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INTERNATIONAL DEVELOPMENT ASSOCIATION AND
THE INTERNATIONAL MONETARY FUND

REPUBLIC OF MALI

**Enhanced Heavily Indebted Poor Countries (HIPC) Initiative
Completion Point Document**

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EXECUTIVE SUMMARY

- This paper assesses Mali's progress under the Heavily Indebted Poor Countries (HIPC) Initiative and seeks Board approval of the completion point under the enhanced framework. In September 2000, the Executive Boards of the International Development Association (IDA) and the IMF agreed that Mali had fulfilled the requirements for the completion point under the original HIPC Initiative and met the conditions for the decision point under the enhanced HIPC Initiative framework. At that time, the Boards defined a set of conditions for Mali to reach the completion point under the enhanced framework.
- By end-December 2002, the policy reforms for the floating completion point under the enhanced HIPC Initiative had been implemented satisfactorily. These included macroeconomic stability, structural reforms, and social sector programs. The government also adopted a full poverty reduction strategy paper (PRSP) in May 2002 through a broad participatory process, and the joint IDA-IMF staff assessment of Mali's PRSP noted that it presented a credible strategy based on reasonable diagnostic analysis. The staffs are of the view that Mali's performance with respect to the conditions for reaching a completion point under the enhanced HIPC Initiative has been satisfactory.
- The long-term macroeconomic framework updated by IDA and IMF staffs in consultation with the authorities is broadly consistent with the revised framework that the authorities intend to implement in the context of the PRSP. It envisages sound macroeconomic policies and sustained economic growth over the long term. The staffs of the IMF and IDA have assessed recent export performance and outlook for Mali and are of the view that exogenous factors (world prices and rainfall) may constrain the country's capacity to repay its external debt, despite the implementation of appropriate macroeconomic and structural policies. The sensitivity analysis attached to the long-term macroeconomic framework shows that Mali's economy remains very fragile, and the key challenge remains how to broaden the economic base so that the country is in a better position to withstand the impact of potential droughts and external shocks.
- In light of new information, IDA and IMF staffs revised upward the estimate of the end-1998 debt stock in NPV terms (after traditional debt relief) by slightly more than 1 percent. Hence, the total relief under the enhanced HIPC Initiative would therefore increase from US\$401.5 million to US\$417.3 million. The assistance from the IMF would now be SDR 34.7 million (US\$45.2 million) instead of SDR 33.6 million (US\$43.9 million), and from IDA US\$142.6 million instead of US\$138.5 million.
- Once the country benefits from debt relief at the completion point, the NPV of debt-to-exports ratio declines to a sustainable level. The debt ratios at completion point are improved relative to the projections at decision point, reflecting the higher level of exports of goods and services recorded at end-2001, particularly of gold. Ensuring that debt indicators remain at sustainable levels underscores the continued need for

prudent macroeconomic and debt management policies, especially at times of extreme volatility.

- Assurances regarding enhanced HIPC Initiative assistance have been provided by Mali's other creditors, accounting for 93.5 percent of total debt relief required under the HIPC framework at decision point, and sufficient for IDA and IMF to provide irrevocable relief. However, since full and equitable participation in the Initiative is essential to its success, negotiations with the remaining creditors are being actively pursued.
- Implementation of the reforms listed as conditions for reaching the floating completion point under the enhanced HIPC Initiative has been broadly satisfactory.
- In light of the above, the staffs of the IMF and IDA recommend that the Executive Directors determine that the conditions for reaching the completion point under the enhanced HIPC Initiative framework have been met. The staffs also recommend that the Executive Directors approve additional assistance in light of upward revisions to the debt data at end-1998.

I. INTRODUCTION

1. This paper assesses Mali's progress under the Heavily Indebted Poor Countries (HIPC) Initiative and seeks Board approval of the completion point under the enhanced framework. In September 2000, the Executive Boards of the International Development Association (IDA) and the International Monetary Fund (IMF) agreed that Mali had met the requirements for the completion point under the original HIPC Initiative and had met the conditions for the decision point under the enhanced HIPC Initiative framework. This agreement was based on Mali's good track record of sound macroeconomic policies and significant structural reforms, the completion of the first review under the arrangement supported by the Poverty Reduction and Growth Facility (PRGF),² and the authorities' interim poverty reduction strategy paper (I-PRSP).³ At that time, the Boards defined a set of conditions for Mali to reach the completion point under the enhanced framework.

2. At Decision Point, the amount of debt relief under the enhanced HIPC Initiative framework needed to bring the net present value (NPV) terms of debt to the equivalent of 150 percent of exports of goods and services at end-1998 was estimated at US\$401 million in end-1998 NPV terms. The Boards also agreed that interim assistance would be provided to Mali by IDA and the IMF to cover part of the debt service falling due to the two institutions. Paris Club creditors took similar action and provided flow relief until end-June 2002, a period later extended until end-March 2003. Subsequent revisions to the end-1998 stock of debt (see Table 5) have increased the required amount of debt relief to US\$417 million in end-1998 NPV terms. This debt relief came in addition to the US\$121 million in end-1998 NPV terms provided at the completion point under the original HIPC Initiative (to reach the target NPV of debt-to-exports ratio of 200 percent). Hence, total relief under the original and the enhanced HIPC Initiative would amount to about US\$539 million in NPV terms, representing a reduction of about 37 percent of debt in NPV terms at end-1998. Based on the proportional burden sharing of NPV of debt outstanding at end-1998, the total multilateral contribution would amount to US\$370 million (69 percent), and that of bilateral creditors to US\$169 million (31 percent).

3. The paper is organized as follows. Section II assesses Mali's performance in meeting the requirements for reaching the completion point under the enhanced HIPC Initiative and reviews the poverty reduction strategy. Section III describes the long-term macroeconomic framework and updates the results of the debt sustainability analysis, based on the reconciled stock of debt at end-2001. This section examines the sensitivity of debt indicators relative to changes in macroeconomic variables and assesses Mali's debt sustainability in the long term relative to the overall economic environment, as well as the main risks embodied in the macroeconomic outlook. Section IV reviews the status of creditor participation; Section V provides conclusions; and Section VI presents the issues for discussion.

² See EBS/00/162 (8/11/00); the current four-year PRGF arrangement was approved on August 6, 1999.

³ See EBD/00/67 (8/11/00) and IDA/SecM2000-460 (8/11/00).

II. ASSESSMENT OF CONDITIONS FOR REACHING THE COMPLETION POINT

4. In accordance with the decisions of the Boards of IDA and the IMF, the requirements for Mali's reaching the completion point under the enhanced HIPC Initiative framework were for the government to (i) maintain a stable macroeconomic environment, as evidenced by satisfactory performance under the PRGF arrangement; (ii) ensure a satisfactory implementation of structural reforms, entailing the reform of the cotton sector and the pursuit of the privatization program, especially of public utilities and banks; (iii) implement satisfactorily the reforms in the education sector, as defined under the ten-year education program (PRODEC), especially with respect to budget allocation, teacher recruitment, and scholarship policy; (iv) implement satisfactorily the reforms in the health sector as defined under the ten-year health program (PRODESS), especially with respect to budget allocation and personnel policy; and (v) prepare a full poverty reduction strategy paper (PRSP) through a participatory process, assessed as satisfactory by IMF and IDA staffs.⁴

5. By end-December 2002, policy reforms envisaged for the floating completion point under the enhanced HIPC Initiative had been implemented satisfactorily overall (Box 1), Mali's progress in meeting these five conditions is summarized below, in addition to the effect of debt relief on social expenditures through the interim period and the mechanism in place to track the use of resources freed up by HIPC Initiative debt relief.

A. Macroeconomic Performance in 2001-02

6. Economic performance has remained generally satisfactory since Mali met the requirements for the enhanced HIPC Initiative decision point in 2000, in spite of a difficult environment resulting from problems in the cotton sector.⁵ To address these problems, the authorities implemented an emergency financial restructuring plan for the cotton parastatal company, CMDT. They also introduced measures aimed at re-establishing confidence among cotton growers, strengthening the domestic banking system, and ensuring the financing of the 2001/02 (April–March) crop. As indicated in the respective reports for the fourth and the fifth reviews under the PRGF arrangement,⁶ the implementation of the program in 2001-02 was broadly satisfactory, thereby setting the stage for the resumption of growth in 2002. The strong policy implementation for 2002 has been achieved in spite of the adverse impacts of both the Côte d'Ivoire crisis and unfavorable rainfall conditions in the second half of the year.⁷ Thus, after stagnating in 2001 because of a large drop in cotton

⁴ Box 9 of EBS/00/163, (8/11/00) and IDA/R2000-150 (8/11/00).

⁵ The problems were triggered by weaknesses in the management of the cotton parastatal company – *Compagnie Malienne de Développement du Textiles*, CMDT – and the decision by a majority of producers to boycott production in order to protest the cut in the producer price. These difficulties were compounded by depressed world prices for cotton fiber. Cotton production averaged almost 500,000 tons a year over 1997/98-1999/2000, before dropping to 243,000 tons in 2000/01. It rebounded to 571,000 tons in 2001/02.

⁶ EBS/02/127 (7/12/02) and EBS/03/16 (2/14/03).

⁷ The closure of the Bamako-Abidjan road, which carried nearly 70 percent of Mali's foreign trade, has potential detrimental effects on production, prices, and fiscal and external accounts.

output and lower food production, real GDP grew by 9.6 percent in 2002, owing to the more than doubling of cotton production, a 10 percent increase in cereal production, and a 17 percent increase in gold output. Consumer price inflation declined slightly from 5.2 percent in 2001 to 5.0 percent in 2002 against a projected rate of 3.0 percent (Table 1) owing to the combined effects of the crisis in Cote d'Ivoire and inadequate rainfall on food supply in the last quarter of 2002. The external current account deficit, excluding current official transfers, is estimated to have declined from 14.2 percent of GDP in 2001 to 10.7 percent of GDP in 2002, or by more than the level programmed in 2002, largely on account of strong export volume growth of mainly cotton and gold (Table 3). As Mali received a higher-than-anticipated level of budget assistance in the form of grants, yet 2002 grant amounts were lower than in 2001, the external current account deficit (including current official transfers) fell from 11.9 percent of GDP in 2001 to 9.5 percent in 2002, or about 2 percentage points of GDP more than expected.

7. **The fiscal program was on track in 2001-02.** The overall fiscal deficit, on a commitment basis and excluding grants, amounted to 11.0 percent of GDP in 2001, or 0.6 percent less than anticipated, on account of a shortfall in government spending. Preliminary indications are that the fiscal deficit declined to about 10 percent of GDP in 2002, compared with the 10.3 percent of GDP that was targeted (Table 2). Including grants, the fiscal deficit stood at 5.8 percent of GDP in 2001, compared with the 7.6 percent of GDP expected under the program, and at 5.6 percent of GDP in 2002, compared with a program target of 6.6 percent of GDP. The reduction in the overall fiscal deficit in 2002 was achieved in spite of a shortfall in expected tax revenue of 0.8 percent of the initial GDP estimate,⁸ which was partly offset by higher-than-anticipated dividend payments to the government by mining companies. The government also contained outlays of nonsocial sectors below the budgeted level, so as to observe the targets for the basic and overall fiscal balances. While social spending at end-September 2002 was below programmed levels, the authorities took measures to accelerate the process during the last quarter of the year.⁹ Budget expenditures for sectors that received HIPC resources increased by 78 percent since 2000, and HIPC resources accounted for 38 percent of that increase.

B. Key Policy Measures and Reforms

8. Since the decision point in September 2000, the government has made significant progress in the implementation of structural and social reforms, as indicated below and summarized in Box 1, 2, and 3.

⁸ This was due to disruptions in trade resulting from the crisis in Côte d'Ivoire.

⁹ The deficit was covered by loans obtained on concessional terms to finance investment projects or to support social spending. Proceeds from the sale of a second telecommunications license have also helped to cover the deficit.

Box 1. Mali: Status of Key Policy Measures for the Floating Completion Point	
Measures	Outcome
Maintain a stable macroeconomic environment as evidenced by satisfactory performance under the PRGF arrangement.	Implemented.
<p>Satisfactory implementation of structural reforms, including:</p> <ul style="list-style-type: none"> • continued implementation of reforms under the cotton sector rehabilitation plan; and • pursuit of the privatization program, especially of public utilities and banks. 	Satisfactory implementation.
Satisfactory implementation of reforms in the education sector , as defined under the PRODEC, especially with respect to budget allocation, teachers' recruitment, and scholarship policy.	Satisfactory implementation.
Satisfactory implementation of reforms in the health sector as defined under the PRODESS, especially with respect to budget allocation and personnel policy.	Satisfactory implementation.
Preparation of a full PRSP through a participatory process , and satisfactory assessment by Fund and Bank.	Implemented.

Cotton sector reform

9. **Since the setting of the enhanced HIPC Initiative completion point conditions, the government has extended the scope of the cotton sector reform beyond sector rehabilitation to include the restructuring and liberalization of the sector.** An updated action plan (a letter of Sector Development Policy), which IDA supports under the Mali – Third Structural Adjustment Credit,¹⁰ was adopted in June 2001 and supercedes the plan detailed in the HIPC Initiative decision point document.

10. **Important progress has been achieved in key areas of the cotton sector reform.** First, measures implemented with the emergency financial restructuring plan for the cotton parastatal company – *Compagnie Malienne du Développement du Textiles* (CMDT) – reduced production costs by 12 billion CFA Francs (US\$16 million equivalent). Second, the government started implementing the second phase of the financial restructuring plan in April 2002—this comprises the divestment of noncore activities (transportation, extension services, and input supply) and the downsizing of the workforce to reduce overhead costs.¹¹

¹⁰ Approved on December 11, 2001 (IDA/R2001-0181).

¹¹ The actions under the plan are expected to yield cost savings of CFAF 3.2 billion (US\$4.6 million equivalent) by end-2002, representing a 35 percent reduction in staff costs per kilogram of seed cotton. Additional cost savings of CFAF 0.7 billion and CFAF 0.5 billion (US\$1 million and US\$0.7 million equivalent) are expected by end-2004 and end-2006, respectively.

Third, the government put in place mechanisms giving cotton farmers the opportunity to participate in the management of the sector. An 11-point agreement was signed with the farmers in July 2000 laying out the obligations of the government and the CMDT vis-à-vis the cotton sector. In February 2001, the authorities created a unit in the Prime Minister's Office charged with overseeing the restructuring of the cotton sector (*Mission de Restructuration pour le Secteur Coton*), which regularly consults with farmers on issues related to the reform program and to performance of the sector. In particular, a national forum (*Etats généraux du coton*) held with sector stakeholders in April 2001 enabled farmers to contribute to the framing of the action plan for the extended sector reform program, which was then adopted by the government in June 2001. Also, after consultation with farmers, the authorities have started implementing a formula-based pricing mechanism for raw cotton that takes into account international and regional market conditions. The farmers agreed to a 10 percent cut in the producer price for the 2002/03 crop year in light of the fall in the world market price.

11. As regards the restructuring of the sector, the government is at an advanced stage of divesting its operations, including ginning mills, in one of the cotton-growing areas (OHVN/Kita), in addition, to the cottonseed oil company, HUICOMA. The call for bids for OHVN/Kita was launched in September 2002, and that for HUICOMA was launched in December 2002. While the conclusion of the privatization process is subject to market events, the sales of OHVN/Kita and HUICOMA are anticipated to be completed during the first half of 2003. In addition by June 2003, the authorities are expected to adopt one of the options being discussed for the full liberalization of the sector.

Privatization program

12. **Implementation of the privatization program has been satisfactory**, with the authorities proceeding steadily with the sale of key enterprises and entering in direct negotiations with potential investors when the regular bidding process was considered unsuccessful. Mali's privatization program was well under way prior to the enhanced HIPC decision point. By then, the government had already privatized the *Hôtel Amitié*, partially privatized the tobacco company, SONATAM (*la Société Nationale des Tabacs et Allumettes du Mali*), and issued calls for bids to privatize the *Banque Malienne de Crédit et de Dépôts* (BMCD). Mali had also adopted laws to open the telecommunications sector to competition, and to privatize the electricity and water utility EDM (*l'Energie du Mali*) as well as the telecommunications company SOTELMA (*la Société des Télécommunications du Mali*). The action plan for the financial sector reform program had also been finalized and progress had been made in restructuring the *Banque d'Investissement de Mali* (BIM-SA) for privatization.

13. The privatization program at the decision point entailed (i) the reduction of state ownership in commercial banks to less than 20 percent, (ii) government divestment from ten nonbank state enterprises (either through sale of shares, liquidation, or establishment of

Box 2. Mali: Status of Structural Reform Implementation	
Measures	Outcome
(a) Satisfactory implementation of reforms under the cotton sector rehabilitation plan:	Satisfactory implementation.
(b) Satisfactory implementation of the privatization program, especially of public utilities and banks:	Satisfactory implementation.
<ul style="list-style-type: none"> • Privatize 10 non-bank enterprises (that is, liquidate or transfer majority share ownership to private operators); and 	<p>Implementation completed for 8 enterprises (EDM, ITEMA, Air Mali, SONATAM, AFB, SONAREM, LONAMA, et SLMTP).</p> <p>Well advanced implementation for 6 enterprises (HUICOMA, ADM, RCFM, <i>Opération Puits</i>, UMPP, <i>la Mine d'Or de Kalana</i>);</p> <p>Implementation underway for 2 enterprises (SOTELMA, SUKALA).</p>
<ul style="list-style-type: none"> • limit government's ownership of banks to 20 percent of the capital (by end 2002). 	Achieved for BCDM; BIM-SA sale is at an advanced stage.

concession contracts),¹² and (iii) continuation of the program to develop the private sector by enhancing competition and improving the business environment in key sectors of the economy. As regards the banking sector, the BMCD has been privatized (the government's share ownership is now less than 20 percent), and the BIM-SA privatization is at an advanced stage.

14. As regards the nonbank enterprises, actions were completed for eight companies. The airline company, Air Mali and the public utilities company, EDM, have been privatized, and the textile company, ITEMA, has halted operations (following a reduction of government holdings to 20 percent). Two telecommunication licenses have been issued, the second one in August 2002 for US\$44 million (much more than anticipated). A new law was adopted in May 2002 allowing the privatization of SONATAM, and subsequently the government reduced its holdings by one-half to 35 percent of the company's shares. In May 2002, share holdings were also reduced to 20 percent in the slaughter company, *Abattoir Frigorifique de Bamako* (AFB). Other divested enterprises were SONAREM (mining research and exploration), LONAMA (lottery operations), and SLMTP (public works operations).

¹² The government was to retain shares in eighteen nonbank enterprises. Those with majority government holding are: CMDT (cotton fiber), ON (agricultural development), RCFM (railways), OPAM (food management), ONP (post office), PPM (pharmaceuticals products market), PMU-Mali (horse racing), ADM (airport management), COMANAV (river transport), and CESP (film production). Those nonblank enterprises with minority government holding comprised EDM (electricity and water), SOTELMA (telecommunication), COMATEX-SA, (textiles) ITEMA (textiles), SOMISY-SA (mining), SEMOS-SA (mining), ACI-SA (real estate), and SUKALA (sugar and alcohol).

