The justification for this credit and its accommodating design and rapid processing were based on the fact that a significant depreciation of the CFAF was needed to make the economy more competitive and to engender significant growth in the medium to long term. The previous internal adjustment efforts that had been supported by SAC I had proven insufficient, and the Bank and the Fund had been pressing for a major devaluation. Since the benefits of the devaluation were expected to accrue only over some time in the future, the credit and the associated IMF funds were needed to help out to alleviate hardships and to encourage the continuation of reforms.

3.3 ***Implementation and Achievement of Objectives.*** The achievement of overall program objectives was substantial. The credit provided about 14.2 percent of overall budgetary support for Mali in 1994, and its timely availability allowed the country to withstand the financial effects of the devaluation, while maintaining overall macroeconomic stability. Most of the 14 prior actions in a wide range of policy areas were implemented by end-January 1994, more than six weeks prior to credit approval. As such, the credit was in effect justified by actions that had already been taken, rather than being pre-conditioned by actions to come.

3.4 ***Outcome.*** The overall macroeconomic results for 1994 and 1995 were quite favorable when one compares actual results to program projections, particularly with regard to overall growth and the fiscal balance (see Table 3.1). While it is difficult to determine how much of this good performance was due to the devaluation itself and how much to the policies embodied in the prior conditions, it appears fair to attribute credit for the improved macro performance jointly to the Bank and the Fund (see Annex E).

3.5 In terms of structural reforms, progress was made in three areas: (i) pricing policies became more flexible; (ii) some good agricultural sector measures were taken, including passing on the increase in CFAF values of agricultural exports to the producers; and (iii) a significant number of PEs were either restructured or privatized.

Table 3.1 Mali - Key Macroeconomic Indicators 1985-1995

	1985-1993	*1994*		*1995*	
		Program	**Actual**	**Program**	**Actual**
Real GDP Growth (%)	1.7	2.4	2.3	5.1	6.0
Change in CPI (%) [1/]	-0.8	40.1	24.8	8.0	12.4
Investment/GDP (%)	21.1	26.9	26.5	26.0	26.0
Overall Budget Balance (% GDP; excluding grants)	-10.5	-15.1	-13.7	-12.4	-10.5
Current Account Balance (% GDP; excluding official transfers) [1/]	-14.6	-20.4	-18.2	-14.5	-15.2

[1/] Data refer to 1989-1993.

Source: 1994-1996 Policy framework papers and IMF reports.

3.6 On the pricing front, tariffs on water, electricity and telecommunications were increased by 10-20 percent, while taxes on petroleum products were reduced. All other prices, except those for cotton, were market determined. In agriculture, measures were taken to improve the efficiency of production in the cotton, cereals, and rice sub-sectors. In the area of PE reform, the Upper Kala Sugar Complex was transformed into a mixed company, the Sikasso Tea Operation was leased to a foreign investor, and six large PEs in various sectors were privatized.

3.7 The ICR for the ERC correctly concluded that, in response to the devaluation, the economy experienced a very positive supply response, particularly in the agriculture, textiles, and construction sectors. It went on to assert, correctly, that the supply response facilitated the diversification of exports, especially livestock, gold, fruits and vegetables. The ICR concluded with a rather bold statement contending that "the financial viability of the cotton sector has been restored". In view of the continued difficulties faced by the cotton sector, the statement was too optimistic and pre-mature. Nonetheless, in view of the improvements in the policy environment, this assessment rates the outcome of the credit as *highly satisfactory*, as in the ICR.

3.8 ***Sustainability***. Barring any unforeseen and adverse external shocks, it was reasonable to expect that the maintenance of relatively stable macroeconomic performance and the benefits from the structural reforms would be sustained. Therefore, this assessment agrees with the ICR rating of sustainability as *likely*.

3.9 ***Institutional Development Impact***. ID impact is rated *not evaluable*, since this was essentially an emergency operation with no expectations of improving institutional capacities.

3.10 ***Bank and Borrower Performance***. Performance by both the Bank and Borrower was *satisfactory*. The Bank moved ahead very rapidly in preparing and approving the credit and succeeded in making the credit funds available to the country on a timely manner. The government conducted an effective media campaign regarding the devaluation and the needed measures to ensure its implementation. It was able to gain labor union support for the program and to overcome student resistance.

3.11 ***Lessons Learned.*** Given the straight-forward nature of this operation, because of its emergency nature, it did not lend itself to deep lessons. The main "lesson" it provided was that, if needed, the Bank could move very quickly and flexibly to help fill a financing gap. In such a case, a single tranche credit, with retroactive financing and up-front "conditionality" proved very appropriate.

4. Economic Management Credit

4.1 ***Background and Context.*** Although the 1994 devaluation had elicited efficiency gains in some sectors, the overall supply response was judged insufficient by the Bank. In addition, the fiscal situation had remained fragile, with most of the improvements in the fiscal balance due to expenditure contraction rather than revenue gains. Therefore, improving the performance of both sides of the budget to achieve a sustainable fiscal regime was viewed as a central part of a strategy to consolidate and expand the competitiveness gains and to promote growth. In addition, increasing the role of women in direct productive activities was also seen as helpful to promote growth and reduce poverty; which was a central theme of the mid-1990s country assistance strategy.

4.2 ***Objectives and Design.*** The credit's main objectives were to: (i) improve the performance of government revenues and reduce distortions in the income tax system; (ii) improve the efficiency, effectiveness and poverty focus of public expenditures; and (iii) help remove constraints to access to land and credit by women. The three components of the credit mirrored its three objectives and were designed to address domestic resource mobilization; expenditure efficiency and effectiveness; and gender issues. The revenue component consisted of policy and administrative measures related to the Customs and Domestic Taxes Departments of the Ministry of Finance. The measures were intended to strengthen performance, simplify processes, and reduce fraud. The expenditure component consisted of administrative measures designed to improve the budgeting process and staff performance, as well as to restructure expenditures in favor of poverty ameliorating programs, such as education, health, and road maintenance. The gender component was designed to help facilitate access to land by women through improvements in the legal framework, and to facilitate financing small-scale activities of women's cooperatives, in addition to conducting media campaigns on the role of women in economic development. EMC had three tranches, which were fully disbursed following compliance of the macroeconomic targets.

4.3 ***Relevance of Objectives and Design.*** From the Bank's viewpoint, the objectives and components of the credit were consistent with the country assistance strategy. However, whereas the Malian authorities were by now fully committed to carry on with improvements in budgetary performance and to implement the two fiscal components, they perceived the gender component as something that was more important to the Bank, but not a priority for the country at that stage. According to a high-ranking ex-official, they went along because they needed the IDA funds, without being totally convinced.

4.4 The policy content of the operation was limited compared to the reform requirement of the economy. Bank staff noted that the Bank would have preferred to expand the structural measures to include the restructuring of infrastructure services as a means to improve the efficiency of the economy as a whole. This was not done because the Bank felt that preparation for the 1997 presidential elections had occupied the attention of the country's leadership who were thus not ready to have a meaningful dialogue on structural policy reforms.

4.5 ***Implementation and Achievements of Objectives.*** The domestic resource mobilization component was well-implemented, except for lengthy delays in the revision of the mining code, which was one of the conditions of the first floating tranche. A number of administrative measures were implemented, including the establishment of a "large taxpayer unit", with computerized and trained staff. The taxpayer identification system was improved, with the introduction of unique numbers for all taxpayers. Tax auditing was strengthened and became more frequent and better targeted. The Customs Department was reorganized, its internal control functions strengthened, and staff redeployed to major trade corridors. A new single tax on the consolidated income of larger firms was introduced. Although the budgetary impact directly attributable to these measures is difficult to measure, fiscal revenues did increase from 11.4 percent of GDP in 1995 to 14.9 percent in 1998.

4.6 The public expenditure component also proceeded well, with a number of specific measures implemented to improve budget preparation and monitoring. A procedural manual was prepared, the budget preparation process was completely computerized, and staff trained. The staff of the Ministry of Finance, in collaboration with Bank staff, conducted annual analyses of budget execution, through Public Expenditure Reviews (PERs). Budget allocations for education and health increased to finance the recruitment of around 600 additional teachers, and to maintain school facilities and pay for teaching materials.

4.7 Only limited progress was achieved in the implementation of the gender component. The number of women granted land in the areas controlled by the *Office du Niger* increased proportionately more than that for men (about six-fold for women compared to about double for men, between 1995 and 2003), but the number of women landholders remained a very small fraction (about 2.7 percent in 2003) of total landholdings. Some observers attributed the limited progress to traditional social norms rather than to project design. Others argued that, such traditional norms applied only to "familial property", which was usually under the control of male members of a family. Land managed by the *Office du Niger* was freely accessible to women just as much as to men. With respect to access to credit, a study commissioned in 1997 to evaluate the savings and credit institutions, including a special fund under EMC for helping women's development, concluded that the fund was under-performing in most aspects. An action plan was put in place to improve its performance, but yielded no improvement.

4.8 ***Outcome.*** The macroeconomic indicators (for growth, inflation, the budget deficit, and the balance of payments deficit) were broadly in line with program expectations during 1997-98. Performance however deteriorated in 1999, because of the adverse the terms of trade associated with the cotton crisis, and the oil price shock. In addition to the unforeseen exogenous factors, implementation of some of the components was delayed because of staffing discontinuities and uncertainties related to the 1997/98 election. As such, the overall outcome of the credit is rated *moderately satisfactory.*

4.9 ***Sustainability.*** The sustainability of the two public finance components of the credit is rated *likely*, and the gender component is rated *highly unlikely*. Good overall progress was achieved in the management of public finances as Government commitment

was high. By contrast, implementation of the gender component was unsatisfactory and unlikely to succeed unless restructured. For the project as a whole, sustainability is rated *likely* on the basis of strong government commitment for budget reforms (both resource mobilization and expenditure efficiency).

4.10 ***Institutional Development Impact.*** The ID impact of the two public finance components is rated *substantial.* Building on previous support in this area, the project further enhanced the administrative and operational capacity of the Ministry of Finance through the development of systems, computerization, organizational improvements, rationalization and streamlining of procedures, and training. By contrast, the ID impact of the gender component was *negligible* since the project did not lead to an appreciable development of relevant institutions. Taken as a whole, the ID impact of the credit is rated *modest.*

4.11 ***Bank Performance.*** During appraisal, there were persistent questions, including those by the Loan Committee, on: (i) the appropriateness of including the gender component in this operation; (ii) whether the public expenditure component would address poverty issues effectively; and (iii) the complexity and number of tranches. These questions were not adequately addressed before project implementation. Staff continuity during supervision was poor, with three different task managers over a three year period. In addition, the gender component did not receive sufficient attention. Only one of the six supervision missions had a gender specialist on the team. The effectiveness of including the component in an adjustment operation was questionable, and implementation was frustrated by low Government commitment and insufficient attention by the Bank. In view of the above, the Bank's overall performance is rated *unsatisfactory.*

4.12 ***Borrower Performance.*** The Borrower's overall performance is rated *satisfactory* mainly because of the successful implementation of the resource mobilization and expenditure efficiency components, despite the lack of attention given to the gender component. The reform instruments for revenue mobilization (customs and domestic taxes) required political commitment as the measures were intended to strengthen performance and reduce fraud. Undertaking these reforms in an environment in which the leadership was pre-occupied with the1997 presidential elections was laudable.

4.13 ***Lessons Learned.*** The main lesson learned was that grassroots-type components (such as the gender component) that are spread over wide rural areas should not be part of structural adjustment operations unless they are well prepared in advance and enjoy strong commitment by the Borrower. Such components require extensive supervision by specialized staff and normally receive inadequate attention by missions primarily staffed to supervise adjustment operations. Their implementation horizon is also typically much longer than that of fast-disbursing loans, and this asymmetry is inevitably resolved at the expense of the non-adjustment components.

5. The Third Structural Adjustment Credit (SAC III)

5.1 ***Background and Strategic Context.*** The origin of SAC III goes back to the cotton crisis of 1998 when the world price of cotton dropped sharply, causing severe difficulties for the sector and the economy. The cotton PE, *Compagnie Malienne pour le Développement des Textiles* (CMDT), that had enjoyed the benefits of a buoyant cotton market during 1994-98, could not cope with the sharp drop in export revenues. The large losses it suffered were absorbed by the budget, and threatened the progress that had been made on macroeconomic stability following the 1994 devaluation. Despite efforts by the government to stabilize the producer price, the company reduced the purchase price to farmers in May 2000, and the farmers responded with a boycott which led to a 50 percent drop in production, increased losses for CMDT, and a drop in rural incomes. In response, the government began a series of consultations with the farmers and CMDT and escalated the level of its own attention to this important matter by creating a special unit in the Prime Minister's Office (the *Mission de Restructuration pour le Secteur Coton* (MRSC)) to oversee the restructuring of the cotton sector. The resulting reform program for the sector was based on further consultations in the context of a national forum held with stakeholders in April 2001. This program reflected the farmers' preference for a gradual approach to enable farmers' organizations to build their own capacities to manage functions such as input supply, credit, and eventually ginning. During the period of intense domestic dialogue, the Bank was invited in August 2000 to support the Government's efforts to reform the sector with an adjustment operation.

5.2 ***Objectives and Design.*** The objective of Bank support was to provide financing in order to help close the overall financing gap that resulted from the cotton crisis, while assisting the government to restructure and reform the cotton sector and put it on a more robust footing for its long-term development. In addition, SAC III sought to continue the Bank's support for public expenditure management, with a focus on poverty reduction. SAC III was disbursed in three tranches.

5.3 The two main components of the credit consisted of: (i) a cotton sector recovery and reform program; and (ii) public expenditure reforms for poverty reduction. In addition, as an adjustment operation, the credit required satisfactory macroeconomic performance, although it did not set any specific targets by which such performance would be evaluated (contrary to a main lesson from the implementation of SAC I, where the ICR had argued that requiring satisfactory macroeconomic performance without clear benchmarks and conditions could lead to confusion and misunderstandings).

5.4 The cotton sector component consisted of up-front support for a short term action plan whose implementation would lay the groundwork for a more comprehensive reform of the sector to be taken up in future operations. The action plan was expected to address the sector's most urgent problems: to rapidly restore output and farmers' incomes during the 2001-02 cropping season, and to prevent social and other problems that would result from the continued deterioration of the sector. It consisted of four main elements: (i) an emergency financial rescue plan for CMDT; (ii) audit of CMDT accounts and studies to

delineate a liberalization program for the sector; (iii) preparation of the first package of liberalization measures, including privatization of the cottonseed oil subsidiary of CMDT, the *Huilerie Cotonnière du Mali* (HUICOMA), and the ginning mills and other assets belonging to CMDT in the OHVN/Kita zone; and (iv) restructuring of CMDT to focus on core functions (ginning and product marketing), while divesting from other marketing activities. The latter required the sale of non-core assets; subcontracting of non-core services to the private sector, including farmers' organizations; and preparation of a safety net to meet the costs of staff retrenchment. Implementation of the action plan set the stage for a full-scale reform of CMDT leading to its restructuring into several separate entities that were privatized.

5.5 The objective of the public expenditure component was to improve the impact of public expenditures on poverty reduction. The program built on the achievements made under the previous EMC and focused on budget preparation, execution, and monitoring. The component was designed to deepen and widen the improvements achieved under EMC to the administrative and operational procedures of the budgeting process, primarily on the expenditures side, and to help apply harmonized regional procedures, in accordance with the West Africa Economic and Monetary Union (WAEMU).

5.6 ***Relevance of Objectives and Design***. The *objectives* of the SAC III were highly relevant to Mali's needs. The IDA funds were required to fill a financing gap precipitated by the cotton crisis. Laying the foundations for restructuring and reforming the cotton sector was expected to improve the sector's capability to better deal with external shocks, and play a more resilient role in promoting growth and reducing poverty. Finally, improving the link between public expenditure decisions and poverty reduction would methodically build on progress achieved already in expenditure management under previous credits to improve the chances of combating poverty through better basic education and health services.

5.7 However, expecting to deal effectively with the politically charged and technically difficult restructuring of the cotton sector in the context of a structural adjustment operation turned out to be ambitious. Perhaps some of the less contentious and less time consuming measures could have been included, with the more difficult measures, such as the privatization of HUICOMA and the CMDT assets in the OHVN/Kita zone, relegated to a separate operation with a longer implementation and disbursement profile. Given the strong feeling expressed by a number of key Malian officials that the fast pace of difficult measures was imposed on them against their better judgment, the objectives of the operation appear to have been overly ambitious, and consequently relevance is rated as *moderate*.