15. The process of establishing concession contracts for the railway company (*la Régie du Chemin de Fer du Mali*, RCFM)¹³ and for the management company for the airports (*les Aéroports du Mali*, ADM) is at an advanced stage. The privatization of four other public enterprises is at various stages of implementation. These include the cottonseed oil company, HUICOMA (at an advanced stage of privatization; see para. 11); the pharmaceuticals company *Usine Malienne des Produits Pharmaceutiques* (UMPP; a commission of privatization has been established to determine the processing schedule)¹⁴; *Operation Puits* (well operations)¹⁵; the Kalana gold mine operations;¹⁶ the telecommunications company, SOTELMA (the privatization process has begun and will require about a year –and –a half to be concluded; and the sugar and alcohol company, SUKALA. **Overall, the staffs are of the view that satisfactory progress has been made under the privatization program and that the corresponding condition for the floating completion point was observed. The authorities have also indicated their strong commitment to conclude the sales of the remaining enterprises.**

16. **As regards private sector development, substantial progress has been made** toward harmonizing the legislative and regulatory environment under the Organization for the Harmonization of Business Law in Africa (OHADA) Treaty. A ten-year judiciary sector development plan (PRODEJ) was adopted in December 1999, and measures were taken to raise the skills of magistrates and judiciary auxiliaries in line with OHADA requirements.

Education sector reform

17. **Implementation of the ten-year education sector development program, PRODEC, is satisfactory**, even though initial delays caused some program targets to be only partially met. As a result of the delays,¹⁷ the government budget allocation to the education sector in 2001 amounted to CFAF 68.9 billion, compared with a target of CFAF 72.8 billion (representing 27 percent of total expenditure, or 3.8 percent of GDP). Capital expenditure was CFAF 14.2 billion compared with an initial target of CFAF 20.8 billion. Nevertheless, total budget allocation for education for 2002 amounted to CFAF 82.5 billion, compared with a target of CFAF 82.5 billion. Meanwhile, expenditure on scholarships for higher education was kept under the target ceiling of CFAF 4 billion. The number of teachers hired for

¹³ The two tender offers launched in 2002 were unsuccessful. With the assistance of IDA staff, the authorities, together with the government of Senegal, have reopened discussions with the two groups of companies that participated in the tender offer in order to reach an agreement as soon as practicable, given the urgency to improve access to the port of Dakar.

¹⁴ After the end of the contract signed in 1999 with a foreign company, discussions are underway with a new company.

¹⁵ The first two tender offers were declared unsuccessful, and the authorities are deliberating on the next steps.

¹⁶ The third tender offer since 1999 was finally concluded in early 2002; however, the selected buyer is yet to transfer the payment to the government.

¹⁷ The slow start of the sector program was due to (i) a longer-than-anticipated preparation time before the project financing the program's first phase became effective; (ii) the slow mobilization of some pledged donor funds; and (iii) initially insufficient construction capacity in some localities.

the 2000/01 school year (2,396) was higher than targeted, as was the number of classrooms built (1,778). Among other measures, the gross primary enrollment ratio is estimated at 61 percent for the 2000/01 school year, only slightly below the objective of 62 percent, and the bias against girls was reduced, with female enrollment at 50% (see Box 2 for other indicators).

Health sector reform

18. The implementation of the ten-year health sector program, PRODESS, commenced more slowly than expected,¹⁸ but it is now progressing satisfactorily. The government budget allocation to the health sector in 2001 exceeded the PRODESS target and amounted to CFAF 39.5 billion, compared with a target of CFAF 34.1 billion (representing 14.5 percent of total expenditure, or 2.0 percent of GDP). Capital expenditure totaled CFAF 19.2 billion, also above the target of CFAF 10.6 billion. In 2002, budget appropriations for health amounted to CFAF 43.9 billion, or well above the target (CFAF 37.5 billion). The target for recruitment of health sector workers was only partially met, owing to a lack of qualified personnel (particularly nurses) and difficulties in attracting staff (especially doctors) to positions in rural areas. The inadequate level of recruited health personnel (365 versus a target of 707) is a result of a lower-than-anticipated number of graduating students from training institutes and is a continuing concern of the government. The authorities are working on revising the incentive structure, which currently encourages doctors to opt almost exclusively for urban positions to the detriment of rural areas, where their services are needed more urgently. To address the supply constraint, a program is under preparation to decentralize the training of nurses to the regions, with the intent of attracting local residents into the health profession. Also, as a result of the geographical imbalance in service delivery, immunization rates were lower than targeted (53 percent, compared with a projection of 58 percent in 2000 – refer Box 3), although access to health care facilities surpassed the target (66 percent of the population was within 15 kilometers of a health facility, versus a target of 55 percent). The staffs are of the view that progress in the sector is broadly satisfactory and that the relevant condition for the floating point was observed.

Public expenditure management

19. Mali has made good progress in the management of public expenditure by implementing a performance based budget system, and involving the parliament in the preparation, presentation, and execution of the budget. The reform of public expenditure management continues to focus on achieving a better allocation of resources and improving the tracking of poverty-related spending. In addition, given that an increasing share of public spending is being managed at the local level and by autonomous agencies, the authorities are monitoring outlays by requesting detailed monthly reports on the execution of their budget, which will then be consolidated with data on the execution of the central government budget.

¹⁸ The following factors contributed to the slow start of the program: (i) the time required to finalize the procedural manual, distribute it, and train users on the procedures; (ii) the slow mobilization of pledged donor financing; and (iii) insufficient recruitment of health staff, owing to the inadequate health-training capacity.

Box 3. Mali: Key Indicators for Social Sector Reforms under PRODEC and PRODESS

PRODEC (education)¹

Main objectives: Attain 75 percent gross primary enrollment ratio in 2008, and increase efficiency of resource allocation in the sector in order to improve access to and quality of education at all levels.

	Objectives for 2001	Outcome
Teacher recruitment	2,206	2,663
Classroom construction	1,586	1,778
Allocations for teaching material in primary school (In billions of CFA francs)	2.6	3.4
Limiting higher education scholarship (In billions of CFA francs)	4.5	3.4
Total budget allocation (In billions of CFA francs)	72.8	68.9
<i>of which: capital expenditure</i>	20.8	14.2

Key objectives (In percent, unless otherwise indicated)	<u>1998</u>	<u>2000</u>	<u>2001</u> Est.	<u>2004</u>	<u>2008</u>
• gross primary enrollments	50	61	64	68	75
• gross primary female enrollments		50	54		
• adult literacy	32	46		50	...
• female adult literacy	19	30		40	...
• primary student/teacher ratio	...	55 to 1	60 to 1*	...	50 to 1

*Average of all schools – public, private, community. Due to difficulties in ensuring consistency of data collected, this figure is unlikely directly comparable with the data in other years.

PRODESS (health)¹

Main objectives: Improve access to primary health care services.

	Objective for 2001	Outcome
Recruiting health professionals;	707	365
Total expenditure (in billions of CFA francs)	34.1	39.5
<i>of which: capital expenditure</i>	10.6	19.2

Key monitoring indicators

(In percent, unless otherwise indicated)	<u>1998</u>	<u>2000</u>	<u>2001</u>	<u>2001</u> Est.	<u>2002</u>	<u>2003</u>
• population with access to health care within a 15 kilometer radius	40	50	55	66	60	65
• medically assisted births	40	50	55	41	60	65
• immunization rate (0-1 year)	45	58	65	61	76	80
• contraceptive prevalence rate	6.7	...	...	8.2	...	15
• maternal mortality	577	...	...	505	...	405
• infant mortality (per 000 live births)	123	...	...	113	...	60
• total fertility rate	6.7	...	...	6.8	...	5.8

Source: The Malian authorities.

¹Objectives and indicators for 2002 and beyond are those indicated in the enhanced HIPC decision point document. They will be revised as medium-term expenditure frameworks for health and education are being finalized.

Reaching the Millennium Development Goals

20. Mali's reform program is progressively being aligned with the requirements for meeting the Millennium Development Goals (MDGs). Due to the ready availability of diagnostic information and program costs, initial emphasis is being placed on the education and health sectors in the context of the sector-wide development programs, as well as the progress toward results-oriented expenditure management. The resulting medium-term expenditure frameworks, would also enable better monitoring of program achievements. Such expenditure management advances in the health sector reveal some improvements in health indicators between the second (1996) and third (2000) Demographic and Health Surveys, particularly for the poorest groups. Improvements include (i) a decline in infant mortality and child mortality rate by 25 percent each for the poorest quintile; (ii) an increase in the proportion of treated diarrhea cases, by about 15 percentage points for all quintiles; and (iii) an increase in prenatal consultations for all quintile groups. Improvements have in general been greater in rural than urban areas. Similar activity is under way in the education sector to quantify progress on the indicators.

21. Intensified domestic efforts and donor support will be required to maintain progress toward achieving the MDGs. Initial estimates emerging from Mali's medium-term expenditure framework exercise for the education and health sectors point to significant financing needs. For education, the additional cost is estimated at about CFAF 1,104 billion (US\$1.7 billion equivalent) over the 12-year period 2003-15, in conjunction with a continued increase in the education sector's share in the government recurrent budget from the present 29 percent to about 35 percent by 2015. A similar computation for the health sector estimates the cost over the period 2003-07 (but with reference to meeting the MDG targets set for 2015) at roughly CFAF 500.6 billion (US\$ 0.7 billion equivalent).

**Box 4. Mali: Total and Poverty Reducing Expenditures
by Main Economic and Administrative Functions in 2002 and 2003**

	Budget Appropriations in 2002			Budget Appropriations in 2003		
	Poverty-reducing expenditures		Total budget appropriations	Poverty-reducing expenditures		Total budget appropriations
	In billions of CFA francs	In percent of budget appropriations	In billions of CFA francs	In percent of budget appropriations	Annual percentage change	Annual percentage change
National budget	415.6	61.2	679.3	59.6	5.0	7.8
Wages and salaries	45.9	50.9	90.2	51.8	13.7	11.7
Other recurrent expenditures	24.5	33.6	73.0	34.8	15.4	11.4
Transfers	68.4	87.1	78.5	81.1	-19.1	-13.1
Other expenditures (including debt)	4.1	3.4	122.2	4.5	57.1	17.3
Equipment and Investment	240.8	85.0	283.5	85.3	7.7	7.2
HIPC expenditures	31.8	100.0	31.8	100.0	9.2	9.2
Primary education	51.6	99.1	52.0	99.1	12.7	12.7
Secondary education and university	24.9	81.6	30.4	83.5	59.6	56.1
Health	43.5	100.0	43.5	100.0	29.0	29.0
Other social sectors	16.9	100.0	16.9	100.0	1.1	1.1
General administration	40.6	55.2	73.5	48.6	-3.7	9.4
Foreign affairs	0.0	0.3	12.0	0.3	21.4	9.0
Defence and Police	0.9	2.0	44.9	2.7	48.7	9.4
Culture, youth and sport	2.4	38.7	6.3	46.1	60.9	34.9
Civil service and labor	0.7	100.0	0.7	100.0	43.2	43.2
Agriculture	111.3	99.1	112.3	100.0	0.0	-0.8
Mines, water and energy	30.0	91.6	32.7	87.7	-18.7	-15.0
Urban development and public works	57.9	88.7	65.3	86.4	15.3	18.3
Transportation	14.3	83.6	17.1	54.6	-58.7	-36.8
Communications	5.7	90.2	6.3	90.8	45.0	44.0
Domestic debt	0.0	0.0	6.8	0.0	0.0	91.2
External debt	0.0	0.0	58.7	0.0	0.0	9.9
Unallocated	21.0	21.0	99.8	11.7	-50.7	-11.6

Source: Ministry of Economy and Finance.

1/The coverage and the classification of expenditure differ from those in the table on central government financial operations. In particular, the budget includes outlays to be effected over several years and financing items, such as debt amortization payments.

Box 5. Mali: Selected Social and Demographic Indicators

	Latest Single Year			Same Region/Income Group	
	1970-75	1980-85	2000-01	Sub-Saharan Africa	Low income
Population					
	(In units indicated)				
Total population, midyear (millions)	5.9	7.4	11.0	627.3	3,536.4
Growth rate (annual percentage change)	2.0	2.3	2.3	2.2	1.4
Urban population (percent of population, 1999)	16.2	21.0	29.4	33.3	30.5
Total fertility rate (births per woman, 1999)	7.1	7.1	6.4	5.4	3.1
Poverty					
(percent of population)					
National headcount index, 1998	..	..	63.8	..	..
Urban headcount index	..	..	..	..	..
Rural headcount index	..	..	..	..	..
Income					
GNP per capita (U.S. dollars, 2000)	130	180	240	474	..
Consumer price index (1995=100)	..	..	112.7	143	..
Income/consumption distribution (1999)					
Share of income or consumption	..	..	..	..	..
Gini index	..	..	50.5	..	..
Lowest quintile (percent of income or consumption)	..	..	4.6	..	..
Highest quintile (percent of income or consumption)	..	..	56.2	..	..
Public expenditure					
	(In percent of GDP)				
Health	..	..	1.9 ¹	1.5	1.3
Education	..	..	3.2 ¹	4.1	3.2
Social security and welfare	..	1.7	..	..	..
Net primary school enrollment rate, 1999					
	(In percent of age group)				
Total	17	19	42	..	86
Male	21	24	49	..	89
Female	12	14	34	..	82
Access to safe water, 2000					
	(In percent of population)				
Total	..	..	65	..	..
Urban	..	..	74	..	..
Rural	..	..	61	..	..
Immunization rate					
	(In percent; under 12 months, unless otherwise indicated)				
Measles	..	..	57	54	80
DPT	..	..	71	54	82
Child malnutrition (percent under 5 years)	..	..	24.5	..	..
Life expectancy at birth					
	(In years)				
Total	40	45	43	50	63
Male	38	45	41	49	62
Female	41	46	44	52	64
Mortality, 1999					
	(In units indicated)				
Infant (per 1,000 live births)	203	180	117	92	68
Under 5 (per 1,000 live births)	391	292	218	151	92
Adult (15-59)	..	..	..	..	..
Male (per 1,000 population)	537	454	404	432	235
Female (per 1,000 population)	416	362	325	383	208
Maternal (per 100,000 live births)	..	..	580	..	..

Source: World Bank, *World Development Indicators* 2002;

¹Source: Mali. Budget-programme, *exercice budgétaire* 2002

C. Poverty Reduction Strategy Paper

22. The government completed preparation of its full PRSP (or CSLP)¹⁹ in May 2002 via a broad participatory process. The authorities announced that the PRSP would serve as the sole reference document in discussions with the population and development partners on Mali's development policies and strategies. Mali has for many years viewed poverty reduction as an integral part of its strategy for growth, economic reforms, and democratization, and it became an explicit government objective in 1997. During 1997-98, a National Strategy for Poverty Reduction (SNLP)²⁰ was developed through a series of regional and national consultation workshops with United Nations Development Program (UNDP) support; the strategy was presented to a donor roundtable in Geneva in 1998. The National Perspective Study for 2025 (ENP),²¹ which was adopted in December 2000, was also prepared via a wide participatory process aimed at elaborating a long-term economic and social vision for Mali. Mali's PRSP process has thus been able to draw on the work of the SNLP and ENP, as well as actions to establish sector-specific development programs.

23. In the decision point document, the staffs noted that when preparing the full PRSP, the authorities would have the opportunity to take advantage of Mali's participatory tradition, which should facilitate the implementation of a participatory process involving all actors (civil society, the poor, government agencies, donors, academics, and non-governmental organizations). The authorities would, however, face the challenges of (i) deepening the information base on poverty, its determinants, and the targeted policies for poverty alleviation; (ii) investigating the link between GDP growth and poverty reduction, especially in rural areas, while taking into account gender differentiation; and (iii) preparing a costed program, including monitoring components. The authorities have satisfactorily met all these challenges.

24. The PRSP is being presented to the Executive Boards under separate cover, together with the joint IDA-IMF staff assessment (EBD/03/13 (2/14/03), and IDA/SecM2003-0021, (2/14/03)). In addition to achieving higher economic growth, which is generally considered a prerequisite for poverty reduction, the PRSP is built on three main pillars: (i) institutional development and improvement in governance and participation; (ii) development of human resources and strengthening of access to basic social services; and (iii) infrastructure development and support for the productive sectors.

25. The joint staff assessment of the PRSP notes that Mali's PRSP presents a credible strategy based on reasonable diagnostic analysis, although the poverty reduction target is very ambitious and prioritization of the indicators and actions could be improved. The staffs note the following as areas that required more work: (i) the link between policies and poverty reduction objective, and the link between the targets for growth and poverty reduction; (ii)

¹⁹ Government of Mali, "Cadre Stratégique de Lutte contre la Pauvreté," May 2002.

²⁰ Government of Mali, "Stratégie Nationale de Lutte contre la Pauvreté," July 1998.

²¹ Government of Mali, "Etude Nationale Prospective Mali 2025," December 2000.

the updating of the poverty analysis and action plan on the basis of the expenditure data from the 2001 household survey;²² (iii) the governance and anti-corruption program; (iv) the analysis of the poverty and social impact resulting from the cotton sector liberalization, and from the privatization programs covering other sector enterprises; (v) the strengthening of the monitoring and evaluation system; (vi) the further prioritization of PRSP programs and the setting of criteria for reallocating resources in case of a shortfall in resources; and (vii) the pursuit, with assistance of IDA and IMF staffs, of full financial backing for the PRSP from donors.

III. DEBT SUSTAINABILITY OVER THE MEDIUM TERM

A. Data Reconciliation and Revision of Assistance

26. The debt sustainability analysis presented in the second decision point document was based on the stock of debt disbursed and outstanding as of end-1998. In collaboration with the authorities, IDA and IMF staffs reviewed the end-1998 debt stock to ensure its accuracy. In the light of new information, the staffs revised the estimate of the stock upward as of end-1998 which induces a change in the US dollar amount of HIPC relief of 1.8 percent of the targeted NPV of debt after HIPC relief.²³ This necessitates amending the enhanced HIPC common reduction factor from 28.1 percent to 28.9 percent of the debt outstanding as of end-1998 assuming full provision of traditional relief. **The total relief envisioned under the enhanced HIPC Initiative is, therefore, being revised upward from US\$401 million to US\$417 million.** The assistance from the IMF would now be SDR 34.7 million (US\$45.2 million) instead of SDR 33.6 million (US\$43.9 million), and from IDA US\$142.6 million instead of US\$138.5 million. IDA and IMF staffs recommend that the revision in debt relief be approved by the Executive Boards of IDA and the IMF.