5.8 ***Implementation and Achievement of Objectives.*** Implementation of the public expenditure component was moderately satisfactory. Building on progress achieved under previous adjustment credits, a significant number of additional procedural and administrative measures were implemented to further rationalize and harmonize public expenditures. They included: (i) preparation of a procedural manual for budget execution; (ii) development of an information system that integrated the functions of all the departments of the Ministry of Economy and Finance (iii) use of a consolidated Treasury balance statements being issued on a monthly basis; (iv) strengthening of auditing functions; (v) application since the 2003 budget of a budget nomenclature for local governments compatible with the national budget; and (vi) completion of medium term expenditure frameworks (MTEFs) for the education and health sectors and it application to the 2004 budget. The frameworks took the MDGs as their starting points, followed by 10-year sector expenditure plans translated into specific annual budget allocations. This resulted in the strengthening of the link between the strategic sector objectives and actual expenditure allocations. To ensure that the budget allocations were actually being used for their intended purposes, the Bank supported tracer studies under SAC IV (see Annex D). SAC IV also supported the development of MTEFs for other priority sectors, with the objective of their generalized adoption to both central and local government budgets.

5.9 However, *implementation of the cotton sector component was only partially successful.* While a number of the planned short term actions were implemented, a wide gap remained between the government and the Bank on how the fundamental reform of the sector should proceed.

5.10 Among the short-term measures successfully implemented were the following: (i) cost saving measures were instituted; (ii) CMDT eliminated some of the social services it provided; (iii) private truckers were engaged in hauling part of cotton production; (iv) a market based pricing formula for cotton lint was partially adopted for the 2002/03 crop year; and (v) HUICOMA and the assets of CMDT in the OHVN/Kita zone were brought to the point of sale, but the bids were considered too low and not accepted by government. *By contrast, some of the more fundamental restructuring and privatization measures were delayed, or not implemented.* This led to delaying some of the relevant benchmark conditions from the second to the third tranche and doing away completely with the third tranche—an important shortcoming in terms of its potential fiscal implications.

5.11 All officials interviewed by the PPAR mission agreed that the sector needed to be restructured and reformed, and its fiscal link to the national budget reduced, so that it would not represent a destabilizing factor to macroeconomic performance in general. The concern was how and at what pace. Some agreed with the Bank that the ultimate privatization of CMDT could be a solution, but felt that the pace at which it could be done effectively should not be rushed as was being required by the Bank. Others questioned whether privatization in itself would succeed in making the sector less vulnerable. They pointed to Benin and Cote d'Ivoire where the cotton sectors had been privatized but had not resulted in lowering the sector's vulnerability. Also, in Burkina Faso, where the link between the cotton sector and the budget had reportedly been reduced, it was claimed that the government subsidized the inputs for some producers.

5.12 Key government officials, such as the Prime Minister and the Minister of Economy and Finance, felt that a fast-disbursing structural adjustment credit was not the appropriate instrument for the privatization of even the pilot OHVN/Kita zone. They expressed concern about likely adverse political consequences that would be difficult to manage, if the proposed privatization were to proceed at the pace envisioned under SAC III. They further stated that they were opposed in principle to privatization based on pre-assigned dates, and pointed to what they considered as very bad and painful experience with the "privatization" of many previous PEs that were subjected to what they believed had been unrealistic target dates under the Public Enterprise Sector Adjustment Project (PESAP) of 1988. Most of the PEs that were slated for privatization under that project were liquidated for lack of buyers resulting from inadequate preparation.[3]

5.13 Most of the officials interviewed thought that the pricing formula for cotton agreed under the subsequent operation (SAC IV), which linked the domestic purchase price to the world price, was a step in the right direction. The step was also important for de-linking pricing and of distributing issues from the more fundamental issue of privatizing the cotton sector. The officials also agreed that the management of CMDT needed to be improved and felt that keeping CMDT a public entity while reducing its link to the budget could serve this purpose. They argued that improving CMDT management and efficiency could then be a step toward its eventual privatization at a pace that is politically acceptable. In the meantime, President Touré informed the Bank that any fundamental restructuring of the cotton sector would have to be postponed until 2008. This is being interpreted by most as a desire by President Touré to allow the 2007 elections to take place before embarking on a politically unpopular program. As a result, SAC IV, which IDA approved in March 2005, did not include any fundamental cotton restructuring component.

5.14 ***Outcome.*** Macroeconomic performance during the implementation of SAC III was subjected to a number of exogenous factors. On the negative side, the political crisis that erupted in Cote d'Ivoire in September 2002, about 9 months after credit effectiveness, had serious adverse effects on the economy of Mali. The closure of the road from Bamako to Abidjan (Mali's main export port at the time) had a detrimental effect on the export of cotton and livestock. Over 40,000 Malian workers in Cote d'Ivoire were estimated to have returned home, leading to a sharp drop in remittances by about 30 percent. In addition, the world price of cotton was stagnant. On the positive side, significant debt relief was provided to the country under the Enhanced HIPC Initiative in March 2003. There were also additional resources made available through a supplemental grant to SAC III (see Annex C). Owing to these factors real GDP growth slowed to 4.3 percent in 2002 compared with 12.2 percent in 2001. However, driven by a strong recovery in agriculture, on account of improved weather conditions, growth strengthened

[3] The experience with PESAP had not been positive and it continued to fuel resistance of key policy-makers to what they perceive as fast-paced privatization governed by pre-set dates (see Annex D). The privatization of HUICOMA in June 2005 was given as an example of a success because they felt they had taken their time to find the right buyer.

to 7.2 percent in 2003. Mali was able to meet the macroeconomic targets contained in the PRGF arrangement in 2002 and 2003. As is the case for all four of the credits reviewed in this PPAR, the IMF played a major role in the improved macroeconomic performance, with a supporting role by the Bank (see Annex E).

5.15 In view of the partial progress made in implementing the public financial management component of the project, and taking into account the modest relevance of the key cotton sector objectives and the difficulties encountered in their implementation, this review rates the outcome as *moderately unsatisfactory.*

5.16 ***Sustainability.*** In view of the Government's ongoing desire to improve the management of public expenditures, the sustained improvements in this area under previous Bank operations, the successful performance under this credit, and the inclusion of follow-up components in subsequent operations; the sustainability of the benefits achieved in this area is judged as likely. The sustainability of adequate macroeconomic performance is also likely, barring significant adverse external shocks. As for the restructuring and reform of the cotton sector, the Government has not demonstrated a clear commitment. Its skepticism with regard to the pace and method of change does not augur well for the sustainability of the meager benefits achieved thus far. On balance the sustainability of the achievements of this credit is *likely.*

5.17 ***Institutional Development Impact.*** The continued Bank's support to the Ministry of Economy and Finance to strengthen the budgeting process and administration has helped improved capacity for public expenditure management. The institutions dealing with the reform of the cotton sector, such as the MRSC, and the CMDT, remain in great need of strengthening. Overall, the ID impact is rated *modest.*

5.18 ***Bank Performance.*** The Bank's focus on assisting Mali to maintain macroeconomic stability, improve the management of its public spending, and lay the foundations to reform the cotton sector to make it more resilient in facing external shocks was appropriate. However, there was a strong perception by concerned Malian officials that the pace of restructuring and privatization was unrealistic and was being imposed by the Bank without being sufficiently responsive to their concerns. The inclusion of a politically contentious and time-consuming cotton sector reform component in a quick-disbursing adjustment operation was problematic. The commitment of the Government was weak, while the Bank was overly accommodating on its conditions. For example, credit conditions that required some PEs to be "brought to the point of sale" under the second tranche were moved to the third tranche, although the second tranche was disbursed anyway. The original third tranche conditions, which required the entities be divested to the private sector, were subsequently eliminated. In addition, the Bank could have made a greater effort to keep its development partners better informed of its evolving position regarding developments in the sector. One of the main development partners complained that when the Bank decided to go along with a request from President Touré that any fundamental restructuring of the sector should be delayed till at least 2008, it did not inform this partner in a timely manner, leaving the latter in an embarrassing situation. For these reasons, this assessment rates overall Bank performance as *unsatisfactory.*

5.19 ***Borrower Performance.*** The Borrower performed very well in the preparation and implementation of the public expenditure component of this credit. In addition, the government dealt effectively with the effects of the Cote d'Ivoire crisis, by re-routing trade, finding alternative sources of petroleum and other products, and containing the budgetary impact, without reducing expenditures related to poverty reduction. However, the government could have been more assertive and not gone along with important measures included as conditions under the cotton sector component when it felt that the proposed pace of implementation was unrealistic. Overall, the Borrower's performance is rated *satisfactory.*

5.20 ***Lessons Learned.*** As with the EMC, the main lesson learned from the implementation of this credit is that borrower commitment is essential for successful implementation. The implementation of the budget component progressed well because it was owned by the borrower who viewed the Bank as a welcomed and effective partner in this area, and because it felt that the measures included could be implemented within a time horizon normally appropriate for an adjustment operation. By contrast, the cotton component achieved only partial success because the pace expected for the implementation of some of the more difficult measures proved too ambitious. In addition, the Borrower's commitment to implementing those measures was uncertain, and many officials concerned felt that the Bank was more of an adversary rather than a partner in this area.

6. Evaluation of Overall Outcomes

6.1 This section evaluates the overall outcomes of the Bank's assistance to Mali in the three key areas that constituted the main objectives of Bank interventions in the four operations under review: (i) macroeconomic performance; (ii) sectoral and structural reforms and (iii) poverty reduction and progress toward meeting the MDGs. Of course, it is not possible to specifically attribute performance in all these areas to the Bank's support by itself. Many other players have been involved, starting with the policies and actions of the country itself, and including a number of very active other donors. In addition, perhaps the most significant factors have been the exogenous variables; particularly the amount of rainfall, the world prices of cotton and gold and political unrest in neighboring Cote d'Ivoire. Nevertheless, the analysis presented in this section tries to give a broad perspective on what, on balance, has been achieved over the review period by the combined efforts of all participants in Mali's economic development efforts.

Macroeconomic Performance

6.2 Mali's overall macroeconomic performance since the early nineties has improved considerably, despite its continued vulnerability to external shocks (see Table 6.1). This improvement is attributable to a combination of factors. The economic stabilization and adjustment measures undertaken in the early part of the decade (supported by SAC I, the IMF, and other donors), and supplemented by the 1994 devaluation and significant amount of aid and debt relief that the country has enjoyed, yielded the desired results.

Table 6.1 Mali - Key Macroeconomic Indicators (1992- 2005)

	1992-93	*1994-95*	*1996-99*	*2000-02*	*2002-03*	*2003-2005*
			Average Annual Percentage Change			
Real GDP Growth (%)	1.9	4.8	5.3	5.9	5.8	5.0
Consumer Price Index	-3.2	18.0	3.3	2.1	1.8	0.7
			Percent of GDP			**2003-2004**
Total Budget Revenue	14.2	12.9	15.9	16.5	16.2	15.6
Total Budget Expenditure	26.8	25.8	24.1	24.7	22.6	21.8
Overall Balance (excluding grants)	-14.6	-12.9	-8.2	-8.2	-6.4	-6.2
Current Account Balance (excluding official transfers)	-15.1	-18.7	-10.9	-11.0	-5.6	-9.4
			Percent of Exports of Goods and Services			
Debt Service Ratio (before debt relief)	18.3	19.8	16.9	10.9	10.1	
Debt Service Ratio (after debt relief)	--	--	12.1	8.3	6.0	

Source: IMF, various documents, WB World Development Indicators, WB African Development Indicators

6.3 Growth accelerated from less than 2 percent in 1992-93, to almost 6 percent over 2000-03. Annual growth rates have exhibited substantial fluctuations because of the country's dependence on a few export commodities that are subject to substantial world price fluctuation. Gold mining, cotton and rice have, on average, accounted for more than 50 percent of growth over the 1992-2002 period. Except for a high peak following the 1994 devaluation, inflation has remained modest, and in line with inflation in the Euro zone.

6.4 Fiscal performance has also improved significantly. The overall deficit has shrunk from 14.6 percent of GDP in 1992-93, to 6.4 percent in 2002-03. Although a larger share of this decline has been due to expenditures compression, revenues have increased as well, due to various measures supported by IMF programs, as well as by SAC I and EMC, and by other donors. Despite the contraction in overall expenditures relative to GDP, support by the donor community has enabled the relative share of expenditures on basic education to increase as of 2002, and that on health as of 2003; following previous declines (see Table 6.2).

Table 6.2 Mali - Public Expenditures on Basic Education and Health (2000 – 2004)

	% of total expenditure				
	2000	***2001***	***2002***	***2003***	***2004***
Expenditures on Basic Education	10.2	6.7	7.7	10.2	11.6
Expenditures on Health	6.7	6.4	5.9	10.1	11.6

Source: Ministry of Economy and Finance.

6.5 The external account has also improved significantly over the 1992-2003 period, with the current account deficit, excluding official transfers, declining sharply from just over 15 percent of GDP in 1992-93, to 5.6 percent in 2002-03. Despite sharp fluctuations in the exports of cotton, overall exports increased by twice as much as imports on average during this period, in part because of the expansion in gold exports which have become a larger export earner than cotton. Mali reached the completion point under the initial HIPC initiative in September 2000 and under the Enhanced HIPC in March 2003. The combined debt relief of US$539 million in NPV terms was instrumental in reducing the ratio of the NPV of total debt to exports to 150 percent in 2003.

Sector Reforms

6.6 ***Structural Adjustment.*** Mali has made significant progress in structural reforms since 1992. These reforms tended to be associated with programs of the Bank, the Fund, and other donors. Despite the lack of ownership and commitment on the part of Government, the initial reforms of the early nineties were undertaken with the support of SAC I. It implemented the trade liberalization program as a member of WAEMU by: setting a common external tariff structure with four rates; lowering the maximum tariff to 20 percent; and complying with the progressive elimination of tariffs within the WAEMU area. Only two prices remain administered: those for cotton and rice. The domestic cotton purchase price from farmers is now set according to a market-based formula that follows world prices (this was agreed under SAC IV).

6.7 Progress has been made in private sector development (PSD), including privatization. On privatization, only three large PEs remain in the public sector: CMDT, the telecommunications company SOTELMA, and the Housing Bank. The Government is not opposed to their privatization, but wants to make sure that it is done properly and advantageously. With regard to PSD, a number of measures have been implemented, which included: harmonization of the legal and regulatory environment under the Organization for the Harmonization of Business Law in Africa (OHADA); a ten-year plan for the development of the judicial sector was adopted in 1999, and measures have been taken to raise the skills of magistrates; and new regulatory and legal frameworks have been implemented for the privatized public utilities. However, governance issues and political interference remain problems that need to be addressed. FDI has increased significantly, mainly due to the relatively large gold mining concessions to South African and Australian companies.

6.8 Despite some notable improvements, the financial sector needs further structural reforms. Most indicators of financial soundness have recently improved, and the number of banks that have complied with prudential regulations has risen. But the sector still suffers from a large stock of non-performing loans, which leads to a spread of more than 10 percent between lending and deposit rates and a high concentration of loans. Micro-finance institutions (MFIs) have increased and now account for almost 5 percent of deposits and credits. Treasury bills were issued for the first time in June 2003, and a regional stock exchange has been established.

6.9 ***Role of Exogenous Shocks***. The vulnerability due to its dependence on rain fed agriculture and the world prices of cotton and gold is the Achilles heel of the Malian economy. The adjustment operations reviewed in this assessment included components designed to either directly, or indirectly, help reduce this vulnerability through diversifying the economy and reducing its dependence on cotton. For example, the incentives system component of SAC I helped improve the overall economic policy setting and business environment that could, indirectly, encourage diversification into other economic activities. The cotton component of SAC III was specifically designed to address the vulnerability issue, by trying to help the sector become more robust and flexible in responding to external shocks. In addition, the cotton pricing formula adopted in conjunction with SAC IV contributed to the development of a stabilization fund that could help attenuate financial difficulties in lean years by using any surpluses accumulated in better years. Unfortunately, the policy reforms were unable to reduce the economy's vulnerability to cotton prices. Economic diversification for a land-locked country with a limited resource base and institutional capacities, and a poorly educated and trained labor force, is difficult to achieve. Nevertheless, the Bank is still trying to assist in this area through operations such as the recently approved Growth Support Project and, indirectly, through other operations designed to further the development of the financial and private sectors.