27. To update the analysis, IDA and IMF staffs, together with the authorities also requested updated statements from multilateral and bilateral creditors regarding the debt situation as of end-2001. By end-2001, the NPV of multilateral debt before HIPC assistance had increased from US\$987.3 at end 1998 to US\$997.1 million, while the NPV of bilateral debt had decreased from US\$588.0 million at end 1998 to US\$484.6 million in end-2001 terms.

²² While the 2001 household survey data on living standards and access to basic services were included in the PRSP, the expenditure data from the survey will be available only in March 2003.

²³ The main changes resulted from the following: fuller information on the Russian participation in the Naples stock-of-debt operation; change of debt reduction option under the Paris Club to move from debt service reduction to debt reduction; the inclusion in the debt stock of certain loans made by France to public enterprises and the exclusion of certain loans that had been cancelled in 1994; the reconciliation of debts owed to Iraq; and a number of minor interest rate changes for other creditors.

B. Long-Term Macroeconomic Framework

28. **Together with the authorities, IMF and IDA staffs updated the medium-term macroeconomic framework. The framework is consistent with the program supported by the IMF under the PRGF arrangement and underpins the budget for 2003.** For the period 2002-06, the new framework differs somewhat from that presented initially in the PRSP in three areas. First, for 2003, the updated HIPC Initiative macroeconomic framework took into account information that became available since the PRSP was prepared last spring. In particular, because of unfavorable rainfall conditions in the second half of 2002, cotton production is now expected to fall by about 25 percent to 430,000 tons, instead of remaining at the 2001/02 level of 571,000 tons, and cereal production is forecast to fall by 3.7 percent. Second, as regards gold, the HIPC Initiative macroeconomic framework uses information provided by the government agency monitoring the sector that shows a steady decline in gold exports, given the current level of production, reserves, and investment. The PRSP assumes that the government will implement measures to encourage investment in the sector, and, hence, that gold exports will not decline by as much as earlier anticipated. Third, the PRSP assumes that public investment will rise sharply over the period 2002-06, but provides limited information on its content (other than a breakdown by sector) and financing. In view of this, the HIPC Initiative macroeconomic framework assumes that government investment will average about 9½ percent of GDP, over the period 2002-06, close to the level achieved in recent years.

29. **The updated HIPC Initiative framework envisages the implementation of sound macroeconomic policies and sustained economic growth over the long term.** The key challenge remains how to broaden the economic base so that the country is in a better position to withstand the impact of potential droughts and external shocks. It is especially urgent to find new sources of growth and employment, since cotton and gold, the two sectors that led the economy over the past decade, are unlikely to grow rapidly in the coming years. As indicated above, cotton production declined from 571,000 tons in 2001/02 to 430,000 tons in 2002/03 as a result of less favorable weather conditions, higher input prices, and a 10 percent cut in the producer prices, in line with the lower price for cotton on the world market. After a technical rebound of 16.3 percent in 2004, cotton production is forecast to grow by about 4 percent annually in the ensuing years. As for gold, production is likely to decline over the medium term, given the known levels of ore reserves and rising production costs.

30. Faced with such a challenge, **the authorities are committed to ensuring an enabling environment for private investment and the diversification of the economy.** Growth potential is high in the under-developed industrial sector, especially for textiles and agribusinesses that can add value to domestically-produced raw materials and agricultural products. Also, developments in the production and export of rice and in the telecommunications industry are expected to contribute to real GDP and export growth. However, such a strategy will require the following: consolidating further the fiscal position and strengthening public resource management so as to maintain the economy's competitiveness; developing human capital through adequate social policies; accelerating regional integration; improving the legal, judicial, and regulatory environment; completing

the privatization program; lowering utility costs; and developing transportation and road networks, an essential element for a landlocked country. Implementing such a broad strategy will take time before it can have a noticeable effect on growth, and it will require the continued support of the international community. Hence, real GDP growth is projected to average 4.0 percent a year over the period 2003-05 as against 5.0 percent a year over the period 1994-2002, and to rise progressively to 6 percent by 2012 before stabilizing at that rate until 2021. At the same time, inflation is expected to remain low.

31. Underpinning the projection for growth is the assumption that Mali will be able to attract foreign private capital to supplement domestic saving. The framework projects that gross domestic saving would remain at a historically high level over the next few years, partly as a result of higher government saving, and average about 14 percent of GDP a year over the next 20 years. However, this growth rate will be insufficient to finance total domestic investment, which is projected to average about 22 percent of GDP a year. Hence, Mali will still need to continue to attract a high level of foreign investment, with annual net foreign private capital inflows continuing to amount to about 2½ percent of GDP. Foreign companies may find it attractive to invest in the enterprises that are being privatized, the mining sector, telecommunications, agribusiness, and the textile industry.

32. As regards public finances, the authorities will pursue fiscal consolidation, while implementing measures to reduce poverty. Hence, the overall fiscal deficit, on a commitment basis and including grants, would decline from 5.6 percent of GDP in 2002 to about 4 percent thereafter. Excluding grants, the overall fiscal deficit will fall progressively from 9.9 percent of GDP in 2002 to about 7 percent in 2006, before settling at about 6 percent in the ensuing years. Government revenue is expected to rise from 17.2 percent of GDP in 2002 to about 19.5 percent in 2006 and would remain at about that level thereafter. At the same time, total government expenditure and net lending is forecast to decline from 27 percent in 2002 to about 25 percent of GDP by 2012,²⁴ and to less than 25 percent the ensuing years. Government investment would drop somewhat over the projected period from an average 9½ percent of GDP over 2003-06 to an average 9 percent over 2011-21, in line with the policy of encouraging private investment. Public investment would be increasingly financed from government saving, which would rise from 0.8 percent of GDP in 2002 to more than 3 percent from 2005 onward.

33. The external current account deficit, excluding current official transfers, is projected to fall from 11.2 percent of GDP in 2003 to 5.9 percent in 2021. Including current official transfers, the current account deficit would decline from 10.3 percent of GDP to 5.5 percent over the same period. The volume of exports is expected to drop by 5.8 percent in 2003, on account of lower cotton and gold exports, and would then grow by about 2.4 percent a year until 2010, as a steady decline in gold exports would be largely offset by an increase in other exports. After 2010, it is assumed that the growth in the volume of exports would average

²⁴ Total government expenditure is high in 2002, on an exceptional basis, due to the cost of the presidential and legislative elections and transfers to the cotton sector. Together, these costs amounted to 1.7 percent of estimated GDP.

Box 6. Mali: Macroeconomic Assumptions Underlying the Debt Sustainability Analysis

The baseline assumptions are for the 2002-21 period:

- **Real GDP** is projected to grow by 5.5 percent per annum on average.
- **Inflation** remains at about 2.5 percent during the projection period.
- **Government revenue** is stable at about 19 percent of GDP.
- **The fiscal deficit**, excluding grants, declines to 6.3 percent of GDP in 2010 and to less than 6 percent thereafter. Including grants, the deficit declines to less than 3.7 percent of GDP.
- **The external current account deficit (including current official grants)** falls gradually to 8.5 percent of GDP in 2010 and further to 5.5 percent of GDP by 2021.
- **The volume of exports** grows by about 0.7 percent during 2003-10, given the expected decline in gold exports, and averages 4.0 percent thereafter.
- **The volume of imports** is projected to grow in line with real GDP.
- **Public sector external borrowing** averages 4-5 percent of GDP a year; capital grants are assumed to average 2½ percent a year. Loans are assumed to have an average maturity of 28 years (with 86 percent of them provided by multilateral institutions), a grace period of 7 years, an average interest rate of 0.7 percent, and a grant element of 50 percent.
- **Net private capital inflows** are assumed to average 2½ percent of GDP a year.

4 percent a year. Even achieving such a relatively modest objective on a sustained basis will require the authorities to make strong efforts to diversify exports, so that the share of exports other than cotton and gold in total exports increase from 14.4 percent in 2002 to about 47 percent by 2021. Import volume growth is projected to be in line with real GDP growth. The external current account deficit is expected to be financed by highly concessional loans and grants tied to public investment projects, as well as by net private capital inflows.

C. Updated Debt Sustainability Analysis

34. Based on the macroeconomic framework described above and in Box 6, the analysis shows that debt-ratio indicators would decline to a sustainable level, barring significant exogenous shocks, once the country benefits from enhanced HIPC assistance at the completion point (Figure 1):

- The NPV of Mali's external debt was US\$1.5 billion at end-December 2001 and is projected to fall to US\$1.1 billion in 2003 (including US\$198 million in NPV of new loans) after Mali reaches its completion point and assuming that full assistance will be provided under the enhanced HIPC Initiative (Tables 6 and 9).
- **Mali's debt-to-exports ratio at the completion point remains well within the established threshold of 150 percent used for determining the debt relief to be provided under the enhanced HIPC Initiative.** The NPV of debt-to-exports ratio is projected to remain below the enhanced HIPC Initiative target of 150 percent

throughout the projection horizon, barring significant exogenous shocks (Table 12). After full delivery of the enhanced HIPC Initiative assistance, this ratio declines to about 120 percent in 2003, before rising again to 139 percent by 2021 as the government continues to borrow on highly concessional terms to implement its poverty reduction strategy.

- The NPV of debt after enhanced HIPC Initiative assistance falls from 174.3 percent of government revenue in 2003 to 144.3 percent in 2021, and from 33.2 percent of GDP to 26.8 percent over the same period (Table 11).

35. In the revised debt sustainability analysis, the NPV of debt-to-exports ratio after the hypothetical unconditional delivery of enhanced HIPC Initiative relief for end-2001 is 134.6 percent, somewhat lower than the decision point projection of 150 percent (Table 8). The revision is almost fully explained by the higher level of exports of goods and services recorded at end-2001, with the three-year average now estimated at US\$723.4 million, compared with the US\$662 million projected at the time of the decision point. Higher exports reflect a much faster increase than expected in the value of gold exports, owing to larger volume and higher unit prices than anticipated at the time of the decision point. However, the high level of gold exports is likely to result in a faster depletion of gold reserves and thereby to trigger a more rapid decline in gold exports from 2003 onward than initially anticipated.

36. As a result of these revisions, official debt service is lower than projected at the decision point and is projected to remain below the key ratios as defined under the enhanced HIPC Initiative (Table 11). After debt relief under the HIPC Initiative, debt service as a percentage of exports is estimated to be 6.2 percent in 2003, compared with the 7.9 percent projected at the time of the decision point, and it is forecast to remain relatively stable, rising to 6.9 percent by 2021 under the assumption of suitably prudent new borrowing.

37. With regard to the NPV of debt as a proportion of fiscal revenues, government revenue in U.S. dollar terms is anticipated to be slightly higher in 2002 than projected at the time of the decision point (Table 11). Also, government revenue is expected to grow over the period at a slightly faster pace than assumed in the decision point document, as the government intends to observe the convergence criterion of the West African Economic and Monetary Union (WAEMU) regarding fiscal revenue.²⁵ Hence, government revenue would reach about US\$1.8 billion in 2015, compared with the US\$1.4 billion projected at the time of the decision point, and would rise to about US\$2.9 billion in 2021. Hence, the NPV of debt-to-revenue ratio is expected to remain well within the threshold of 250 percent throughout the period. The debt service-to-revenue ratio, after enhanced HIPC Initiative assistance, is forecast to decline from 9.7 percent in 2003 to 6.6 percent by 2012-13, before rising slightly again to 7.7 percent by 2021 (Table 11).

²⁵ The convergence criterion calls for the ratio of fiscal revenue to GDP to be higher than 17 percent. The ratio is assumed to be 17.5 percent from 2011 onward.

D. Sensitivity Analysis and Long-Term Debt Sustainability

38. This section assesses the robustness of debt sustainability under less favorable long-term macroeconomic conditions. Two alternative scenarios are considered and compared with the baseline case (Table 12). The first scenario analyzes the effect of lower commodity prices and the second considers the impact of recurrent droughts.

39. **Mali remains very vulnerable to external shocks, given its heavy reliance on exports of cotton and gold.** To examine the sensitivity of the debt indicators to external shocks, it was assumed that the prices of cotton and gold would be 10 percent lower than under the baseline scenario from 2004 onward. The effect of the price shock is assumed to result in a 10 percent reduction in cotton production but to have no effect on gold output. It is estimated that, under these assumptions, real GDP growth would fall by 2 percentage points in 2004 and by 1 percentage point in 2005, to 4.6 percent and 4.9 percent, respectively, as a result of the direct impact of lower cotton production and the indirect impact of lower income on demand for domestic goods. The external current account deficit would widen by an estimated 0.9 percentage point of GDP in 2004. This scenario would also result in an increase in the fiscal deficit, assuming the government were to maintain the level of social spending and public investment; meanwhile, government revenue would remain stable relative to GDP but be lower in nominal terms.

40. Assuming that no further adjustment measures are to be taken and the wider external current account and fiscal deficits are financed through additional external borrowing on highly concessional terms, the NPV of debt-to-exports ratio would increase steadily, crossing the 150 percent debt-to-exports threshold by 2012. It would rise from 119.0 percent in 2003 to 153.5 percent by 2012, and to 163.6 percent by 2021. Hence under this scenario, the debt level would move above the 150 percent level—an outcome that emphasizes Mali's vulnerability to external shocks because of its narrow export base and continued heavy reliance on external financing. By the end of the period, the debt service-to-exports ratio would be 7.8 percent, compared with 6.9 percent under the baseline scenario. Relative to government revenue, the debt service would be 8.6 percent by 2021, or 0.9 percentage point higher than under the baseline scenario (Figure 2).

41. **The second scenario assesses the impact on Mali's debt of the occurrence of a two-year drought every five years, starting in 2004-05.** As a country in the Sahel region, Mali has suffered recurrent and prolonged periods of drought that have resulted in a drop in agricultural production and necessitated the importation of a large quantity of food. Hence, this scenario assesses the potential impact of a 10 percent drop in agricultural production in 2004-05, 2010-11, and 2016-17, respectively, before recovering to the level forecast under the baseline scenario in 2006-07, 2012-13, and 2018-19, respectively. The shortfall in domestic food supply is assumed to be offset by additional imports, two-thirds of which would be financed by highly concessional loans and one-third by grants. Lower real GDP growth also results in lower government revenue in nominal terms and therefore in a wider fiscal deficit financed by highly concessional loans, compared with the baseline scenario. It is the cumulative impact of these droughts and the associated additional borrowing which affects the long-term debt ratios.

42. Under this scenario, real GDP is projected to decline by 3 to 5 percent during the years the droughts occur, but to rebound by 6-8 percent during the ensuing two years. Under this scenario, the NPV of debt-to-exports ratio would steadily rise from 119.0 percent in 2003 to 159.3 percent by 2008 and, following additional droughts in 2010-11 and 2016-17, would jump to 348.2 percent by 2021 (Figure 2). By the end of the period, the debt service-to-export ratio would be 13.7 percent, and the debt service-to-government revenue ratio would be 16.6 percent.²⁶ This scenario highlights the importance for Mali to diversify export as quickly as possible and to finance food imports through grants during periods of drought. Fortunately, in the past, the international community provided food or grants when Mali was facing a serious crisis.

43. The baseline scenario is predicated on continued fiscal consolidation, a successful (if gradual) diversification of the economic base, and a reasonable external economic climate. Nevertheless, as the sensitivity analysis highlights, Mali's current dependency on a narrow export base and its high vulnerability to drought and international commodity markets make the achievement of sustained growth very fragile. While the IMF and IDA staffs believe that growth of 5-6 percent a year is attainable, given Mali's past record and the policies outlined by the government, they also recognize that, in light of the country's vulnerabilities, a setback to lower growth is very possible. Furthermore, a major exogenous shock would potentially have a very negative impact on the country's key debt ratios, as well as on poverty.

44. In order to mitigate the potential downside risks, the country will have to implement a very prudent debt-management policy. This will require that the government conduct regular external debt analysis to ensure that the debt profile is sustainable. In addition, the authorities should continue to strengthen their debt-management capabilities (see Appendix II). In the event that growth is less robust than predicted, it is essential that the international community respond with a higher proportion of assistance in the form of grants in order to maintain the same level of poverty-reducing expenditures.

IV. STATUS OF CREDITOR PARTICIPATION

45. Most creditors have issued satisfactory assurances of participation in debt relief for Mali under the enhanced HIPC Initiative (about 93.5 percent). The staffs are working with the authorities to facilitate the endorsement of the enhanced HIPC Initiative framework by the remaining creditors.

²⁶ If the cost of borrowing were to be 2 percent higher than assumed under the scenario, the NPV of debt-to-exports ratio would be above 150 percent by 2006 and rise to 296 percent by 2021.

A. Multilateral Creditors

46. Under the original HIPC Initiative, multilateral creditors were to provide assistance of US\$89 million and bilateral creditors US\$39 million in end-1999 NPV terms (equivalent to US\$84 million and US\$37 million in end-1998 NPV terms, respectively). IDA has provided its share (49 percent of the multilateral relief) through the purchase and cancellation by the HIPC Trust Fund of 14 IDA credits worth US\$75 million, with the remaining small balance of assistance provided through debt service relief (Table 13). The IMF has provided a grant from the PRGF-HIPC Trust through a deposit into an escrow account that is being used to meet Mali's debt service to the IMF. The African Development Bank (AfDB) has provided relief via grants from the HIPC Trust Fund and internal resources, covering 80 percent of the debt service due from the completion point until January 2003. The European Union (EU)/European Investment Bank (EIB) has also provided relief via a loan cancellation operation, while the West African Development Bank (BOAD) has provided a stock-of-debt reduction through the HIPC Trust Fund and the use of internal resources. Most of the remaining multilateral creditors have indicated that they intend to grant original HIPC debt relief at the same time that they provide their share of enhanced HIPC Initiative relief, in most cases using the same modalities.

47. Debt relief from the multilateral creditors under the enhanced HIPC Initiative amounts to US\$285.2 million in NPV terms at end-1998. IDA, the IMF, the AfDB, BOAD, and the EIB have granted interim relief. Other multilateral creditors have committed themselves to providing the debt relief required under the enhanced HIPC Initiative as soon as Mali reaches its completion point. Nevertheless, the total amount of multilateral assistance calculated at the decision point has not yet been secured since the Economic Community of West African States (ECOWAS), the BCEAO and Fund for Solidarity and Economic Development (FSED) have not so far committed themselves to delivering their share of assistance.

48. The details of the debt relief by multilateral creditors are as follows (Table 14):²⁷

- Debt relief from **IDA** amounts to US\$142.6 million in NPV terms, to be delivered from 2000 through 2014. Interim assistance over the period January 2000 to March 2003 amounts to US\$25.1 million in nominal terms. The enhanced HIPC Initiative assistance from IDA is being delivered through a 50 percent reduction in debt service on IDA credits disbursed and outstanding as of end-December 1998 (Table 14).
- Debt relief from the **IMF** amounts to SDR 34.7 million in NPV terms (approximately US\$45.2 million in end-1998 NPV terms). The value of interim assistance in nominal terms is SDR 9.1 million from September 2000 to February 2003. The share of debt service to the IMF covered by HIPC Initiative relief amounts to 38 percent on average

²⁷ These details were confirmed at the recent meeting of multilateral development banks with IDA and IMF staffs (March 14-15, 2002).

from 2000 to 2008. This is being delivered through debt-service reduction grants provided from the PRGF-HIPC Trust (Table 16).