6.10 ***Aid Dependence.*** According to the World Bank study of aid and reform in Africa[4], Mali is one of the top ten aid recipients in the world. In 1997, for example, net ODA inflows represented 18.4 percent of GNP, 77.2 percent of investment, and 47.5 percent of imports. Over the 1994-97 period, 54 percent of net ODA disbursements on average came from bilateral sources, and 46 percent from multilateral. The EU member countries were responsible for 37 percent of the total (France 18 percent, IDA 16 percent, and the EC 13 percent). The total amount of net disbursements increased sharply from about US$115 million (constant 1996 prices) during 1964-67 to about US$576 million during 1982-85.

6.11 A review of the Malian experience under the aid and reform study, regarding the link between aid and reform, concluded that: "(i) aid is more likely to facilitate reform if a critical situation has revealed the need for it; (ii) aid is more likely to lead to reform if the stakeholders are aware of its usefulness or if there is scope for mediation between opposing interests; (iii) aid is more likely to facilitate reform if there is no disagreement between various donors on the details of the reform; and (iv) aid is more likely to facilitate reform if it considerably reduces the costs incurred." These conclusions are broadly consistent with the observations of this assessment, and represent a set of important lessons for future Bank operations.

Poverty and the Millennium Development Goals

6.12 Poverty reduction has been a central objective of Government policy, as enunciated previously by PFPs, and more recently, in the PRSP. It has also been a major objective of the Bank's country assistance strategies. So has making progress in meeting the MDGs, which have recently been used by the Malian authorities as a reference point for the MTEFs and annual budget allocations in basic education and health. The main strategies and policies employed to those ends have been: the promotion of overall growth, particularly through private sector development; and increasing the proportion of public expenditures on the provision of basic education and health services.

6.13 Progress in reducing poverty, improving the distribution of per capita consumption, and generally moving toward achieving the MDGs has been mixed, but generally slow (see Table 6.3). Thus, for example, the percentage of the population living under the poverty line has been reduced from about 64 percent in 1990, but remained at about 57 percent in 2001 (latest information). Similarly, the Gini Index for consumption was lowered from 45.5 percent in the mid-nineties, but remained at 40.1 percent in 2001. While encouraging progress has been made in moving toward achieving universal education and gender equality, attempts to reduce child and maternal mortality have been disappointing. At the current rate of improvements it is unlikely for Mali to achieve the MDGs related to poverty and health, whereas in the case of education, targets are likely to be met if efforts in that direction are sustained.

[4] The World Bank, *Aid and Reform in Africa,* Washington D.C., 2001.

6.14 In summary: (i) macroeconomic stabilization and overall growth have done well on average, despite sharp fluctuations and periods of crises caused by external factors; (ii) considerable and commendable progress has been made in a number of key areas of structural reform, including trade liberalization, privatization and PSD. Despite these stabilization and structural adjustment achievements, the economy remains vulnerable to external shocks because of its dependence on a few major products. The economy also continues to depend heavily on external financial aid and debt relief. Progress on poverty reduction has been slow, despite a two percent average growth in per capita income each year over the last decade. But there is encouraging improvements in education indicators. On the basis of these developments, the overall outcome of Bank assistance in the four operations is rated *moderately satisfactory*, with sustainability rated *likely* and institutional development impact rated as *modest*.

Table 6.3 Mali - Status of Selected MDG Targets

Objective	*Target: Proposed change from 1990 to 2015*	*Actual change from 1990 to 2001*
1.	Halve the proportion of people below the poverty line	Reduced from 64% to 57%
	Halve the proportion of people who suffer from hunger	Stunting increased from 27% to 38% Wasting reduced from 43% to 33%
2.	Achieve universal primary education	Gross enrollment rate increased from 26% to 67%
3.	Eliminate gender disparity in education	Ratio of boys to girls in primary, secondary and tertiary schools increased from 62% to 73%.
4.	Reduce child mortality by 66%	Reduced by less than 4%
5.	Reduce maternal mortality by 75%	Essentially unchanged
6.	Stop and reverse the current trends of HIV/AIDS and malaria.	Population affected in 2001 by HIV: 1.7%; by malaria: 32% [1/]

[1/] Data for 1990 not available.

Source: World Bank, December 2004.

6.15 ***Monitoring and Evaluation.*** The design and implementation of all four operations reviewed did not highlight nor emphasize specific sets of variables to monitor and evaluate with a view to initiate mid-course corrections, as needed. Instead, in line with all adjustment operations, the focus was more on overall economic performance and outcomes of the benchmark conditions governing tranche releases. However, three of the four operations included components that could have benefited from a monitoring and evaluation framework: the civil service component under SAC I, the gender component under ERC, and the cotton component under SAC III. In all three, serious difficulties were encountered in their implementation, which needed appropriate mid-course adjustments. With better monitoring and evaluation framework built into project design and implementation, the distortions of the civil service component may have been averted. The gender component could have been redesigned, and the cotton component might have been recognized from the beginning as too complex to be included in an adjustment operation.

7. Lessons for the Future

7.1 The main lessons learned from this review are:

- Country ownership matters very much. The components of the loans that were owned by the country, such as the public resource management and some of the structural adjustment components were generally successfully implemented. By contrast, the components for which country commitment was not as strong, such as civil service reform, gender development, and fundamental cotton sector reform; did not fare very well.

- As a general rule, it would be very useful for the Bank to listen better and to go to extra lengths to explain its positions, and to solicit views and seek genuine agreement with country authorities. This could improve country ownership of programs. According to key officials in Mali, the Bank has become a better listener during the last few years, and the Resident Mission has played an important role in this regard. This is a good development which should be sustained and built upon.

- It is important to keep a good and substantive dialogue with the main development partners; again by listening better to their view points, keeping them better informed about those of the Bank, and seeking to reach agreements when possible. This would increase the effectiveness of the support being given to a country by development partners as a group as well as individually.

- As has happened already with SAC IV, it would be preferable to keep the design of adjustment operations simple and focused on a limited number of key policy areas, whose implementation can be realistically expected within the short disbursement period dictated by an adjustment operation. A well-designed monitoring and evaluation system (M&E) could further help facilitate implementation and avoid stalemate situations.

Annex A: Basic Data Sheet

Mali: First Structural Adjustment Credit (Credit No. 2188)

Key Project Data *(amounts in US$ million)*

	Appraisal Estimate	*Actual or current estimate*	*Actual as % of appraisal estimate*
IDA	70	70	100
Cofinancing Institutions	--	86.2	--
African Development Bank	--	20	--
European Union (EEC)	--	22	--
Germany	--	19	--
Netherlands	--	20.5	--
Switzerland	--	4.3	--
Norway	--	0.4	--
Other External Sources [a]	--	150	--
Total	--	306.2	--

[a] The IMF provided US$27 million equivalent under its Structural Adjustment Facility; about US$123 million was provided by France, USA, Canada and Japan.

Project Dates

	Original	*Actual*
Departure of Appraisal Mission	March 1990	March 1990
Board approval	n.a.	December 11, 1990
Signing	n.a.	January 23, 1991
Effectiveness	February 1991	March 15, 1991
Closing date	June 1993	June 1995

Staff Inputs (staff weeks)

	Actual/Latest Estimate	
	N° Staff weeks	*US$('000)*
Pre-appraisal	66	141.3
Appraisal	69	175.4
Negotiations	22.3	53.3
Supervision	184.4	430.9
Other	6.3	14
Total	384	814.9

Mission Data

	Date (month/year)	No. of persons	Staff days in field	Specializations represented	Performance rating	Rating trend	Types of problems
Identification/ Preparation	Jan-1990	1	7	Economist	--	--	--
	Mar-1990	4	17	Economists	--	--	--
	May-1990	2	14	Economists	--	--	--
Appraisal	Nov-1990	5	14	Economists	--	--	--
	Nov-1990	2	12	Economists	--	--	--
	Apr-1991	3	8	Economists	--	--	--
Supervision	May-1991	3	7	Economists	2	2	M
	Aug-1991	1	9	Economists	2	2	M
	Oct-1991	1	8	Economists	2	2	--
	Nov-1991	3	18	Economists	2	2	--
	Dec-1991	1	5	Energy Sp.	--	--	--
	Jan-1992	1	10	Economists	--	--	--
	Feb-1992	1	5	Economists	--	--	--
	May-1992	1	7	Economists	--	--	--
	Jun-1992	5	11	Economists	2	2	M/O
	Aug-1992	2	15	Economists	2	2	M
	Nov-1992	2	5	Economists	--	--	--
	Dec-1992	1	18	Economists	--	--	--
	Feb-1993	1	18	Economists	--	--	--
	Aug-1993	2	9	Economists	3	3	M/T/O
	Oct-1993	1	5	Economists	--	--	--
	Dec-1993	1	8	Economists	2	2	M
	Mar-1994	1	14	Economists	--	--	--
	Jun-1994	1	7	Economists	2	2	M
Completion	July-1995	2	14	Economists	--	--	--