- The enhanced HIPC Initiative assistance from the AfDB amounts to US\$53.5 million in end-1998 NPV terms. The AfDB is providing interim relief retroactively to the decision point. The debt-service reduction amounts to 80 percent, applicable from the decision point to July 2010. The cumulative savings on debt service to the AfDB would amount to US\$73.7 million in nominal terms.
- For details regarding the other multilaterals, see Table 4. For the status of creditor participation, see Box 7.

B. Bilateral Creditors

49. **Paris Club creditors** have agreed in principle to provide assistance under the original HIPC Initiative of US\$28.7 million in end-1998 NPV terms, and grant additional debt relief of US\$88.1 million under Cologne terms, so that total relief under the original and the enhanced HIPC Initiative will reach US\$112.9 million in end-1998 NPV terms. Mali concluded a flow debt-relief rescheduling agreement on Cologne terms with the Paris Club (a debt reduction of maturities and interests falling due of 90 percent in NPV terms) in October 2000. The agreement included a goodwill clause, in which the participating countries declared their readiness in principle to meet at the completion point to examine Mali's debt stock and provide the necessary relief to reach debt sustainability in the context of equitable burden sharing, provided Mali maintains satisfactory relations with the participating creditor countries. These countries will provide additional debt reduction under Cologne terms involving a 45.8 percent reduction of eligible debt. Several Paris Club creditors have indicated their willingness to provide debt relief beyond that required under the terms of the enhanced HIPC Initiative (Table 17). This would provide additional relief of about US\$8.7 million in end-2001 NPV terms.

50. **Non-Paris Club bilateral creditors** are required to provide treatment comparable to that of Paris Club creditors with total assistance under the original and the enhanced HIPC Initiative amounting to US\$16 million in end-1998 NPV terms. The NPV of debt outstanding to non-Paris Club creditors is US\$195.0 million at end-2001 (Table 6).²⁸ Of these, China and Côte d'Ivoire (accounting for about 35 percent of the NPV of total debt outstanding to non-Paris Club bilateral creditors) have already granted some debt relief. China cancelled four loans at end-2001, representing 51.1 percent of all debt before traditional relief. Côte d'Ivoire provided traditional debt relief under Naples terms in 1998 under the original HIPC Initiative, topped up to Lyons terms in 1999, thereby providing an 80 percent reduction of its stock-of-debt. Côte d'Ivoire also indicated that it would provide debt relief at the completion

²⁸ Creditors representing 42.7 percent of the non-Paris Club debt have given satisfactory financing assurances, accounting for US\$62.3 million of the US\$145.9 million NPV of non-Paris Club debt as of end-98 after traditional relief. This figure does not include Libya, which has announced its intention to participate in the Initiative, although at the time of this DSA no specific relief has been approved with regard to Mali.

Box 7. Mali: Creditor Participation in Comparable Assistance

Broad and equitable participation of all creditors is essential to the successful implementation of the HIPC Initiative. In the case of Mali, interim relief is being delivered by creditors accounting for 80.0 percent of the debt at the base date after full provision of traditional relief. Creditors accounting for a further 13.5 percent of the debt have committed to providing relief, and will begin doing so after the completion point.

However, at the time this debt sustainability analysis (DSA) was being prepared, the following creditors themselves to Mali had not yet fully committed to providing comparable relief:

Algeria. No agreement has been reached on provision of relief.

BCEAO. Committed to providing relief through rescheduling outstanding debt, but as of completion point all outstanding debt will have been repaid. There is no agreement yet on a refund or new concessional financing.

ECOWAS. Has indicated that it is currently unable to participate in the enhanced HIPC Initiative for financial reasons.

FSED: No agreement has yet been reached.

Iraq. No agreement; UN sanctions have not permitted the servicing of the debt.

United Arab Emirates. Has indicated that the requirements of the HIPC Initiative are not consistent with the charter and regulations governing the Abu Dhabi Fund for Developments, although the decisions are at the discretion of the government of Abu Dhabi.

China has provided partial relief, but more will be required to fulfill its share of assistance. **Kuwait, Libya** and the **Saudi Fund** have agreed in principle to deliver their share of relief, but negotiations had not been completed at the time this DSA was being prepared.

The staffs are working actively with the authorities to encourage the participation of the remaining creditors and are also providing technical assistance in evaluating the NPV relief delivered through the various creditor proposals.

point. Saudi Arabia provided a grant of US\$0.7 million and indicated that the Saudi Fund for Development would provide its share of debt relief consistent with the terms of the HIPC Initiative. The Malian authorities are continuing their efforts to obtain full debt relief under the HIPC Initiative from all non-Paris Club official bilateral creditors.

V. CONCLUSIONS

51. The staffs of the IMF and IDA are of the view that **Mali's performance with respect to the conditions for reaching the completion point under the enhanced HIPC Initiative has been satisfactory.** The PRGF-supported program has been implemented as planned. Performance under the IDA lending program has been satisfactory as well. Moreover, social indicators have improved over the past few years. The joint staff assessment of the PRSP concludes that the proposed strategy is appropriate to attain the objectives for poverty reduction. The macroeconomic framework through 2021 indicates that the objectives of external viability and fiscal sustainability should be maintained over the long term. Mali is putting in place a system to tracking poverty-oriented spending and is endeavoring to further improve its expenditure management.

52. **Sufficient financing assurances regarding enhanced HIPC Initiative assistance have been provided by Mali's other creditors.** As of end-December 2002, financial assurances obtained by creditors would represent about 93.5 percent of the total original and enhanced HIPC Initiative assistance approved in September 2000. The staffs are working jointly with the authorities of Mali to facilitate the endorsement of the enhanced HIPC Initiative framework by the remaining creditors.

53. The staffs of the IMF and IDA have noted that Mali's export performance will continue to be heavily influenced by exogenous factors (commodity price volatility and rainfall) which will affect Mali's medium-term debt sustainability despite appropriate macroeconomic and structural policies.

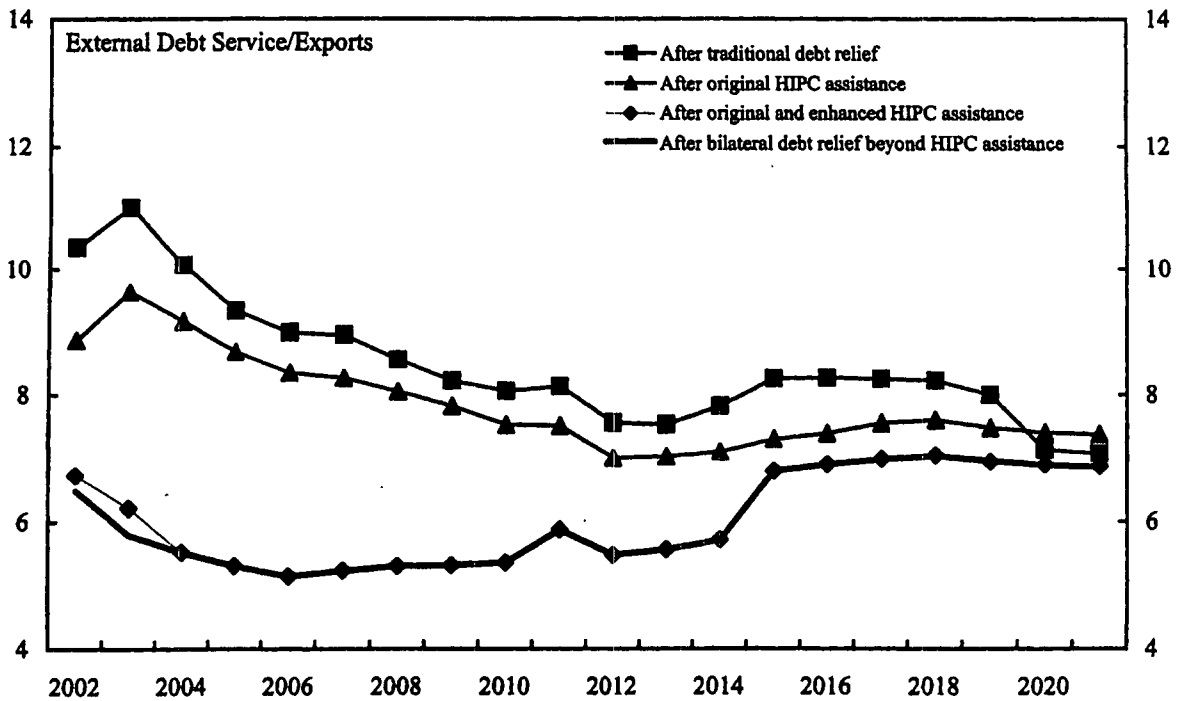
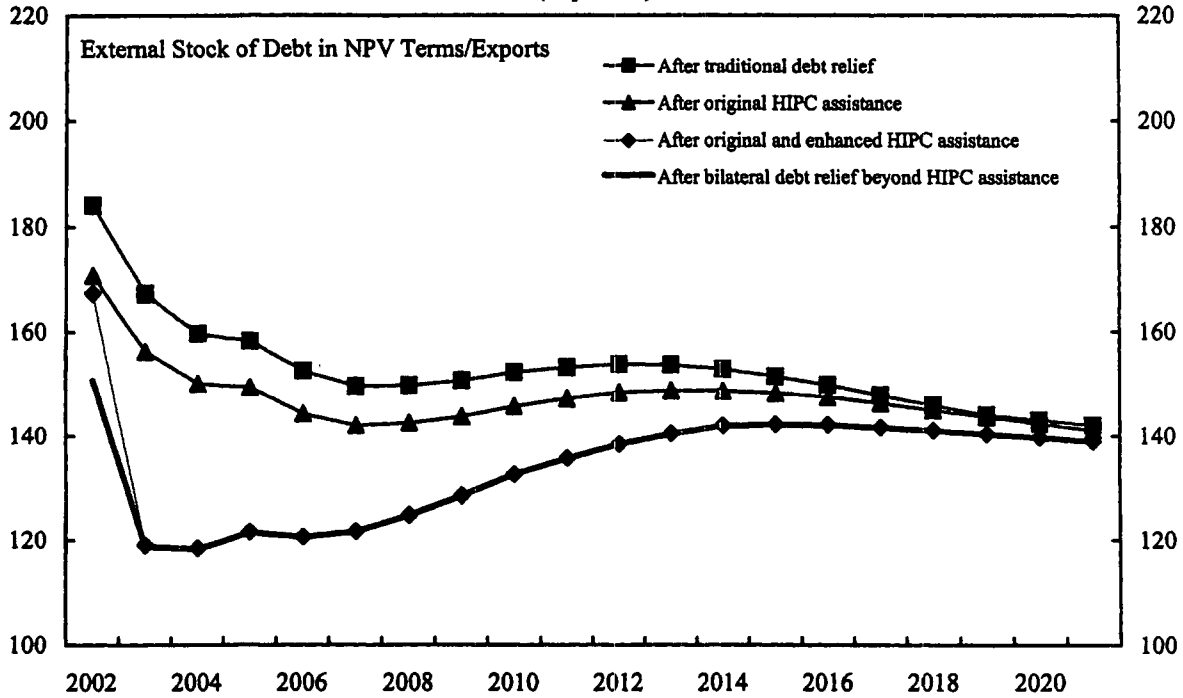
54. In light of the above, **the staffs of the IMF and IDA recommend that the Executive Directors approve the proposed revision to the enhanced HIPC Initiative debt relief agreed to at the decision point, and determine that the conditions for reaching the completion point under the enhanced HIPC Initiative framework have been met.**

VI. ISSUES FOR DISCUSSION

55. The staffs seek guidance from the Directors on the following points:

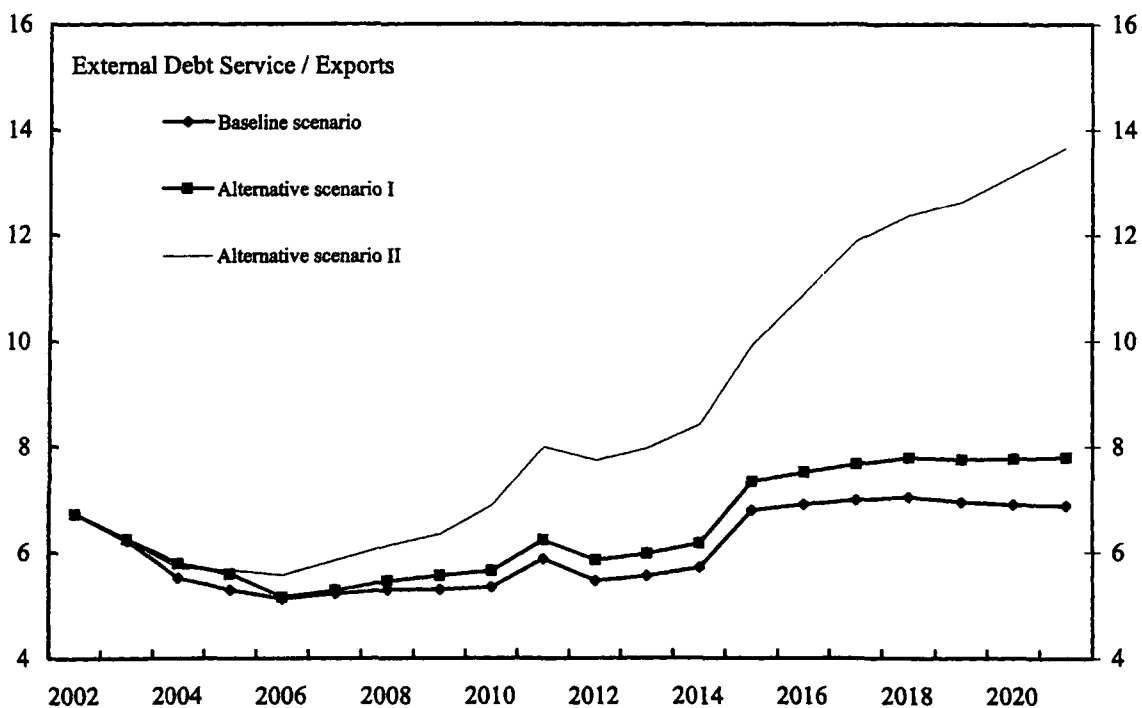
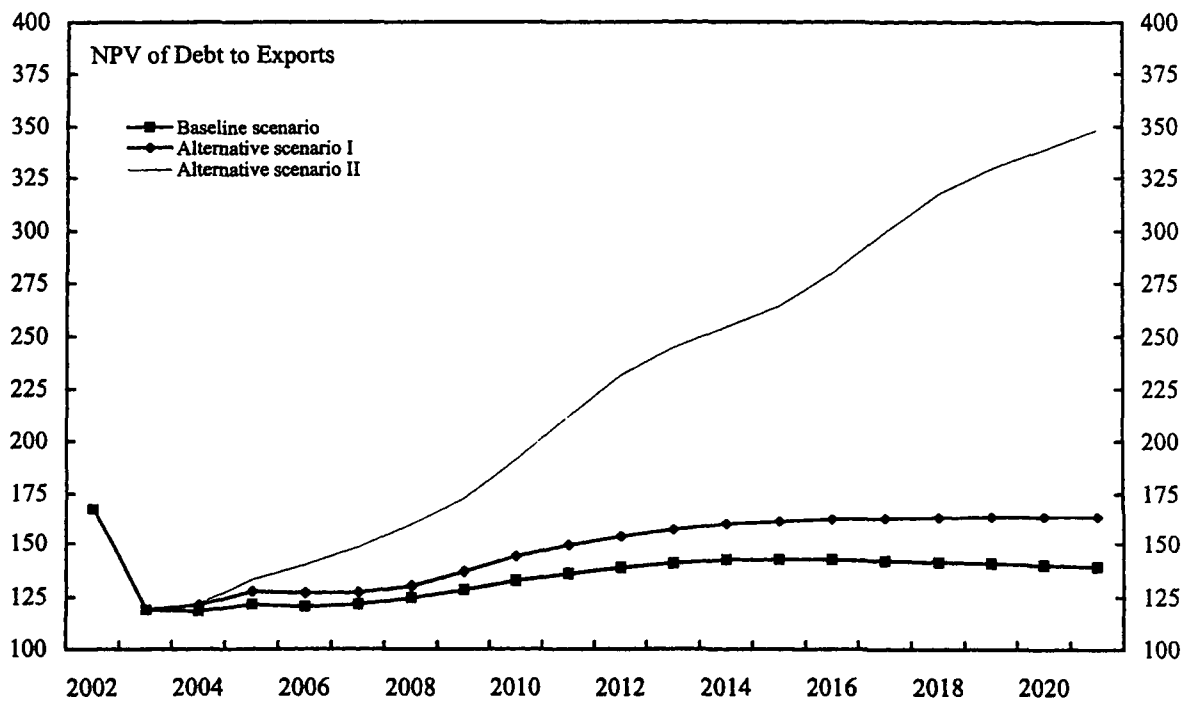
- Do the Directors agree that Mali has met the conditions for reaching the completion point under the enhanced HIPC Initiative framework, as established at the time of the decision point?
- Do the Directors agree with the revision proposed to the enhanced HIPC Initiative debt relief agreed to at the decision point, as a result of revised end-1998 external debt data? If so, do Directors agree to provide the revised assistance?
- Do the Directors agree that the revised HIPC relief will make an important contribution towards debt sustainability and therefore Mali's efforts to achieve sustained growth and poverty reduction in the medium-term, as discussed in Section III?
- Do the Directors agree that Mali should continue to seek debt relief from its non-Paris Club creditors within the framework of the HIPC Initiative, and that the staffs should continue to monitor the delivery of debt relief from all creditors?

Figure 1. Mali: External Debt and Debt-Service Indicators for Medium-and Long-Term Public Sector Debt, 2001-21
(In percent)



Sources: Malian authorities; and Bank-Fund staff estimates and projections.

Figure 2. Mali: Sensitivity Analysis, 2001-2021
(In percent)



Sources: Malian authorities; and Bank-Fund staff estimates.