1=Problem free or minor problems; 2= moderate problems
M= Managerial; T=Technical; P=Political; O=Other

Economic Recovery Credit (Credit No. 2580)

Key Project Data *(amounts in US$ million)*

	Appraisal estimate	*Actual or current estimate*	*Actual as % of appraisal estimate*
Original commitment		25	100%
Total cancellation		--	--
Total project cost		--	--
Cancellation		--	--

Project Dates

	Original	*Actual*
Departure of Appraisal Mission	January 1994	January 1994
Board approval	March 1994	March 17, 1994
Signing	March 1994	March 18, 1994
Effectiveness	April 1994	May 5, 1994
Closing date	June 1995	June 30, 1995

Staff Inputs (staff weeks)

	Actual/Latest Estimate	
	N° Staff weeks	*US$('000)*
Pre-appraisal	--	--
Appraisal	4.5	15.3
Negotiations	2.8	9.7
Supervision	7.5	22.4
Other	1.9	8.6
Total		

Mission Data

	Date (month/year)	*No. of persons*	*Staff days in field*	*Specializations represented*	*Performance rating*	*Rating trend*	*Types of problems*
Identification/ Preparation	Jan/Feb 1994	5	15	Economist	--	--	--
Appraisal	--	--	--	--	--	--	--
Supervision	June 1994	2	15	Economists	HS	HS	--
Completion	--	--	--	--	--	--	--

Economic Management Credit (Credit No. 2894)

Key Project Data *(amounts in US$ million)*

	Appraisal estimate	*Actual or current estimate*	*Actual as % of appraisal estimate*
Original commitment	60	60	100%
Total cancellation	--	--	--
Total project cost	--	--	--
Cancellation	--	--	--

Project Dates

	Original	*Actual*
Departure of Appraisal Mission		
Board approval	--	June 27, 1996
Signing	July 24, 1996	July 24,1996
Effectiveness	December 18, 1996	December 18, 1996
Closing date	December 31, 1998	June 30, 2001

Staff Inputs (staff weeks)

	Actual/Latest Estimate	
	N° Staff weeks	*US$('000)*
Pre-appraisal	34.9	87
Appraisal/ Negotiations	21.9	33.0
Supervision	68.6	198.6
Other	n.a.	n.a.
Total	125.4	318.6

Mission Data

	Date (month/year)	No. of persons	Specializations represented	Implementation Progress	Development Objective
Identification/ Preparation	07/95-03/96	3	Economist	S	S
		1	Resident Representative		
		1	Public Resource Management		
		1	Operations Analyst		
Appraisal/ Negotiations	04/96-06/96	3	Economists	S	S
		1	Operations Analyst		
		1	Financial Analyst		
		1	Industrial Sector Sp.		
		1	Resident Representative		
Supervision	02/29/97	2	Economists	S	S
	10/16/97	2	Economist		
	07/21/98	1	Economist		
	11/27/98	1	Economist		
	06/30/99	2	Economists; Mining Specialist		
ICR	02/17/00	1	Economist		
		2	Economists		

Third Structural Adjustment Credit (Credit No. 3582)

Key Project Data *(amounts in US$ million)*

	Appraisal estimate	*Actual or current estimate*	*Actual as % of appraisal estimate*
Original commitment	70.0	70.0	100
Total cancellation	--	--	--
Total project cost	--	--	--
Cancellation	--	--	--

Project Dates

	Original	*Actual*
Departure of Appraisal Mission	--	--
Board approval	December 12, 2001	December 11, 2001
Signing	--	December 17, 2001
Effectiveness	--	January 3, 2002
Closing date	June 30, 2003	June 30, 2004

Staff Inputs (staff weeks)

	Actual/Latest Estimate	
	N° Staff weeks	*US$('000)*
Identification/ Preparation	49	221.5
Appraisal/ Negotiations	52	166.6
Supervision	37.9	323
Other	5	12
Total	143.9	723

Mission Data

	Date (month/year)	No. of persons	Staff days in field	Specializations represented	Implementation Progress	Development Objective
Identification/ Preparation	8/2000	12	--	Economist--TTL (1); Telecommunications Specialist (1); Energy Specialist (1); Financial Sector Specialist (1); Rural Development Specialist (1); Agricultural Economist (1); Project Implementation Specialist (1); Economist (1); Macro Sector Manager (1); Rural Sector Manager (1); Resident Representative (1); IMF Economist (1).	--	--
	2/2001	8		Economist-TTL (1); Agricultural Economist (2); Economist (1); Public Finance Specialist (1); Agricultural Services Specialist (1); Rural Development Specialists (2)		
Appraisal/ Negotiations	9/2001	9	--	Co-TTL & Sr. Economist (1); Co-TTL & Rural Development Specialist (1); Economist (1); Public Finance Specialist (1); Agricultural Economist (1); Agricultural Services Specialist (2); Project Implementation Specialist (1); Resident Representative (1).	--	--
Supervision	3/2002	4	--	Co-TTL & Sr. Economist (1); Co-TTL & Rural Development Specialist (1); Agricultural Economist (1); Country Director (1).	S	S
	10/02-11/02	4	--	Co-TTL & Sr. Economist (1); Co-TTL and Rural Development Specialist (1); Agricultural Economist (1); Ag. & Rural Development Specialist (1).	S	S
	11/11/2002	6	--	Co-TTL (2); Ag. Ops. officer (1); Agri-business spec. (1); Public expend. Spec. (1); Economist (1)	S	S
	2/28/2003	2	--	Co-Team Leader (1); Sr. Ag. Economist (1).	S	S
	7/2003	3	--	TTL and Sr. Economist (1); Advisor to the ED (1); Economist (1).	S	S
	12/12/2003	2		Cotton Team Leader (1); Agri. Economist (1).	S	S

Annex B: Mali-Timeline of Major Events and Bank Outputs

Date	Domestic Politics	Other Major Events	Country Assistance Strategy	Adjustment Operations
1960	Independence from France			
1968-1991	Military regime under President Moussa Traoré	1986: Sharp drop in world price of cotton	1998-90: First PFP 1990-92: Second PFP	December 1990: SAC I approved
1991-95	Ali Toumani Touré transition government following civil uprising. Start of economic reforms and democratization	January 1994: Devaluation		March 1994: ERC approved
1995-97	President A.O. Konaré first term	May 1996: Paris Club Agreement	Mid-1990s: country assistance strategy approved (FY95-99)	June 1996: ECM approved
1997-2002	A.O. Konaré second term (protest marred elections)	1998: Cotton crisis 1998-99: IMF PRGF (1999-02) 1999-00: Cotton and electricity crisis	Late 1990s: country assistance strategy approved (FY99-01) extended to FY03	December 2001: SAC III approved
2002-07	A.T. Touré first term	September 2002: Cote d'Ivore crisis June 2004: IMF PRGF (2004-07) July 2004: Sharp drop in world price of cotton	July 2003: country assistance strategy approved (FY04-06)	November 2003: Supplemental Credit to SAC III approved

Annex C: The Supplemental Grant to SAC III

1. A single tranche SDR10.5 million (US$15 million) Supplemental Grant to SAC III was approved in December 2003 to help finance the additional financing gap that emerged that year due to the ongoing Ivorian crisis, in order to help prevent the reform program from sliding off track. This grant met the Bank's requirements for supplemental financing (OP 13.20) and was consistent with the recently completed July 2003 country assistance strategy. Mali's entire share of IDA grants was applied to this supplement, which was associated with additional financing from the EU, and the governments of the Netherlands, France, and Sweden, for a total of about US$20 million equivalent.

2. The approval of this grant required that: (i) Mali was maintaining an appropriate macroeconomic framework, and that had been confirmed by the sixth and final review of the Fund's PGRF operation in July 2003; and (ii) that progress in the implementation of SAC III was also being maintained, and that was confirmed in the report requesting the release of the third tranche of that credit, dated August 25, 2003. In addition to meeting these two requirements, comfort was also provided by the intention, at the time, that IFC would be involved in the privatization of CMDT.