Table 1. Mali: Selected Economic and Financial Indicators, 2001-21¹

	2001	2002		2003	2004	2005	2006-2010	2011-2021
		Rev. Prog. EBS/02/127	Est.			Projections		
(Annual percentage change, unless otherwise specified)								
National income and prices								
Real GDP	1.5	9.3	9.6	-0.4	6.6	5.9	5.7	5.9
Nominal GDP (in billions of CFA francs)	1,927.4	2131.1	2,204.4	2,302.9	2,529.4	2,744.3	3,541.3	6,963.4
GDP deflator	9.0	1.2	4.4	4.9	3.0	2.5	2.7	2.5
Consumer price index (annual average)	5.2	3.0	4.9	5.1	2.5	2.5	2.5	2.5
External sector								
Exports, f.o.b.	36.9	6.4	19.7	-6.1	10.8	8.6	3.6	6.7
Imports, f.o.b.	26.5	2.6	3.7	2.0	9.7	6.6	6.5	7.4
Export volume	24.7	16.4	24.5	-5.8	6.6	6.8	0.7	4.0
Of which: nonmining	-23.3	63.6	38.2	3.0	3.1	10.6	5.9	6.5
Import volume	24.3	0.7	6.3	1.3	7.4	5.0	5.8	5.4
Terms of trade	7.8	-10.2	-1.4	-1.1	1.9	0.2	2.1	0.6
Nominal effective exchange rate (average)	3.2	...	...	...	...	...	...	...
Real effective exchange rate (average)	3.7	...	...	...	...	...	...	...
Central government finance								
Total revenue	18.6	20.3	18.5	15.7	10.5	10.5	8.0	8.3
Total expenditure and net lending ²	21.3	13.5	12.2	5.5	8.3	6.8	7.5	8.1
Current expenditure	22.3	16.9	15.2	1.2	9.2	8.1	9.2	8.1
Capital expenditure and net lending ²	20.4	10.7	9.6	9.3	7.6	5.8	6.1	8.1
Money and credit								
Credit to the government ³	4.6	2.2	0.9	2.5	...	...	...	...
Credit to rest of the economy	19.0	9.5	7.2	9.0	...	...	...	...
Broad money (M2)	19.3	10.6	14.4	5.5	...	...	...	...
Velocity (GDP:M2)	4.0	4.0	4.0	3.9	...	...	...	...
Interest rate (in percent; end of period) ⁴	6.5	...	6.5	...	...	...	...	...
(In percent of GDP, unless otherwise specified)								
Investment and saving								
Gross domestic investment	21.0	21.5	21.2	18.1	20.8	20.9	21.5	22.3
Government	10.1	9.8	9.3	9.3	9.8	9.6	9.4	9.0
Nongovernment	10.9	11.8	11.9	8.8	11.0	11.3	12.1	13.3
Gross domestic saving	10.3	13.2	15.1	10.5	13.6	14.8	13.8	14.3
Government	0.5	1.1	0.8	2.8	3.0	3.6	3.3	3.7
Nongovernment	9.8	12.2	14.4	7.6	10.5	11.2	10.5	10.5
Central government finance								
Total revenue	16.6	18.1	17.2	19.1	19.2	19.5	19.4	19.0
Total expenditure and net lending ²	27.6	28.4	27.1	27.4	27.0	26.6	25.8	24.6
Overall balance (commitment basis, including grants)	-5.8	-6.6	-5.6	-4.7	-4.9	-4.3	-3.9	-3.5
Overall balance (commitment basis, excluding grants)	-11.0	-10.3	-9.9	-8.3	-7.8	-7.0	-6.4	-5.7
Basic fiscal balance ⁵	-2.0	-1.9	-1.8	-0.7	0.3	0.9	0.4	0.8
Basic fiscal balance ⁶	-0.2	-0.4	-0.4	0.7	1.6	2.0	1.3	1.1
External sector								
Current external balance, including official transfers	-11.9	-11.4	-9.5	-10.3	-9.7	-8.6	-8.6	-7.1
Current external balance, excluding official transfers	-14.2	-11.9	-10.7	-11.2	-10.1	-9.0	-9.0	-7.5
Debt-service ratio ⁷								
Before debt relief	10.3	12.2	11.1	12.2	10.1	9.3	8.6	7.8
After debt relief ⁸	6.5	7.8	7.1	7.5	5.5	5.3	5.3	6.5
(In millions of U.S. dollars, unless otherwise specified)								
Overall balance of payments	-44.4	-79.8	58.2	-53.0	-24.8	11.4	-26.7	118.2
Gross international reserves	354.2	375.3	471.0	486.3	582.6	689.7	764.6	1335.5
(In months of next year's imports) ⁷	3.7	3.7	4.6	4.2	4.8	5.3	4.9	4.7
Exports (in percent of GDP)	27.6	27.0	28.8	25.9	26.1	26.2	22.7	18.4
Imports (in percent of GDP)	27.7	25.7	25.1	24.5	24.4	24.0	22.7	20.6
U.S. dollar rate (end of period)	732.4	...	...	...	...	...	...	...

Sources: Malian authorities; and staff estimates and projections.

1 The staff has updated the balance of payments to be fully consistent with the IMF's Balance of Payments Manual (5th edition) and the authorities' presentation.

2 Including capital outlays financed through external project aid and transfers to the local authorities; data on commitment basis.

3 Change in percent of broad money at the beginning of the period.

4 End-of-period interest rate on the West African Monetary Union money market.

5 Defined as total revenue (excluding grants) minus total expenditures and net lending, (excluding foreign-financed investment).

6 Defined as footnote 5 above, but also excluding HIPC Initiative-related expenditure and exceptional expenditure financed by World Bank credit.

7 In percent of exports of goods and services.

8 Goods and services.

Table 2. Mali: Medium- and Long Term Central Government Consolidated Financial Operations, 2001-21¹

	2001	2002		2003	2004	2005	2006-2010	2011-2021
	Est.	Year		Rev. Proj.			Projections	
		Prog. EBS/02/127	Est.					
(In billions of CFA francs)								
Revenue and grants	420.4	463.1	474.3	521.1	558.3	611.9	773.7	1462.7
Total revenue	320.1	385.1	379.4	439.2	485.2	535.9	685.9	1314.8
Budgetary revenue	292.6	355.2	343.2	400.1	445.0	494.7	641.2	1260.2
Tax revenue	281.6	331.0	313.6	363.7	404.7	452.8	602.0	1218.6
Nontax revenue	11.0	24.2	29.6	36.4	40.3	41.9	39.2	41.6
Special funds and annexed budgets	27.5	29.9	36.2	39.0	40.2	41.2	44.7	54.6
Grants	100.3	78.0	94.9	82.0	73.1	75.9	87.8	147.9
Budgetary	27.5	0.0	16.9	12.2	0.0	0.0	0.0	0.0
Project	72.8	78.0	78.0	69.8	73.1	75.9	87.8	147.9
Total expenditure and net lending	532.6	604.5	597.4	630.1	682.4	729.1	911.5	1709.2
Budgetary expenditure	515.7	578.7	565.2	595.0	648.2	693.9	896.3	1679.2
Current expenditure	243.7	284.8	280.7	283.9	310.1	335.1	447.0	846.1
Wages and salaries	81.9	89.5	89.5	100.0	108.8	118.0	161.1	320.3
Materials and supplies	32.1	33.2	29.7	37.5	41.2	46.7	57.6	113.2
Transfers	54.3	79.2	78.6	53.6	64.7	64.8	96.7	179.2
Scholarships	4.7	5.6	5.6	5.6	5.6	5.6	5.9	7.2
Elections cost	8.0	9.0	10.4	1.0	4.0	0.0	5.3	7.0
Cotton sector	13.0	27.2	27.2	0.0	0.0	0.0	0.0	0.0
Others transfers	28.6	37.4	35.4	47.0	55.1	59.2	85.5	164.9
Other current expenditures	60.7	62.1	62.1	69.8	74.8	83.5	104.3	184.9
Interest	14.6	20.8	20.8	23.0	20.6	22.0	27.4	48.5
Domestic	0.8	2.1	2.1	3.3	1.5	1.5	1.4	1.2
External	13.8	18.7	18.7	19.7	19.1	20.6	26.0	47.3
Capital expenditure	235.9	252.1	246.6	258.6	298.9	321.0	414.3	814.6
Externally financed	174.0	178.4	178.4	175.6	203.9	216.5	241.1	448.5
Domestically financed	61.9	73.7	68.2	83.0	95.0	104.5	173.2	366.0
HIPC expenditures	16.8	31.8	31.8	32.5	34.2	32.8	30.1	18.6
Restructuring of public enterprises ⁴	19.3	10.0	6.1	20.0	5.0	5.0	5.0	0.0
Special funds and annexed budgets	27.5	29.9	36.2	39.0	40.2	41.2	44.7	54.6
Net lending	-10.6	-4.1	-4.1	-3.9	-6.0	-6.0	-6.0	-6.0
Basic fiscal balance ³	-38.5	-41.0	-39.5	-15.3	6.7	23.4	15.5	54.1
Overall fiscal balance								
Cash basis, including grants	-112.2	-141.4	-123.0	-109.0	-124.1	-117.2	-137.8	-246.5
Financing	112.2	98.1	123.1	109.0	79.1	88.7	137.8	246.5
External financing (net)	106.1	104.6	118.0	130.6	119.2	127.1	137.4	249.0
Loans	119.4	118.4	131.9	142.3	130.8	140.6	153.3	300.6
Project	101.2	100.4	100.4	105.8	130.8	140.6	153.3	300.6
Budgetary	18.2	18.0	31.5	36.5	0.0	0.0	0.0	0.0
Amortization	-36.4	-42.8	-42.8	-44.2	-45.8	-46.3	-45.9	-70.2
Debt relief	23.1	29.0	28.9	32.5	34.2	32.8	30.1	18.6
Of which: HIPC Initiative	23.1	29.0	28.9	32.5	34.2	32.8	30.1	18.6
Domestic financing (net)	6.1	-6.6	5.0	-21.6	-40.1	-38.4	0.4	-2.5
Banking system	17.3	10.6	-4.3	13.4	-15.1	-13.4	-8.6	-0.5
Of which: net credit to the government	18.7	10.6	-4.3	14.2	-14.7	-13.0	-8.6	-0.5
Privatization receipts	0.0	11.0	29.5	8.0	0.0	0.0	0.0	0.0
Nonbank financing	-11.2	-28.2	-20.2	-34.0	-25.0	-25.0	0.4	-2.5
Financing gap ⁴	0.0	43.3	0.0	0.0	45.0	28.6	0.0	0.0
(In percent of GDP, unless otherwise specified)								
Total revenue and grants	21.8	21.7	21.5	22.6	22.1	22.3	21.9	21.1
Of which: total revenue	16.6	18.1	17.2	19.1	19.2	19.5	19.4	19.0
Of which: tax revenue	14.6	15.5	14.2	15.8	16.0	16.5	17.0	17.5
Total expenditure and net lending	27.6	28.4	27.1	27.4	27.0	26.6	25.8	24.6
Of which: health and education	3.7	3.5	3.4	3.3				
Current expenditure	12.6	13.4	12.7	12.3	12.3	12.2	12.6	12.2
Overall fiscal balance								
Commitment basis, including grants	-5.8	-6.6	-5.6	-4.7	-4.9	-4.3	-3.9	-3.5
Commitment basis, excluding grants	-11.0	-10.3	-9.9	-8.3	-7.8	-7.0	-6.4	-5.7
Basic fiscal balance ³	-2.0	-1.9	-1.8	-0.7	0.3	0.9	0.4	0.8
Basic fiscal balance ³	-0.2	-0.4	-0.4	0.7	1.6	2.0	1.3	1.1
Memorandum item:								
GDP at current prices (in billions of CFA francs)	1,927.4	2,131.1	2,204.4	2,302.9	2,529.4	2,744.3	3,541.3	6,963.4

Sources: Malian authorities; and staff estimates and projections.

¹ The historical GDP figures through 2000 have been revised upward to be fully consistent with the authorities' data. Thus ratios to GDP in the program column may not be strictly comparable with the new ratios.

² Expenditures from World Bank credit and financing of P.E.S.A.P. and public enterprises

³ Defined as total revenue, excluding grants, minus total expenditure and net lending, excluding foreign-financed capital expenditure.

⁴ Expected to be covered by donor assistance.

⁵ Defined as footnote 3 above, but also excluding HIPC Initiative-related expenditure and exceptional expenditure financed by World Bank credit.

Table 3. Mali: Balance of Payments, 2001-21 1/

Line Item	2001 Act	2002		2003 Est	2004	2005 Projections	2006-2010	2011-2021
		Prog EBS/02/127	Est					
(In billions of CFA francs)								
Exports, f.o.b.	531.1	576.3	635.5	596.6	661.1	717.7	797.7	1267.4
Cotton fiber	51.2	153.4	126.8	136.7	143.8	169.7	215.2	347.5
Gold	354.4	321.6	417.2	367.4	406.8	423.3	395.5	419.9
Other	95.5	101.2	91.5	92.4	110.5	124.7	187.0	500.0
Imports, f.o.b.	-533.1	-546.8	-552.7	-563.7	-618.1	-658.6	-801.2	-1420.7
Trade balance	-2.0	29.5	82.9	32.9	43.0	59.1	-3.5	-153.3
Services (net)	-212.5	-216.8	-223.0	-227.9	-230.6	-232.9	-277.8	-400.3
Credit	75.2	85.1	85.1	86.4	90.4	95.1	119.9	241.3
Debit	-287.7	-301.9	-308.1	-314.3	-321.0	-328.1	-397.7	-641.6
Of which: freight and insurance	-192.2	-197.1	-203.3	-207.2	-211.7	-225.6	-286.4	-512.2
Income (net)	-97.9	-95.8	-123.7	-99.1	-112.0	-119.7	-92.1	-56.6
Of which: interest due on public debt	-14.3	-13.7	-19.2	-20.1	-19.4	-20.8	-26.1	-27.3
Private transfers (net)	39.5	29.0	27.0	36.1	44.0	46.0	55.3	132.5
Official transfers (net)	42.7	12.2	28.1	21.2	11.2	11.2	14.5	23.4
Of which: budgetary grants	27.5	0.0	16.9	0.0	0.0	0.0	0.0	0.0
Current account balance								
Excluding official transfers	-272.9	-254.2	-236.8	-258.0	-255.5	-247.5	-318.2	-507.7
Including official transfers	-230.2	-242.0	-208.7	-236.8	-244.3	-236.3	-303.7	-479.3
Capital and financial account	136.8	183.6	249.3	201.3	227.8	243.8	286.2	557.3
Capital account (net)	72.8	78.0	78.0	75.8	77.8	79.0	87.8	147.9
Of which: projects grants	72.8	78.0	78.0	75.8	77.8	79.0	87.8	147.9
Financial account	114.0	105.6	171.3	125.5	150.0	164.8	198.4	409.4
Private (net)	31.0	30.0	82.2	27.4	65.0	70.5	91.0	178.9
Official (net)	83.0	75.6	89.1	98.1	85.0	94.3	107.4	230.4
Disbursements (net)	119.4	118.4	131.9	142.3	130.8	140.6	153.3	360.6
Budgetary	19.2	18.0	31.5	36.5	0.0	0.0	0.0	0.0
Project related	101.2	100.4	100.4	105.8	130.8	140.6	153.3	360.6
Amortization due on public debt	-36.4	-42.8	-42.8	-44.2	-45.8	-46.3	-45.9	-70.2
Errors and omissions	10.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-32.5	-58.3	40.6	-35.5	-16.6	7.6	-17.6	78.0
Financing	32.5	58.3	-40.6	35.5	16.6	-7.6	17.6	-78.0
Foreign assets (net)	9.4	-14.0	-69.5	3.0	-62.7	-68.9	-12.5	-96.6
Of which: IMF (net)	5.1	-6.9	-12.4	-7.7	-10.4	-8.7	-6.3	-0.3
HIPC Initiative assistance 2/	23.1	29.0	28.9	32.5	34.2	32.8	30.1	18.6
Financing gap	0.0	43.3	0.0	0.0	45.0	28.6	0.0	0.0
Memorandum items:	(Annual percentage change)							
External trade								
Exports volume	24.7	16.4	24.5	-5.8	6.6	6.8	0.7	4.0
Imports volume	24.3	0.7	6.3	1.3	7.4	5.0	5.8	5.4
Export unit value	9.8	-8.6	-3.9	-0.4	4.0	1.7	2.9	2.6
Import unit value	1.8	1.8	-2.5	0.7	2.1	1.5	0.7	1.9
Terms of trade	7.8	-10.2	-1.4	-1.1	1.9	0.2	2.1	0.6
(In percent of GDP, unless otherwise indicated)								
External current account balance								
Excluding official transfers	-14.2	-11.9	-10.7	-11.2	-10.1	-9.0	-9.0	-7.5
Including official transfers	-11.9	-11.4	-9.5	-10.3	-9.7	-8.6	-8.6	-7.1
External public debt 3/	103.6	95.8	94.1	94.0	88.5	84.7	74.0	58.9
Debt-service ratio 4/								
Before debt relief	10.3	12.2	11.1	12.2	10.1	9.3	8.6	7.8
After debt relief (including HIPC Initiative)	6.5	7.8	7.1	7.5	5.5	5.3	5.3	6.5

Sources: Malian authorities; and staff estimates and projections.

1/ This balance of payment is presented according to the *Balance of Payments Manual* (5th ed).

2/ Sum of original and enhanced HIPC framework for the 2000 estimate and projections; original HIPC Initiative only for the program. The projections are based on the agreements already reached with the creditors (IMF, World Bank, European Union, OPEC Fund, and Paris Club) and therefore might underestimate the assistance that Mali will finally receive.

3/ Takes into account Russian debt cancellation in 1999; does not take into account HIPC Initiative assistance.

4/ In percent of exports of goods and services.

5/ Goods and services.

Table 4. Mali: Nominal and Net Present Value (NPV) of External Debt Outstanding at End-1998 1/
(In millions of U.S. dollars, unless otherwise indicated)

	Nominal Debt		NPV of Debt After Traditional Debt Relief		
	As estimated at enhanced decision point	Revised at the completion point	As estimated at enhanced decision point	Revised at the completion point	Contribution to total revision (in percent)
Total debt	2,625.4	2,642.2	1,428.8	1,444.7	100.0%
Multilateral creditors	1,789.2	1,789.2	987.3	987.3	0.0%
IDA	1,010.7	1,010.7	493.7	493.7	0.0%
AfDB	386.0	386.0	185.3	185.3	0.0%
IMF	186.5	186.5	156.5	156.5	0.0%
EU/EIB	66.5	66.5	47.6	47.6	0.0%
EIB	58.7	58.7	43.5	43.5	0.0%
EEC (IDA Administered)	7.8	7.8	4.1	4.1	0.0%
IFAD	48.3	48.3	25.8	25.8	0.0%
ISDB	35.8	35.8	28.3	28.3	0.0%
OPEC Fund	17.2	17.2	15.2	15.2	0.0%
BADEA	12.2	12.2	10.3	10.3	0.0%
BOAD	21.5	21.5	20.6	20.6	0.0%
FSID	2.4	2.4	1.9	1.9	0.0%
ECOWAS	1.6	1.6	1.4	1.4	0.0%
BCEAO	0.6	0.6	0.6	0.6	0.0%
Bilateral creditors	836.2	853.0	441.5	457.4	101%
Paris Club creditors	520.6	530.3	288.7	305.1	104%
Belgium	0.0	0.0	0.0	0.0	0%
France	321.0	323.4	177.2	171.7	-35%
Italy	1.2	1.2	0.6	0.6	0%
Japan	80.4	80.4	68.4	70.1	11%
Netherlands	2.3	2.3	2.7	2.7	0%
Russia	109.0	116.3	36.3	53.3	107%
United Kingdom	6.7	6.7	3.4	6.7	21%
United States	0.0	0.0	0.0	0.0	0%
Non-Paris Club creditors	309.3	316.3	146.4	145.9	-3%
Algeria	13.7	13.7	10.3	10.2	0%
China	141.0	154.0	48.9	49.8	6%
Cote d'Ivoire	2.3	2.3	1.7	1.7	0%
Iraq	25.0	20.0	8.3	7.1	-7%
Kuwait	32.4	32.4	18.4	17.8	-4%
Libya	4.2	4.2	2.9	3.0	1%
Saudi Arabia	71.0	71.0	42.7	42.8	1%
United Arab Emirates	19.6	18.6	13.2	13.4	1%
Commercial loans	6.4	6.4	6.5	6.3	-1%

Sources: Malian authorities; and staff estimates.