3. The Program Document for this grant, dated November 13, 2003 included a detailed account of the adverse consequences of the persisting crisis in Cote d'Ivoire, and of measures that the country had been taken to ameliorate them. These measures included: (i) developing alternative transport routes and facilities; (ii) adjusting tax exemptions, delaying the application of the special tax on petroleum products, and increasing non-bank financing to help settle obligations to the power, water, and telecommunications utilities; and (iii) trying to encourage other sources of growth such as agro-industries, mining, tourism, with the participation of foreign investors.

4. The grant was justified by the following considerations: (i) it was consistent with the SAC III legal covenants; (ii) no other funding on reasonable terms was believed available; (iii) there was not sufficient time available to process a new adjustment operation; (iv) the Borrower was judged to have sufficient commitment and competence to carry on with the implementation of the ongoing reforms; and (v) IDA's contribution was part of a larger international financing package.

5. The Program Document for this grant was well articulated. The effects of the ongoing Ivorian crisis on the economy of Mali were serious and contributed to a significant increase in the balance of payments deficit and, in turn, to external financing requirements. The Program Document estimated that almost US$60 million in exceptional financing would be needed in 2003 in the revised macroeconomic framework, due to the crisis. Whereas the government's commitment to the restructuring of the cotton sector remained questionable, its track record and commitment to reforms in several other areas (including fiscal, monetary, trade and pricing policies; as well as

credible efforts to encourage private sector development in general) were worthy of continued support.

Annex D: Related Operations

1. Although this assessment is only of the four core operations discussed in the body of the report, a very brief description is presented below of a number of related operations. This is intended to give the overall evaluation a broader perspective.

Previous Operations

2. In 1988, two twin operations, one adjustment and the other technical assistance, were approved to assist in the restructuring of the PE sector.

3. ***Public Enterprise Sector Adjustment Project (PESAP).*** This SDR29.3 million (US$40 million) credit was approved on June 24, 1988 and became effective on September 29, 1988. It closed on June 30, 1992, after a 6 months delay from the original closing date.

4. Following independence in 1960 and throughout the subsequent two to three decades, the PE sector had grown to dominate the economy. However, by and large, its performance was rather poor and it accumulated a large debt, with a detrimental effect on the economy. Under the 1989-92 PFP, the Bank had originally thought of assisting the government's efforts to deal with the sector's problems with a PE rehabilitation operation. This was subsequently abandoned in favor of this full-fledged PE sector adjustment operation.

5. In retrospect, it turned out to be a somewhat ambitious project, in view of implementation capacity constraints and the country's overall economic conditions at the time. Some notable achievements took place, in terms of reducing the burden of the PE sector on the state budget, through liquidations and privatizations. However, the actual outcome of improving the overall performance of public enterprises was disappointing. The Performance Audit Report (PAR) rated the credit's overall performance as *marginally satisfactory*.

6. The legacy of this operation from the perspective of the Malian authorities was quite unfavorable. They felt that the Bank had imposed wholesale privatization of the country's PE sector, without adequate preparation, and subjected the process to unrealistic, pre-determined dates. This, in their view, led to the unnecessary liquidation of a significant portion of the production base of the country, and created severe political difficulties for the authorities, particularly with the unions. This legacy continues to affect the attitude of the authorities regarding privatization, particularly that which espouses pre-set dates for sale, or liquidation of PEs.

7. ***Public Enterprise Institutional Development Project (PEIDP).*** This SDR7.0 million (US$9.5 million) credit was approved in conjunction with PESAP, but two days later, on June 26, 1988. It became effective on the same day as PESAP on September 29, 1988, and closed on April 30, 1996.

8. Its main objective was to provide technical support to the entities that were to be involved in the PE sector reform. It consisted of five components that included institutional development measures and studies. The ICR, dated June 19, 1996 concluded that this project achieved its objectives only partially and rated its overall outcome *unsatisfactory*.

9. The main problems, according to the ICR, were unclear implementation plans, and insufficient commitment by the implementation agencies.

Concurrent Operations

10. The only concurrent operation considered in this assessment is a 1992 credit designed to assist in the development of the private sector.

11. ***Private Sector Assistance Project (PSAP).*** This SDR8.2 million (US$12.0 million) credit was approved on November 12, 1992; became effective on July 8, 1993; and closed on March 31, 2002.

12. Its main objective was to support the development of the private sector as a primary engine of growth. It consisted originally of four components: (i) regulatory; (ii) institutional development; (iii) studies; and (iv) information campaigns related to the project. Problems with project design and implementation arrangements were identified early on, and some components were modified, or dropped, during two project restructurings.

13. There was a major divergence in the performance ratings assigned to this project in the ICR, compared to an internal project assessment. The ICR gave the following ratings: satisfactory for outcome; likely for sustainability; satisfactory for Bank performance; and satisfactory for Borrower performance. An internal project assessment, on the other hand, gave the following ratings: moderately satisfactory for outcome; unlikely for sustainability; unsatisfactory for Bank performance; and unsatisfactory for Borrower performance. The internal project assessment concluded that whereas the project led to improvements in the policy, legal and regulatory framework, successful implementation of these reforms remains uncertain. Although the mentioned internal project assessment felt that the quality of the ICR was generally satisfactory, it felt that the ICR had tracked objectives and outputs, rather than outcomes, when evaluating project performance.

Subsequent Operations

14. Two subsequent operations are considered briefly in this assessment: the Fourth Structural Adjustment Credit (SAC IV); and the Growth Support Project (GSP).

15. ***Fourth Structural Adjustment Credit (SAC IV).*** This SDR16.5 million (US$25 million) credit was approved on March 22, 2005, and became effective on May 12, 2005. It was prepared quite rapidly since there was a need to meet an urgent financing gap for Mali. In July 2004, the world price of cotton dropped sharply. To protect the farmers, the Government did not reduce the purchase price from farmers. The resultant

losses of the cotton PE were absorbed by the budget, necessitating urgent financial support to protect the integrity of the macroeconomic situation.

16. While Mali's Country Policy and Institutional Assessment (CPIA) rating qualifies it, in principle, for a Poverty Reduction Support Credit (PRSC) operation, IDA has not made this instrument available yet, because of the poor progress being made in reforming the cotton sector. Instead, and in view of the urgent need for filling the country's overall financing gap, the Bank elected to move ahead with SAC IV, as a transitional instrument; with the added original intention to follow it up with a SAC V, also on a transitional basis. The proposed SAC V has since been replaced by a First Development Policy Credit (DPC I), which is under preparation.

17. Because of the difficulties encountered in implementing the cotton sector component of SAC III, the design of SAC IV was intentionally kept simple, and the credit consisted of two components: (i) private sector led growth to reduce poverty; and (ii) public sector expenditure management (a ubiquitous component in all of Mali's adjustment operations, at least since SAC I in 1990). The measures included in the second component follow up on progress of measures implemented under SAC III. The private sector component focuses on fiscal policy incentives and the financial sector.

18. ***Growth Support Project.*** This credit of SDR12.6 million (US$19.5 million) was approved on February 15, 2005. It is based on an Investment Climate Assessment and is designed to help promote sustainable and more diversified growth, led by the private sector. The main components of the project are: (i) implementation of the recommendations of the Investment Climate Assessment, focusing on improving the legal and regulatory framework, and policy-making and operational capabilities for private sector development; (ii) infrastructure support for growth, focusing on an industrial zone, Bamako airport, telecommunications, and infrastructure for tourism and mining; (iii) improving financial and non-financial services, focusing on micro, small and medium enterprises (MSMEs); and (iv) project coordination, monitoring, and evaluation.

Annex E: IMF Programs

1. During the 1992-2002 period, the Fund provided financial support to Mali under three consecutive arrangements; the first under the ESAF, and the following two under the PRGF. A second and more recent PRGF program covers the 2004-07 period.

2. The Fund programs included a number of prior actions, performance criteria, and macroeconomic and structural benchmarks. The main policy areas covered included: fiscal and monetary policy; the regulatory and legal system, particularly regarding private sector development; cotton sector reform; privatization of PEs in a number of sectors, including telecommunications; pricing of cotton and petroleum products; and others.