1/ Refers to public and publicly guaranteed external debt only and assumes a stock-of-debt operation on Naples terms at the end of 1998, and at least comparable treatment by non-Paris Club creditors.

Table 5. Mali: Estimated Assistance at Enhanced Decision Point (Amended) 1/
(In millions of U.S. dollars in NPV terms at end-1998, unless otherwise indicated)

HIPC Initiative Framework	NPV of Debt-to-Exports Target (in percent)	Assistance 2/							Common Reduction Factor (In percent of end-1998 NPV of debt)
		Total	Bilateral 3/	Multilateral	Of which				
					IDA	IMF	AfDB/AfDF	Other	
Original framework	200	121	37	84	43	14	16	12	8.5 4/
Enhanced framework (decision point document)	150	401	124	277	139	44	52	43	28.1
Enhanced Framework (amended)	150	417	132	285	143	45	54	44	28.9
Total (amended)	150	539	169	370	185	59	69	56	37.3
Memorandum items:									
NPV of debt at end-1998 2/		1,445	457	987	494	157	185	152	
Paris Club		...	305	...					
Of which: pre-cutoff 5/		...	198	...					
non-ODA 5/		...	193	...					
Non-Paris Club		...	146	...					
Of which: pre-cutoff		...	83	...					
Commercial		...	6	...					
Three-year average of exports (1996-98)		604	...	...			
NPV of debt-to-exports ratio 6/		239	...	...			
Targeted NPV		906	...	...			

Sources: Malian authorities; and staff estimates.

1/ The proportional burden-sharing approach is described in "HIPC Initiative-Estimated Costs and Burden-sharing Approaches" (EBS/97/127, 7/7/97 and IDA/SEC M 97-306, 7/7/97).

2/ Based on latest data available at end-1998 after full application of traditional debt relief mechanisms.

3/ Includes official bilateral and commercial creditors.

4/ The reduction factor for multilateral creditors under the original HIPC Initiative, based on end-1999 data, was 9.1 percent.

5/ Including monetary debt owed to France, which is subject to the common reduction factor

6/ In percent of three-year export average.

Table 6. Mali: External Public and Publicly Guaranteed Debt at End-December 2001 1/
(In millions of U.S. dollars, unless otherwise indicated)

	Legal Situation 2/		NPV of Debt After Original HIPC Relief 3/	
	Nominal Debt	NPV of Debt	Millions of U.S. dollars	Percent of Total
Total	2,382.4	1,481.7	1,352.7	100.0
Multilateral creditors	1,707.0	997.1	966.4	71.4
IDA	982.4	507.4	507.4	37.5
IMF	170.9	144.0	128.9	9.5
AfDB/AfDF	355.5	198.0	198.0	14.6
BADEA	15.2	12.9	11.5	0.9
BOAD	30.7	28.7	26.2	1.9
ECOWAS	1.7	1.7	1.5	0.1
EU	41.6	29.6	25.4	1.9
FSID	1.1	1.0	0.9	0.1
IFAD	53.4	28.4	26.0	1.9
IsDB	44.1	36.1	33.4	2.5
OPEC Fund	10.4	9.4	7.3	0.5
Official bilateral creditors	675.3	484.6	386.3	28.6
Paris Club	444.2	284.7	256.4	19.0
Pre-cutoff date	336.9	186.4	152.8	11.3
ODA	3.6	3.9	3.9	0.3
Non-ODA 4/	333.3	182.5	148.9	11.0
Post-cutoff date	107.4	98.3	103.6	7.7
ODA	83.1	73.4	78.7	5.8
Non-ODA	24.3	24.9	24.9	1.8
Belgium	2.5	0.9	0.9	0.1
France	248.9	148.5	134.1	9.9
Italy	0.9	0.5	0.4	0.0
Japan	59.6	57.5	62.8	4.6
Netherlands	1.7	1.9	0.8	0.1
Russia	124.0	68.7	54.4	4.0
United Kingdom	6.6	6.6	3.0	0.2
USA	0.0	0.0	0.0	0.0
Non-Paris Club	226.2	195.0	124.9	9.2
Algeria	6.6	5.9	5.3	0.4
China	93.8	85.8	51.4	3.8
Côte d'Ivoire	1.0	1.0	1.2	0.1
Iraq	20.0	20.0	6.5	0.5
Kuwait	33.2	25.7	18.9	1.4
Libya	1.6	1.5	1.0	0.1
Saudi Arabia	58.9	44.7	32.7	2.4
United Arab Emirates	11.0	10.4	8.1	0.6
Commercial	4.9	4.8	4.9	0.4

Sources: Malian authorities; and staff estimates.

1/ Figures are based on data at end-2001.

2/ Reflects the external debt situation as of end-2001, and includes the 1996 Paris Club stock-of-debt operation on Naples terms and a Cologne flow rescheduling starting in October 2000; partial debt cancellation for Japan and China and Lyons terms provided by Côte d'Ivoire in 1999.

3/ After full use of traditional debt relief mechanisms including for non-Paris Club members, and assuming full delivery of assistance under the original HIPC Initiative at end-2001.

4/ Including monetary debt owed to France, which is subject to the common reduction factor.

Table 7. Comparison of Discount Rate and Exchange Rate Assumptions at End-1998 and End-2001.

	Discount Rates 1/ 2/ (In percent per annum)		Exchange Rates 2/ (Currency per U.S. dollar)	
	At decision point	At completion point	At Decision Point	At Completion Point
Currency				
Austrian schillings	5.28	5.67	11.7	15.6
Belgian franc	5.59	5.67	34.6	45.8
Canadian dollar	6.25	6.40	1.5	1.6
CFA franc	5.36	5.67	562.2	744.3
Swiss franc	4.05	3.97	1.4	1.7
Chinese yuan	5.25	5.16	8.3	8.3
Deutsche mark	5.16	5.67	1.7	2.2
Danish kroner	5.64	5.68	6.4	8.4
Domestic currency: CFA	5.36	5.67	562.2	744.3
European currency unit	5.00	5.67	0.9	0.9
Spanish peseta	5.31	5.67	142.6	188.8
Euro	5.00	5.67	0.9	0.9
Finnish markkaa	5.35	5.67	5.1	10.1
French franc	5.36	5.67	5.6	7.4
UK pound sterling	6.81	6.04	0.6	0.7
Irish Pound	5.33	5.67	0.7	0.9
Italian lira	5.58	5.67	1,653.1	2,197.1
Japanese yen	2.22	1.43	115.6	131.8
Kuwaiti dinar	5.25	5.16	0.3	0.3
Netherlands guilders	5.78	5.67	1.9	2.5
Norwegian krone	6.54	7.86	7.6	9.0
Portuguese escudo	5.00	5.67	171.8	227.5
Saudi Arabia ryal	6.54	5.16	3.8	3.7
Special drawing rights	5.25	5.16	0.7	0.8
Swedish krona	5.66	5.76	8.1	10.7
US dollar	6.23	5.85	1.0	1.0

Memorandum item:

Paris Club cutoff date is January 1, 1988

Sources: OECD; and IMF, *International Financial Statistics*.

1/ The discount rates used are the average commercial interest reference rates (CIRRs) for the respective currencies over the six-month period ending in December 2001 for the completion point and in December 1998 for the decision point.

2/ For all currencies for which the CIRRs are not available, the SDR discount rate is used as a proxy.

Table 8. Mali: Comparison of Net Present Value of External Public Debt Between Decision Point and Completion Point
(In millions of U.S. dollars; unless otherwise indicated)

	Stock at end-2001					
	Decision Point DSA (Projection) 1/		Completion Point DSA 2/			
	After original debt relief	After enhanced debt relief	After traditional debt relief	After original debt relief	After enhanced debt relief	After additional bilateral relief 3/
NPV of debt using end-December 1998 parameters	1,392	994	1,630.6	1,505.9	1,094.6	1,091.9
Multilateral	870	623	1,146.3	1,068.5	803.4	803.4
Official bilateral	522	371	484.4	437.4	291.1	288.5
NPV of debt using end-December 2001 parameters	...	...	1,473.3	1,352.7	973.6	964.9
Multilateral	...	...	1,044.8	966.4	717.1	717.1
Official bilateral	...	...	428.5	386.3	256.5	247.8
NPV of debt-to-exports ratio 4/						
Using end-December 1998 parameters	210	150	225	208	151	151
Using end-December 2001 parameters	...	...	204	187	135	133
Memorandum items:						
NPV of enhanced HIPC assistance 5/						
Using end-December 1998 parameters 6/	...	398	...	...	411	...
Using end-December 2001 parameters	...	...	...	...	379	...
Exports of goods and services 6/						
Decision point	662	662	...	...	...	...
Completion point	...	...	723	723	723	723

Sources: Malian authorities; and Bank-Fund staffs estimates.

1/ Debt sustainability analysis (DSA) based on stock of debt reconciled as of end-December 1998, assuming full (hypothetical) delivery of enhanced HIPC assistance.

2/ Based on stock of debt reconciled as of end-December 2001, assuming full (hypothetical) delivery of enhanced HIPC assistance.

3/ After debt relief beyond HIPC offered by some of the Paris Club creditors

4/ Based on the average of three consecutive years of exports of goods and services ending in the current year.

5/ The value of assistance under the enhanced HIPC framework was determined at its August 2000 decision point, namely, US\$401, using end-1998 parameters (exchange rates and discount factors). The corresponding values for enhanced HIPC relief expressed as of end-2001 are provided for information only.

6/ Average of three consecutive years of exports of goods and services ending in the current year. Data and projections at the time of the decision and completion points under the enhanced HIPC framework.

Table 9. Mali: Net Present Value of External Debt, 2001-21
(In millions of U.S. dollars; unless otherwise indicated)

	2001 Actuals	2002	2003	2004	2005	2006	2007	2008	2009	2010	2020	2021	2001-11	2012-21
		Projections											Averages	
I. After traditional debt-relief mechanisms 1/														
1. NPV of total debt (2+6) 2/	1,473.3	1,537.4	1,604.2	1,690.8	1,777.3	1,844.7	1,912.9	1,993.7	2,090.0	2,201.0	3,942.2	4,223.1	1,858.7	3,247.7
2. NPV of outstanding debt (3+4)	1,473.3	1,441.9	1,406.5	1,370.5	1,334.6	1,298.5	1,258.7	1,224.1	1,193.0	1,162.1	718.9	679.5	1,299.1	891.4
3. Official bilateral and commercial	428.5	421.1	413.0	407.8	402.3	394.9	386.1	379.9	375.1	368.7	203.4	198.5	394.3	271.0
Paris Club	276.5	274.8	271.9	269.8	267.6	263.9	258.9	255.6	252.2	246.0	71.9	67.0	261.2	141.2
Other official bilateral and commercial	152.0	146.3	141.1	138.0	134.7	131.1	127.2	124.3	122.9	122.7	131.5	131.6	133.1	129.8
4. Multilateral	1,044.8	1,020.9	993.5	962.7	932.3	903.6	872.6	844.2	817.9	793.4	515.5	481.0	904.8	620.4
IDA	548.9	554.0	558.0	559.9	559.7	557.5	553.4	548.1	541.2	533.0	353.7	328.5	548.7	427.3
IMF	144.0	123.8	102.7	79.9	60.5	45.5	30.4	18.6	10.2	4.4	0.0	0.0	56.4	0.0
African Development Bank Group	204.1	204.3	203.8	203.0	201.8	200.2	198.5	196.3	192.9	189.4	135.8	128.9	198.2	156.7
Others	147.8	138.7	129.1	119.9	110.3	100.4	90.2	81.1	73.7	66.6	26.1	23.5	101.6	36.4
5. Nominal stock of total debt	2,719.8	3,123.8	3,040.0	3,211.6	3,333.0	3,457.6	3,592.9	3,756.5	3,949.8	4,165.8	7,641.2	909.3	3,523.2	5,499.3
II. After original HIPC assistance 3/														
1. NPV of total debt (2+6) 2/	1,352.7	1,425.1	1,498.9	1,589.2	1,677.2	1,746.6	1,817.5	1,899.1	1,995.0	2,107.5	3,923.5	4,192.8	1,758.1	3,201.1
2. NPV of outstanding debt (3+4)	1,352.7	1,329.6	1,301.1	1,268.8	1,234.5	1,200.3	1,163.3	1,129.5	1,098.0	1,068.6	700.2	649.2	1,198.5	844.8
3. Official bilateral and commercial	386.3	377.4	368.9	360.8	351.6	341.5	331.0	322.1	314.0	306.4	193.1	174.2	341.7	241.1
Paris Club	256.4	250.6	244.8	239.0	232.6	225.7	218.8	213.1	206.9	200.0	75.8	56.6	225.5	127.4
Other official bilateral and commercial	129.8	126.8	124.1	121.8	119.0	115.8	112.3	108.9	107.0	106.3	117.3	117.6	116.2	113.7
4. Multilateral	966.4	952.3	932.2	908.1	882.9	858.8	832.3	807.5	784.1	762.3	507.1	475.0	856.8	603.7
IDA	507.4	513.7	519.0	522.3	523.4	522.7	520.1	516.4	511.1	504.6	346.1	323.1	514.2	412.1
IMF	128.9	111.4	93.1	73.1	56.4	43.1	29.6	18.4	10.1	4.3	0.0	0.0	51.7	0.0
African Development Bank Group	198.0	204.3	203.8	203.0	201.8	200.2	198.5	196.3	192.9	189.4	135.8	128.9	197.6	156.7
Others	132.1	122.8	116.3	109.7	101.4	92.8	84.0	76.3	70.0	63.9	25.3	23.0	93.3	34.9
5. Nominal stock of total debt	2,388.8	2,817.2	2,754.5	2,943.4	3,079.1	3,218.1	3,368.5	3,544.8	3,749.1	3,978.2	7,610.1	869.9	3,279.3	5,417.8
III. After enhanced HIPC assistance														
1. NPV of total debt (2+6) 2/	1,330.0	1,396.8	1,142.1	1,254.5	1,366.3	1,460.4	1,556.9	1,662.9	1,782.7	1,917.0	3,850.7	4,132.5	1,538.7	3,095.9
NPV of total debt after full delivery 4/	973.6	1,052.3	1,142.1	1,254.5	1,366.3	1,460.4	1,556.9	1,662.9	1,782.7	1,917.0	3,850.7	4,132.5	1,475.0	3,095.9
2. NPV of outstanding debt (3+4)	1,330.0	1,301.3	944.4	934.2	923.6	914.2	902.6	893.3	885.7	878.1	627.4	588.9	979.1	739.6
3. Official bilateral and commercial	385.7	376.6	235.3	228.6	220.8	212.1	203.8	197.5	191.5	185.2	122.3	115.5	237.8	144.6
Paris Club	256.0	250.1	160.0	154.3	147.9	141.1	134.7	130.1	125.4	120.5	56.1	49.1	157.8	80.3
Other official bilateral and commercial	129.8	126.4	75.3	74.3	72.9	71.0	69.1	67.5	66.1	64.7	66.1	66.4	80.1	64.3
4. Multilateral	944.3	924.8	709.0	705.6	702.9	702.0	698.8	695.8	694.2	692.9	505.1	473.4	741.3	595.0
IDA	497.8	503.5	400.8	409.1	416.7	423.6	429.7	435.4	440.7	445.8	346.1	323.1	441.1	407.4
IMF	119.5	102.0	68.9	56.3	45.7	37.8	28.2	18.6	10.2	4.4	0.0	0.0	44.7	0.0
African Development Bank Group	196.7	198.6	159.9	164.2	168.7	173.2	177.9	182.5	187.1	189.4	135.8	128.9	180.4	156.7
Others	130.3	120.7	79.5	75.9	71.8	67.4	63.0	59.2	56.2	53.3	23.3	21.4	75.0	30.9
5. Nominal stock of total debt	2,161.3	2,030.8	2,210.9	2,232.9	2,454.9	2,627.0	2,798.2	2,984.0	3,195.8	3,432.9	6,925.3	7,448.6	2,710.1	5,545.1
IV. After bilateral debt relief beyond HIPC assistance 5/														
1. NPV of total debt (2+6) 2/	1,323.1	1,258.5	1,139.3	1,252.4	1,364.9	1,459.6	1,556.7	1,663.0	1,782.6	1,916.8	3,848.5	4,130.3	1,524.8	3,094.3
NPV of total debt after full delivery 3/	964.9	1,052.1	1,139.3	1,252.4	1,364.9	1,459.6	1,556.7	1,663.0	1,782.6	1,916.8	3,848.5	4,130.3	1,473.5	3,094.3
2. NPV of outstanding debt (3+4)	1,323.1	1,163.0	941.6	932.1	922.2	913.4	902.5	893.5	885.7	877.9	625.2	586.6	965.1	738.0
3. Official bilateral and commercial	378.8	238.3	232.6	226.5	219.4	211.3	203.7	197.7	191.5	184.9	120.1	113.2	223.9	143.0
Paris Club	251.8	159.9	154.2	148.5	142.1	135.3	128.9	124.3	119.6	114.6	50.3	43.4	144.4	74.3
Other official bilateral and commercial	127.0	78.3	78.4	78.0	77.3	76.0	74.8	73.4	71.9	70.4	69.7	69.8	79.5	68.6
4. Multilateral	944.3	924.8	709.0	705.6	702.9	702.0	698.8	695.8	694.2	692.9	505.1	473.4	741.3	595.0
5. Nominal stock of total debt	2,151.9	1,794.7	1,979.7	2,207.9	2,428.5	2,600.8	2,774.9	2,963.0	3,174.8	3,411.2	6,902.6	7,424.4	2,649.9	5,523.0
Memorandum items:														
6. NPV of new borrowing	0.0	95.5	197.7	320.3	442.7	546.2	654.2	769.6	897.0	1,038.9	3,223.3	3,543.6	615.6	2,356.3
Grant element in new borrowing	0.0	53.6	53.6	53.6	53.1	52.5	51.7	51.2	50.7	50.2	47.0	46.8	52.0	47.9
Of which														
Bilateral	0.0	36.7	36.1	35.5	34.7	33.9	33.0	32.1	31.3	30.5	26.9	27.0	33.4	27.6
Multilateral	0.0	56.2	56.3	56.4	56.1	55.5	54.8	54.3	53.9	53.5	50.1	49.8	55.0	51.2

Sources: Malian authorities; Bank-Fund staffs estimates and projections.

1/ Refers to public and publicly guaranteed external debt only and assumes a stock-of-debt operation on Naples terms (67 percent NPV reduction) at the end of 1998, and at least comparable action by other official bilateral creditors.

2/ Discounted on the basis of the average commercial interest reference rate for the respective currency, derived over the six-month period prior to the latest date for which actual data are available (December 2001). The conversion of currency-specific NPVs into U.S. dollars occurs for all years at the base date (December 31, 2001) exchange rate.

3/ Assumes a Lyons stock-of-debt operation in September 2000.

4/ NPV of total debt assuming the entire HIPC Initiative assistance is fully delivered as of end-2001.

5/ After debt relief beyond HIPC offered by some of the Paris Club creditors.

Table 10. Mali: External Debt Service After Full Implementation of Debt-Relief Mechanisms, 2002-2022
(In millions of U.S. dollars; unless otherwise indicated)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2020	2021	2022	2002-11	2012-22
Total debt service	106.9	111.8	113.5	114.3	115.0	119.4	118.6	118.8	121.6	211.5	227.1	235.2	117.0	188.1
After traditional debt-relief mechanisms 1/	104.7	107.2	105.9	104.0	102.4	104.4	97.2	92.0	90.4	75.3	75.4	74.9	100.2	90.1
Multilateral	76.2	78.4	80.4	78.4	75.1	75.9	71.8	68.2	65.2	60.2	60.1	58.9	73.5	60.6
IDA	23.7	25.0	27.4	29.6	31.5	33.2	34.3	35.6	36.5	43.5	43.6	42.9	31.6	42.6
IMF	27.6	27.5	28.1	23.5	18.2	17.4	13.4	9.4	6.3	0.0	0.0	0.0	17.6	0.0
African Development Bank	7.8	8.5	8.8	9.2	9.6	9.7	10.2	11.4	11.3	12.7	12.6	12.6	9.8	12.5
Others	17.1	17.3	16.1	16.2	15.9	15.6	13.9	11.8	11.1	4.0	3.9	3.5	14.6	5.5
Official bilateral	28.5	28.8	25.5	25.5	27.2	28.5	25.4	23.8	25.2	15.1	15.3	15.9	26.6	29.5
Paris Club	14.9	16.0	15.1	15.0	16.6	17.8	15.9	16.0	18.7	8.5	8.6	9.0	16.8	23.5
Of which: ODA	3.7	3.6	3.6	4.7	5.9	5.9	5.8	5.7	5.6	2.4	2.1	2.1	5.0	4.3
Other official bilateral and commercial	13.6	12.9	10.4	10.5	10.6	10.7	9.5	7.8	6.5	6.6	6.7	6.9	9.8	6.0
Of which: ODA	9.6	9.7	9.2	9.4	9.5	9.6	9.3	7.6	6.3	6.3	6.7	6.9	8.6	5.8
Total debt service	91.7	98.2	103.3	106.5	106.8	110.3	111.6	113.0	113.8	219.8	236.6	246.1	107.5	180.1
After original HIPC assistance 2/	89.5	93.6	95.8	96.1	94.1	95.3	90.1	86.2	82.5	83.5	85.0	85.8	90.7	82.1
Multilateral	62.9	68.0	70.9	70.5	68.1	69.3	66.0	63.4	60.5	57.1	57.2	56.4	66.2	57.3
IDA	20.0	21.4	23.8	26.0	27.9	29.6	30.8	32.1	33.0	40.7	40.9	40.7	28.0	39.6
IMF	25.0	24.9	25.4	21.0	16.5	16.1	12.9	9.4	6.3	0.0	0.0	0.0	16.2	0.0
African Development Bank	1.4	8.5	8.8	9.2	9.6	9.7	10.2	11.4	11.3	12.7	12.6	12.6	9.1	12.5
Others	16.5	13.2	12.9	14.3	14.0	13.8	12.2	10.5	9.8	3.7	3.6	3.2	12.8	5.2
Official bilateral	26.5	25.6	24.9	25.6	26.1	26.0	24.1	22.9	22.1	26.4	27.8	29.4	24.6	24.8
Paris Club	17.5	17.2	16.9	17.3	17.5	17.3	15.7	16.1	16.6	21.8	22.8	24.3	16.9	20.8
Of which: ODA	7.6	7.5	7.5	8.6	9.8	9.7	9.6	9.5	9.4	3.9	3.2	2.8	8.9	6.6
Other official bilateral and commercial	9.0	8.4	8.0	8.3	8.6	8.7	8.4	6.7	5.5	4.6	5.0	5.2	7.6	4.0
Of which: ODA	7.2	7.3	7.6	7.8	8.1	8.3	7.9	6.2	4.9	3.8	4.1	4.2	6.9	3.4
Total debt service	69.5	63.4	62.2	64.9	65.6	69.6	73.3	76.6	80.7	204.7	220.6	229.2	71.9	162.7
After enhanced HIPC assistance	67.3	58.8	54.6	54.5	52.9	54.6	51.9	49.8	49.5	68.5	68.9	68.9	55.2	64.7
Multilateral	40.8	37.4	38.2	37.4	35.3	37.6	37.2	35.6	35.2	56.5	56.7	56.0	37.8	51.8
IDA	10.4	11.1	12.5	13.7	14.7	15.9	16.6	17.3	17.7	40.7	40.9	40.7	14.9	35.0
IMF	15.7	15.4	16.1	13.5	10.3	11.5	11.1	9.4	6.3	0.0	0.0	0.0	11.4	0.0
African Development Bank	0.1	2.8	1.8	1.9	2.0	2.1	2.4	2.8	5.3	12.7	12.6	12.6	3.3	12.5
Others	14.7	8.0	7.8	8.3	8.2	8.0	7.1	6.2	5.9	3.2	3.1	2.8	8.2	4.3
Official bilateral	26.5	21.3	16.4	17.1	17.7	17.0	14.6	14.2	14.2	12.0	12.3	12.9	17.3	12.9
Paris Club	17.2	15.5	12.0	12.4	12.5	11.9	9.9	9.8	9.9	9.4	9.6	10.0	12.1	10.3
Of which: ODA	4.0	4.0	4.0	5.1	6.3	6.2	6.1	6.0	5.9	2.3	1.9	1.9	5.3	4.2
Other official bilateral and commercial	9.3	5.9	4.5	4.8	5.1	5.1	4.8	4.4	4.3	2.6	2.7	2.8	5.2	2.6
Of which: ODA	7.5	4.7	3.9	4.2	4.5	4.5	4.2	3.8	3.7	1.8	1.9	2.0	4.5	1.9
Total debt service	67.0	59.1	62.1	64.8	65.5	69.6	73.3	76.7	80.7	204.5	220.3	228.9	71.3	162.6
After bilateral debt relief beyond HIPC 3/	64.8	54.5	54.6	54.5	52.9	54.6	51.9	49.9	49.5	68.2	68.6	68.6	54.5	64.5
Multilateral	40.8	37.4	38.2	37.4	35.3	37.6	37.2	35.6	35.2	56.5	56.7	56.0	37.8	51.8
Official bilateral	23.9	17.0	16.4	17.1	17.6	16.9	14.6	14.2	14.3	11.7	12.0	12.6	16.7	12.8
Paris Club	15.4	11.9	11.6	12.0	12.2	11.5	9.5	9.6	9.7	9.0	9.1	9.6	11.3	9.9
Of which: ODA	4.0	4.0	4.0	5.1	6.3	6.2	6.1	6.0	5.9	2.3	1.9	1.9	5.3	4.2
Other official bilateral and commercial	8.6	5.1	4.8	5.1	5.4	5.4	5.1	4.7	4.6	2.7	2.9	3.0	5.3	2.8
Of which: ODA	6.8	3.9	4.2	4.5	4.8	4.8	4.5	4.1	4.0	2.0	2.1	2.2	4.5	2.2
Memorandum items:														
Debt service of new debt	2.2	4.6	7.5	10.4	12.7	15.0	21.5	26.8	31.2	136.3	151.7	160.3	16.8	98.0
Multilateral	1.6	3.3	5.4	7.4	9.0	10.7	16.4	20.9	24.5	93.7	103.9	109.3	12.8	68.4
IDA	0.8	1.7	2.7	3.8	4.6	5.5	6.4	7.4	8.6	45.7	51.3	54.4	5.1	32.2
IMF	0.1	0.6	1.0	1.4	1.7	2.0	5.7	7.6	8.0	10.3	10.2	10.2	3.7	7.8
African Development Bank	0.3	0.6	1.0	1.4	1.7	2.0	2.3	2.7	3.1	16.5	18.5	19.7	1.9	11.7
Others	0.4	0.5	0.7	0.9	1.1	1.3	2.0	3.2	4.8	22.2	23.8	25.0	2.1	16.7
Official bilateral	0.6	1.3	2.1	3.0	3.6	4.3	5.0	5.8	6.7	42.5	47.7	51.0	4.0	29.6
Nominal HIPC relief														
Under the original HIPC initiative	15.2	13.6	10.2	7.8	8.2	9.1	7.1	5.8	7.9	-8.2	-9.5	-10.9	9.5	8.0
Under the enhanced HIPC initiative	22.2	34.8	41.2	41.6	41.2	40.7	38.3	36.4	33.1	15.0	16.0	16.9	35.6	17.4

Sources: Malian authorities; and staff estimates and projections.

1/ Assumes a stock-of-debt operation on Naples terms (67 percent NPV reduction) at the end of 1998, and at least comparable action by other bilateral creditors.

2/ Include debt relief from original HIPC Initiative.

3/ After debt relief beyond HIPC offered by some of the Paris Club creditors.

Table 12. Mali: Sensitivity Analysis, 2002-21 1/
(In percent, unless otherwise indicated)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2001-10	2011-21
	Projections																				Averages	
Baseline scenario																						
NPV of debt-to-exports ratio 2/	167.2	119.0	118.4	121.6	120.6	121.7	124.8	128.4	132.5	135.7	138.5	140.5	142.0	142.2	142.2	141.7	141.1	140.4	139.8	139.0	128.3	140.3
Debt service-to-exports ratio 2/	6.7	6.2	5.5	5.3	5.1	5.2	5.3	5.3	5.3	5.9	5.5	5.6	5.7	6.8	6.9	7.0	7.1	7.0	6.9	6.9	5.6	6.5
Debt service-to-revenue ratio 3/	12.8	9.7	8.5	8.0	7.4	7.2	7.1	6.5	6.8	7.1	6.6	6.6	6.7	7.9	7.9	8.0	8.0	7.8	7.8	7.7	8.3	7.4
Memorandum items (in millions of U.S. dollars):																						
NPV of debt	1,396.8	1,142.1	1,254.5	1,366.3	1,460.4	1,556.9	1,662.9	1,782.7	1,917.0	2,056.4	2,216.6	2,391.1	2,577.5	2,755.5	2,943.8	3,141.9	3,356.8	3,592.5	3,850.7	4,132.5	..	..
Of which: new debt	95.5	197.7	320.3	442.7	546.2	654.2	769.6	897.0	1,038.9	1,194.3	1,365.4	1,551.8	1,750.2	1,958.1	2,176.5	2,407.5	2,657.8	2,928.7	3,223.3	3,543.6	..	..
Debt service	69.5	63.4	62.2	64.9	63.6	69.6	73.3	76.6	80.7	93.6	93.0	100.7	110.4	140.7	153.0	166.2	179.9	191.3	204.7	220.6	..	..
Of which: new debt	2.2	4.6	7.5	10.4	12.7	15.0	21.5	26.8	31.2	36.0	41.0	48.2	58.0	71.2	84.4	96.4	109.0	122.1	136.3	151.7	..	..
Exports of goods and services, three-year average	835.2	959.7	1,059.3	1,123.9	1,210.5	1,279.6	1,332.9	1,388.1	1,446.5	1,515.8	1,601.0	1,701.9	1,814.9	1,937.2	2,070.5	2,218.1	2,379.6	2,558.9	2,755.2	2,972.7	..	..
Exports of goods and services, annual	1,032.0	1,019.2	1,126.8	1,225.6	1,379.1	1,334.2	1,385.3	1,444.7	1,509.5	1,593.3	1,700.2	1,812.2	1,932.4	2,067.0	2,212.2	2,375.0	2,551.6	2,749.9	2,964.1	3,204.1	..	..
Revenues	543.4	655.4	727.6	808.1	897.8	969.5	1,038.1	1,109.5	1,192.6	1,313.8	1,419.4	1,530.0	1,657.7	1,788.3	1,933.2	2,084.3	2,258.2	2,437.7	2,641.6	2,863.8	..	..
Sensitivity analysis																						
Alternative scenario 1 4/																						
NPV of debt-to-exports ratio 2/	167.2	119.0	121.3	127.7	127.0	127.2	130.2	136.6	143.7	149.2	153.5	156.9	159.7	161.1	162.2	162.7	163.1	163.4	163.6	163.6	133.3	159.9
Debt service-to-exports ratio 2/	6.7	6.2	5.8	5.6	5.2	5.3	5.5	5.6	5.7	6.2	5.9	6.0	6.2	7.3	7.5	7.7	7.8	7.8	7.8	7.8	5.7	7.1
Debt service-to-revenue ratio 2/	12.8	9.7	8.7	8.3	7.5	7.3	7.3	7.2	7.1	7.5	6.9	7.0	7.1	8.4	8.5	8.6	8.7	8.6	8.6	8.6	8.4	8.0
Memorandum items (in millions of U.S. dollars):																						
NPV of debt	1,396.8	1,142.1	1,262.3	1,387.2	1,497.6	1,613.3	1,742.2	1,887.8	2,052.6	2,224.8	2,417.7	2,626.6	2,851.2	3,071.0	3,304.8	3,552.7	3,821.9	4,116.7	4,439.6	4,791.9	..	..
Of which: new debt	95.5	197.7	328.1	463.6	583.4	710.6	848.9	1,002.1	1,174.5	1,362.6	1,566.5	1,787.3	2,024.0	2,273.6	2,537.6	2,818.2	3,122.9	3,453.0	3,812.1	4,203.0	..	..
Debt service	69.5	63.4	62.4	65.4	66.3	71.0	75.3	79.1	84.0	97.7	98.0	106.6	117.3	149.4	163.8	179.4	195.8	210.1	226.8	246.3	..	..
Of which: new debt	2.2	4.6	7.7	10.9	13.6	16.4	23.4	29.3	34.5	40.1	46.0	54.1	64.9	79.8	95.2	109.6	124.8	141.0	158.3	177.3	..	..
Exports of goods and services, three-year average	835.2	959.7	1,040.6	1,086.4	1,178.8	1,268.3	1,338.3	1,382.1	1,428.8	1,491.5	1,575.1	1,674.5	1,785.8	1,906.3	2,037.8	2,183.4	2,342.9	2,519.9	2,714.0	2,929.1	..	..
Exports of goods and services, annual	1,032.0	1,019.2	1,076.9	1,169.3	1,290.3	1,345.2	1,379.4	1,421.8	1,485.1	1,567.5	1,672.8	1,783.1	1,901.5	2,034.3	2,177.6	2,338.3	2,512.7	2,708.7	2,920.5	3,158.0	..	..
Revenues	543.4	655.4	714.5	784.8	881.0	966.6	1,033.9	1,102.8	1,187.7	1,310.4	1,415.8	1,526.6	1,653.9	1,784.7	1,929.2	2,080.5	2,254.0	2,443.6	2,637.0	2,858.7	..	..
Alternative scenario 2 5/																						
NPV of debt to exports ratio 2/	167.2	119.0	122.0	133.0	139.7	148.1	159.3	172.7	190.8	212.2	231.6	244.5	254.4	264.1	279.6	299.2	317.4	329.4	338.4	348.2	150.2	283.5
Debt service to exports ratio 2/	6.7	6.2	5.7	5.7	5.6	5.9	6.1	6.4	6.9	8.0	7.7	8.0	8.4	9.9	10.9	11.9	12.4	12.6	13.1	13.7	6.1	10.6
Debt service to revenue ratio 2/	12.8	9.7	9.0	9.0	8.4	8.4	8.5	8.6	9.2	10.3	9.8	10.0	10.4	12.2	13.4	14.6	15.2	15.5	16.0	16.6	9.3	13.1
Memorandum items (in millions of U.S. dollars):																						
NPV of debt	1,396.8	1,142.1	1,281.5	1,466.9	1,655.0	1,862.0	2,097.3	2,366.8	2,692.2	3,073.5	3,494.0	3,939.7	4,427.2	4,937.0	5,526.7	6,221.4	7,002.2	7,858.2	8,799.2	9,831.6	..	..
Of which: new debt	95.5	197.7	347.3	543.3	740.8	959.3	1,204.0	1,481.1	1,814.1	2,211.3	2,642.8	3,100.3	3,600.0	4,139.5	4,759.4	5,487.0	6,303.1	7,194.4	8,171.8	9,242.7	..	..
Debt service	69.5	63.4	62.8	67.4	70.4	77.1	83.8	90.6	99.3	118.3	124.5	139.5	157.0	198.0	225.8	258.3	294.0	329.6	369.8	416.1	..	..
Of which: new debt	2.2	4.6	8.2	12.9	17.5	22.5	31.9	40.7	49.8	60.7	72.5	86.9	104.7	128.5	157.2	188.5	223.1	260.5	301.3	347.2	..	..
Exports of goods and services, three-year average	835.2	959.7	1,050.4	1,102.9	1,184.4	1,256.9	1,316.2	1,370.3	1,411.3	1,448.3	1,508.9	1,611.5	1,740.2	1,869.3	1,976.9	2,079.1	2,166.1	2,385.6	2,600.4	2,823.9	..	..
Exports of goods and services, annual	1,032.0	1,019.2	1,099.9	1,189.5	1,265.6	1,317.5	1,367.6	1,425.9	1,440.4	1,478.5	1,607.9	1,748.2	1,864.5	1,995.1	2,071.2	2,171.2	2,375.8	2,609.7	2,815.6	3,046.6	..	..
Revenues	543.4	655.4	696.7	749.3	837.7	920.9	983.0	1,050.3	1,083.3	1,152.5	1,268.2	1,388.3	1,505.3	1,625.2	1,687.6	1,763.6	1,939.3	2,126.0	2,305.4	2,501.3	..	..