3. In 2003, an Article IV Consultation was conducted, and its report, dated November 24, 2003, included an annex which presented an ex-post assessment of performance under Fund-assisted programs during 1992-02. According to this assessment, the main achievements were: (i) macroeconomic imbalances were reduced, and growth accelerated, partly due to the 1994 devaluation, but also due to the commitment to reform; (ii) debt sustainability improved following the debt relief provided when Mali reached the completion point under the Enhanced HIPC Initiative; (iii) the fiscal stance improved due to the strengthening and streamlining of tax policy and administration and increased tax revenues; (iv) the trade regime was liberalized by implementing a common external tariff and narrowing the range of tariff rates on imports, in connection with the WAEMU; (v) the privatization program moved forward, competition increased, and the financial system became more sound; and (vi) the management, monitoring, and auditing of public expenditures improved.

4. The remaining challenges identified by this assessment included: (i) poverty reduction, economic diversification, further private sector development, and vulnerability to exogenous shocks remained elusive objectives, and progress on these fronts continued to be slow and uncertain, requiring continued external support; (ii) public expenditure priorities needed to have a better poverty-reducing focus; (iii) the financial sector still needed further strengthening; (iv) the benefits of privatization needed to be more visible for the program to enjoy greater support by the population; (v) the liberalization of the cotton sector was still at a very early stage (despite efforts supported by the Bank and the Fund in this important area); and (vi) improvements were still needed in institutional capacities, governance, and the generation and maintenance of databases on macroeconomic and social indicators.

5. On the implementation of the programs, the Fund's evaluation concluded that performance had been generally satisfactory, but had been "somewhat better in the quantitative than in the structural areas and under the ESAF than under the PRGF arrangements."

Annex F: Macroeconomic Targets set by the Mali PPAR Credits

While Annex E detailed the efforts of the Fund to improve macroeconomic performance, three of the four credits that are the subject of this PPAR also contained conditionality relating to this area. This is shown in the table below.

Table F. 1: Macroeconomic targets set by the Mali PPAR Credits

	SAC I	ERC	EMC	SAC III
GDP growth	4.2%, 1990-2000	2.4-5.1%, 1994-1996		Principally relies on meeting Fund Program
Inflation	Below 3%	<35%, 1994-1996*		
ODA	US$500m/annum 1990-1993			
Current account	Decline to 12.1% of GDP by 1993	20.4% of GDP in 1994; 13.4% in 1996		
budget surplus	Rises to 4.5% in 1993	2.7% of GDP in 1994; 5.6% in 1996		
Fiscal deficit		15.1% of GDP in 1994; 10% in 1996		
Fiscal balance, including grants			-5.2% of GDP in '96; -4.5% in '97; --3.9% in '98	

*Inflation would return to pre-devaluation levels by 1996

Annex G: Main Public Financial Reform Provisions of the Mali PPAR Credits

SAC I

- Prepare feasibility studies for large projects
- Establish criteria for project selection
    - Strengthen selection capacity of National Planning Directorate and technical ministries
- Strengthen project monitoring by establishing clear procedures

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ERC

- Freeze all civil service benefits
- Other financial actions stated in terms of quantitative outcomes

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EMC

- Prepare and use new budget procedures manual
- Consolidate into the regional budgets current central ministry allocations that are passed on to regions for execution
- Computerize entire budget preparation process
- Adopt new budget document format to enhance transparency
- Conduct staff training on budget procedures
- Adopt format for presentation of large projects
- Prepare and adopt 1997-98 budget laws acceptable to IDA
- Execute annual budget reviews (1995-97) to:
    - Evaluate expenditures vs. budget allocations
    - Identify expenditures in violation of procedures
    - Provide information on sectoral and region breakdowns of expenditures
    - Closely monitor expenditures in primary education, health, road maintenance, agricultural extension
- Strengthen monitoring of public investment budget
- Analyze execution of PIP 1993-95

SAC III

- Integrate local government expenditures into national classification system
- Treasury balance sheet produced with no more than 45 days delay
- Health and education expenditures executed in line with macro and budget framework and PRSP
- Integrate ODA into current and investment budgets
- Adopt "bridging table" to allow preparation of 2001 budget according to WAEMU norms

- Estimate medium term macro resource envelope as well as medium term envelope for health and education sectors
- Document links between current and investment budgets for 2002 by showing for each program:
    - Amounts to be executed by each agency, by program
    - Associated budget lines, program amounts, and program totals
- Completion of external review of functioning of budget process
- Produce MTEF report for 2001-03 integrating expenditures forecasted for education and health sectors under PRODEC AND PRODESS within medium-term macro framework
- Augment initial MTEF to include additional sectors as identified by PRSP
- Automate budget execution functions at all ministries
    - Prepare procedural manual for budget process
    - Complete functional and technical study to define MIS for various units of Ministry of Economics and Finance
- Improve transparency, accountability, and monitoring of expenditures—particularly poverty-related sectors
    - Adoption of appropriate budget codes
    - Production of annual public expenditure reviews
    - Completion of <u>audited</u> expenditure execution reports
    - Detailed budget statement of HIPC resource expenditures
    - Consolidated 2001 budget statement by functional ministry instead of by budget chapter
    - Synthesis of budget items related to poverty reduction
    - Synthesis of 2002 budget allocation by function (i.e., education, health, etc.)

Annex H: List of Organizations and Persons Met

Office of the Prime Minister
Mr. Ousmane Issoufi Maiga, Prime Minister

Ministry of Economy and Finance
Mr. Aboubacar Traoré, Minister
Mr. Abdoulaye Touré, Director, National Budget
Mr. Sambou Wague, Technical Advisor, Relations with WB/IMF
Mr. Sidi Almoctar Oumar, Technical Advisor, Public Finance
Mr. Jean-Louis de Miras, Technical Advisor, Reform of Financial Administration Project
Ms. Assa Doucouré, Technical Advisor (Cotton Sector)
Mr. Cheick Oumar Sidibé, Economist, Budget Reform Cell (Involved in SAC I)
Ms. Assitan Kouyaté, Missions Coordinator

Ministry of Education
Mr. Youba Ba, Director, Budget Department

Cotton Sector Reform Committee (MRSC)
Mr. Tiena Coulibaly, Consultant (Previous Minister of Finance)
Mr. Aly Kontao, Consultant

Textile Development Company of Mali (CMDT)
Mr. Ousmane Guindo, President and Director General
Mr. Ibrahima Coulibaly, Principal Controller

Syndicate of Cotton Producers
Mr. Keffa Diarra, Secretary General

Mali Development Bank
Mr. Abdoulay Daffe, President & Director General
Mr. Mamadou Doudou Séné, Director

Association of Farmers' Professional Organizations
Mr. Lassine Sidibé, Director
Mr. Mamadou Togo

Association of NGOs of Mali
Mr. Boureima Allaye Touré, Previous Secretary General

Mali Women's Collective
Ms. Bintou Sanankoua, President

Mali Women's Organizations Coordinating Body
Ms. Traore Oumou-Touré, President

KONI Expertise
Mr. Koniba Sidibé, Director

Development Partners
Mr. Harry Buikema, Ambassador, The Netherlands
Ms. Louise Ouimet, Ambassador, Canada
Ms. Irene Horejs, Resident Representative, European Union
Mr. Alexander Newton, Mission Director, USAID

Former Government Officials
Mr. Bassary Touré, Former Minister of Finance and Previous Executive Director at the World Bank
Mr. Bacari Koné, Former Minister of Finance (Currently Coordinator, Financial Sector Development Project)
Mr. Bangaly Traoré, Former Secretary General, Ministry of Finance and Economy (Currently Director General of Sahelo-Saherienne Bank)

World Bank and IMF
Mr. Alassane Diawara, Country Manager, Resident Mission
Ms. Yeyande Sangho, Sr. Operations Officer, Resident Mission
Mr. Youssouf Thiam, Economist, Resident Mission
Mr. Abdoulaye Konaté, Economist, Resident Mission
Mr. A. David Craig, Country Director, MNC04
Mr. John Page, Chief Economist, AFRCE
Mr. Ted Ahlers, Country Director, MNC01
Mr. Hasan Tuluy, Country Director, MNACS
Mr. Emmanuel Akpa, Sector Manager, AFTP1
Ms. Christina Wood, Senior Economist, AFTP4
Mr. Zeljko Bogetic, Lead Economist, AFTP1
Mr. Marcelo Selowsky, Assistant Director, Independent Evaluation Office, IMF
Mr. Edouard Maciejewski, Division Chief, African Department, IMF
Mr. Mounir Rached, Former, Resident Representative in Mali, IMF