Sources: Malian authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed debt and are defined after rescheduling, unless otherwise indicated.

2/ Exports of goods and services as defined in IMF, *Balance of Payments Manual*, 5th edition, 1993. The NPV of debt-to-exports ratio is based on a three-year average of exports on the previous year, the debt-service ratio is based on current year exports.

3/ Revenues are defined as central government revenues, excluding grants.

4/ Scenario 1 assumes a 10 percent decrease of cotton and gold prices, and a 10 percent decrease in the production of cotton. There is no impact on gold output.

5/ Scenario 2 assesses the impact of a cyclical two-year drought occurring after each five-year period. This translates into a 10 percent decrease in agricultural production during the drought periods.

Table 12. Mali: Sensitivity Analysis, 2002-21 1/
(In percent, unless otherwise indicated)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2001-10	2011-21
											Projections										Averages	
Baseline scenario																						
NPV of debt-to-exports ratio 2/	167.2	119.0	118.4	121.6	120.6	121.7	124.8	128.4	132.5	135.7	138.5	140.5	142.0	142.2	142.2	141.7	141.1	140.4	139.8	139.0	128.3	140.3
Debt service-to-exports ratio 2/	6.7	6.2	5.5	5.3	5.1	5.2	5.3	5.3	5.3	5.9	5.5	5.6	5.7	6.8	6.9	7.0	7.1	7.0	6.9	6.9	5.6	6.5
Debt service-to-revenue ratio 3/	12.8	9.7	8.5	8.0	7.4	7.2	7.1	6.9	6.8	7.1	6.6	6.6	6.7	7.9	7.9	8.0	8.0	7.8	7.8	7.7	8.3	7.4
Memorandum items (in millions of U.S. dollars):																						
NPV of debt	1,396.8	1,142.1	1,254.5	1,366.3	1,460.4	1,556.9	1,662.9	1,782.7	1,917.0	2,056.4	2,216.6	2,391.1	2,577.5	2,755.5	2,943.8	3,141.9	3,356.8	3,592.5	3,850.7	4,132.5	...	...
Of which: new debt	95.5	197.7	320.3	442.7	546.2	654.2	769.6	897.0	1,038.9	1,194.3	1,365.4	1,551.8	1,750.2	1,958.1	2,176.5	2,407.5	2,657.8	2,928.7	3,223.3	3,543.6	...	...
Debt service	69.5	63.4	62.2	64.9	65.6	69.6	73.3	76.6	80.7	93.6	93.0	100.7	110.4	140.7	153.0	166.2	179.9	191.3	204.7	220.6	...	...
Of which: new debt	2.2	4.6	7.5	10.4	12.7	15.0	21.5	26.8	31.2	36.0	41.0	48.2	58.0	71.2	84.4	96.4	109.0	122.1	136.3	151.7	...	...
Exports of goods and services, three-year average	835.2	959.7	1,059.3	1,133.9	1,210.5	1,279.6	1,332.9	1,388.1	1,446.5	1,515.8	1,601.0	1,701.9	1,814.9	1,937.2	2,070.5	2,218.1	2,379.6	2,558.9	2,755.2	2,972.7	...	...
Exports of goods and services, annual	1,032.0	1,019.2	1,126.8	1,225.6	1,279.1	1,334.2	1,385.3	1,444.7	1,509.5	1,593.3	1,700.2	1,812.2	1,932.4	2,067.0	2,212.2	2,375.0	2,551.6	2,749.9	2,964.1	3,204.1	...	...
Revenues	543.4	655.4	727.6	808.1	887.8	969.5	1,038.1	1,109.5	1,192.6	1,313.8	1,419.4	1,530.0	1,657.7	1,788.3	1,933.2	2,084.3	2,258.2	2,437.7	2,641.6	2,863.8	...	...
Sensitivity analysis																						
Alternative scenario I 4/																						
NPV of debt-to-exports ratio 2/	167.2	119.1	121.3	127.7	127.0	127.2	130.2	136.6	143.7	149.2	153.5	156.9	159.7	161.1	162.2	162.7	163.1	163.4	163.6	163.6	133.3	159.9
Debt service-to-exports ratio 2/	6.7	6.3	5.8	5.6	5.2	5.3	5.5	5.6	5.7	6.2	5.9	6.0	6.2	7.3	7.5	7.7	7.8	7.8	7.8	7.8	5.7	7.1
Debt service-to-revenue ratio 2/	12.8	9.7	8.7	8.3	7.5	7.3	7.3	7.2	7.1	7.5	6.9	7.0	7.1	8.4	8.5	8.6	8.7	8.6	8.6	8.6	8.4	8.0
Memorandum items (in millions of U.S. dollars):																						
NPV of debt	1,396.8	1,140.6	1,262.3	1,387.2	1,497.6	1,613.3	1,742.2	1,887.8	2,052.6	2,224.8	2,417.7	2,626.6	2,851.2	3,071.0	3,304.8	3,552.7	3,821.9	4,116.7	4,439.6	4,791.9	...	...
Of which: new debt	95.5	196.2	328.1	463.6	583.4	710.6	848.9	1,002.1	1,174.5	1,362.6	1,566.5	1,787.3	2,024.0	2,273.6	2,537.6	2,818.2	3,122.9	3,453.0	3,812.1	4,203.0	...	...
Debt service	69.5	63.3	62.4	65.4	66.5	71.0	75.3	79.1	84.0	97.7	98.0	106.6	117.3	149.4	163.8	179.4	195.8	210.1	226.8	246.3	...	...
Of which: new debt	2.2	4.6	7.7	10.9	13.6	16.4	23.4	29.3	34.5	40.1	46.0	54.1	64.9	79.8	95.2	109.6	124.8	141.0	158.3	177.3	...	...
Exports of goods and services, three-year average	835.2	957.6	1,040.6	1,086.4	1,178.8	1,268.3	1,338.3	1,382.1	1,428.8	1,491.5	1,575.1	1,674.5	1,785.8	1,906.3	2,037.8	2,183.4	2,342.9	2,519.9	2,714.0	2,929.1	...	...
Exports of goods and services, annual	1,032.0	1,013.0	1,076.9	1,169.3	1,290.3	1,345.2	1,379.4	1,421.8	1,485.1	1,567.5	1,672.8	1,783.1	1,901.5	2,034.3	2,177.6	2,338.3	2,512.7	2,708.7	2,920.5	3,158.0	...	...
Revenues	543.4	655.4	714.5	784.8	881.0	966.6	1,033.9	1,102.8	1,187.7	1,310.4	1,415.8	1,526.6	1,653.9	1,784.7	1,929.2	2,080.5	2,254.0	2,433.6	2,637.0	2,858.7	...	...
Alternative scenario II 5/																						
NPV of debt to exports ratio 2/	167.2	118.8	122.0	133.0	139.7	148.1	159.3	172.7	190.8	212.2	231.6	244.5	254.4	264.1	279.6	299.2	317.4	329.4	338.4	348.2	150.2	283.5
Debt service to exports ratio 2/	6.7	6.2	5.7	5.7	5.6	5.9	6.1	6.4	6.9	8.0	7.7	8.0	8.4	9.9	10.9	11.9	12.4	12.6	13.1	13.7	6.1	10.6
Debt service to revenue ratio 2/	12.8	9.7	9.0	9.0	8.4	8.4	8.5	8.6	9.2	10.3	9.8	10.0	10.4	12.2	13.4	14.6	15.2	15.5	16.0	16.6	9.3	13.1
Memorandum items (in millions of U.S. dollars):																						
NPV of debt	1,396.8	1,140.6	1,281.5	1,466.9	1,655.0	1,862.0	2,097.3	2,366.8	2,692.2	3,073.5	3,494.0	3,919.7	4,427.2	4,937.0	5,526.7	6,221.4	7,002.2	7,858.2	8,799.2	9,831.6	...	...
Of which: new debt	95.5	196.2	347.3	543.3	740.8	959.3	1,204.0	1,481.1	1,814.1	2,211.3	2,642.8	3,100.3	3,600.0	4,139.5	4,759.4	5,487.0	6,303.1	7,194.4	8,171.8	9,242.7	...	...
Debt service	69.5	63.3	62.8	67.4	70.4	77.1	83.8	90.6	99.3	118.3	124.5	139.5	157.0	198.0	225.8	258.3	294.0	329.6	369.8	416.1	...	...
Of which: new debt	2.2	4.6	8.2	12.9	17.5	22.5	31.9	40.7	49.8	60.7	72.5	86.9	104.7	128.5	157.2	188.5	223.1	260.5	301.3	347.2	...	...
Exports of goods and services, three-year average	835.2	959.7	1,050.4	1,103.9	1,184.4	1,256.9	1,316.2	1,370.3	1,411.3	1,448.3	1,508.9	1,611.5	1,740.2	1,869.3	1,976.9	2,079.1	2,206.1	2,385.6	2,600.4	2,823.9	...	...
Exports of goods and services, annual	1,032.0	1,019.2	1,099.9	1,189.5	1,263.6	1,317.5	1,367.6	1,425.9	1,440.4	1,478.5	1,607.9	1,748.2	1,864.5	1,995.1	2,071.2	2,171.2	2,375.8	2,609.7	2,815.6	3,046.6	...	...
Revenues	543.4	655.4	696.7	749.3	837.7	920.9	985.0	1,050.3	1,083.3	1,152.5	1,268.2	1,388.3	1,505.3	1,625.2	1,687.6	1,763.6	1,919.3	2,126.0	2,305.4	2,501.3	...	...

Sources: Malian authorities; and staff estimates and projections.

1/ All debt indicators refer to public and publicly guaranteed debt and are defined after rescheduling, unless otherwise indicated.

2/ Exports of goods and services as defined in IMF, *Balance of Payments Manual* 5th edition, 1993. The NPV of debt-to-exports ratio is based on a three-year average of exports on the previous year; the debt service ratio is based on current year exports.

3/ Revenues are defined as central government revenues, including grants.

4/ Scenario I assumes a 10 percent decrease of cotton and gold prices, and a 10 percent decrease in the production of cotton. There is no impact on gold output.

5/ Scenario II assesses the impact of a cyclical two-year drought occurring after each five-year period. This translates into a 10 percent decrease in agricultural production during the drought periods.

Table 13. Mali: Status of Creditor Participation Under Original HIPC Initiative

	Share of Multilateral Debt (In NPV terms)		NPV of Debt at End-1997 (US\$ mil.)	NPV Debt Relief 1/ (US\$ mil.)	Satisfactory Reply	Modalities To Deliver Debt Relief	Implemented
	Percent	Cumulative					
IDA	49.1	49.1	423.0	43.6	Yes	Purchase and cancellation of 14 IDA credits worth US\$75 million by the HIPC Trust Fund.	Yes
IMF	15.5	64.6	133.3	13.8	Yes	A grant from the PRGF-HIPC Trust Fund is to be deposited into an escrow account in the name of the government, to be used to meet Mali's debt service to the Fund under an agreed schedule. Assistance is to be slightly front-loaded and spread over the life of current obligations.	Yes
AfDB/AfDF	18.3	82.9	157.5	16.2	Yes	Debt service cancellations financed by a HIPC Trust Fund grant to the AfDB to provide the indicated debt relief to Mali.	Yes
EU/EIB	4.8	87.6	40.9	4.2	Yes	Buyback of one loan during interim period.	Yes
IFAD	2.7	90.4	23.4	2.4	Yes	Up to 100 percent of debt service as it comes due from the Completion Point	Pending
IsDB	2.9	93.3	25.3	2.6	Yes	Concessional rescheduling.	Pending data reconciliation
OPEC FUND	2.0	95.3	17.6	1.8	Yes	Refinancing through concessional loan. Draft agreement has been negotiated.	
BADEA	1.2	96.5	10.3	1.1	Yes	Concessional rescheduling of the disbursed and outstanding balances at a reduced interest rate and extended maturity period.	Pending
ECOWAS	0.2	96.7	1.6	0.2	Pending		Pending
BOAD	3.0	99.7	25.9	2.7	Yes	Debt-stock reduction through the HIPC Trust Fund, using internal resources.	Yes
BCEAO	0.1	99.8	0.9	0.1	Pending		Pending
Fund for Solidarity and Economic Development	0.2	100.0	1.5	0.2	Pending		Pending

Source: Debt figures shown are based on calculations in each country's final HIPC document and could be subject to reconciliation.

1/ Common reduction factor applied to exposure at the decision point is 10.5%

Table 14. Mali: Status of Creditor Participation Under Enhanced HIPC Initiative

	Share of Multilateral Debt (in NPV terms at end-98) 2/		NPV of debt at End-1997 (US\$ mil.) 3/	NPV of debt at End-1998 (US\$ mil.) 4/	NPV	NPV	Satisfactory Reply	Modalities To Deliver Debt Relief
	Percent	Cumulative			Debt Relief (End-1998) (US\$ mil.) 5/ (Dec. pt.)	Debt Relief (End-1998) (US\$ mil.) 5/ Amended		
IDA	50.0	50.0	423.0	493.7	138.5	142.6	Yes	50 percent reduction of the debt service due on outstanding balances of IDA credits at end-1999 over a period of about 14 years, part of which is provided as interim relief.
IMF	15.9	65.9	133.0	156.5	43.9	45.2	Yes	Assistance to be delivered through partial payment of debt service falling due to IMF by the PRGF-HIPC Trust. Share of debt service due on current IMF obligations covered by total IMF assistance averages 35 percent over 2000-08.
AfDB/AfDF	18.8	84.6	157.0	185.3	51.9	53.5	Yes	Using the HIPC Trust Fund resources and internal resources to release eligible countries from 80 percent of annual debt service obligations until debt relief is delivered, subject to a maximum of 40 percent of HIPC assistance being provided in the interim period.
EU/EIB	4.8	89.5	37.0	47.6	13.4	13.7	Yes	Debt service relief on identified EU loans during interim, supplemented with grants to pay off EU loans at the completion point.
IFAD	2.6	92.1	23.0	25.8	7.2	7.5	Yes	Up to 100 percent debt service relief until NPV target is achieved from the Completion Point.
IsDB	2.9	94.9	25.0	28.3	7.9	8.2	Yes	Rescheduling.
OPEC FUND	1.5	96.5	17.6	15.2	4.3	4.4	Yes	Restructuring of existing debt. Draft agreement prepared with authorities.
BADEA	1.0	97.5	9.5	10.3	2.9	3.0	Yes	Concessional rescheduling of debt; possible scenarios for reduction of interest rates being considered
ECOWAS	0.1	97.7	1.6	1.4	0.4	0.4	Pending	ECOWAS has declared its unwillingness to participate in the initiative until further financing is assured.
BOAD	2.1	99.7	14.5	20.6	5.8	6.0	Yes, subject to donor financing	Debt service relief in the interim period. Modalities to deliver the remaining relief will be decided shortly.
BCEAO	0.1	99.8	0.9	0.6	0.2	0.2	Pending	
Fund for Solidarity and Economic Development	0.2	100.0	1.5	1.9	0.5	0.5	Pending	
Total	100.0	100.0	843.6	987.2	277.0	285.2		

Sources: Debt figures shown are based on calculations in each country's final HIPC document and could be subject to reconciliation.

1/ For all retrospective cases, end-1998 is the reference date under the Enhanced HIPC Initiative for calendar-based countries (except for Burkina Faso which uses end-99 data). Fiscal-year-based countries use end-June 99 data.

2/ Share is of NPV debt after original HIPC

3/ Before original HIPC (data from spreadsheet from Angelique)

4/ After original HIPC

5/ The amount of assistance is estimated using the exchange rates at the decision point.

Table 15. Mali: Possible Delivery of IDA Assistance Under the Original and Enhanced HIPC Initiative, 2000-29 1/

(In millions of U.S. dollars, unless otherwise indicated)

	NPV relief required	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Cumulative		
																	2011-20	2021-29	2000-2029
Debt service before HIPC Assistance 1/		19.7	22.7	25.8	27.3	29.9	32.4	34.6	36.5	37.7	39.2	40.1	43.3	44.0	44.4	45.6	465.6	397.4	1,209.0
Debt service after HIPC assistance																			
Original HIPC framework		17.9	19.0	22.1	23.7	26.3	28.8	31.0	32.9	34.2	35.7	36.7	39.8	40.5	40.9	42.2	433.5	388.6	1,130.4
Original and enhanced HIPC framework		15.7	9.3	11.5	12.3	13.8	15.2	16.3	17.7	18.4	19.2	19.7	21.6	22.0	22.2	23.5	359.3	388.6	917.2
Savings on debt service to IDA																			
Original HIPC framework 2/	44	1.9	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.5	3.5	3.4	3.4	3.4	32.1	8.8	78.6
Enhanced HIPC framework	143	2.1	9.8	10.6	11.3	12.5	13.6	14.7	15.2	15.7	16.5	16.9	18.2	18.5	18.7	18.7	74.2	0.0	213.2
Original & enhanced HIPC framework	186	4.0	13.5	14.3	15.0	16.1	17.2	18.2	18.8	19.3	20.0	20.4	21.7	22.0	22.1	22.1	106.3	8.8	291.8
Savings as percent of debt service due 3/																			
Original HIPC framework		9	16	14	13	12	11	10	10	9	9	9	8	8	8	7	7	2	6
Original and enhanced HIPC framework		20	59	55	55	54	53	53	51	51	51	51	50	50	50	48	23	2	24

Source: IDA staff estimates.

1/ Based on end-1998 exchange rates and before new borrowing, i.e., on disbursed and outstanding debt as of end-December 2001 (except for years 2000 and 2001, which are based on disbursed and outstanding as of end-December 1999; decision point document).

2/ Required NPV reduction under the original HIPC Initiative to be achieved through a purchase and cancellation of 14 credits by the HIPC Trust Fund. The NPV relief of US\$43.6 million is expressed in end-1999 terms; converted to end-1998 terms, the NPV relief is equal to US\$41.46 million.

3/ The percentage reduction is based on IDA debt service at end-December 2001 after receiving relief, as agreed at the decision point (i.e., 50 percent of debt service due to IDA at end-1999).

Table 16. Mali: Delivery of IMF Assistance Under Original and Enhanced HIPC Initiative, 2001-09 1/

(In millions of SDRs, unless otherwise indicated)

	Actual					2003	2004	2005	2006	2007	2008	2009
	2000	2001		2001	2002							
	Sep.-Dec.	Jan.-Aug.	Sep.-Dec.	Total	Total							
Profile of total assistance under the HIPC (original and enhanced; in percent)	1.1	2.3	9.0	11.2	14.4	14.6	17.5	15.0	11.5	8.8	5.8	--
Delivery schedule of IMF assistance: original HIPC Initiative (in percent)	2.0	6.0	7.0	13.0	14.0	15.0	16.0	15.0	10.0	8.0	7.0	--
Delivery schedule of IMF assistance: enhanced HIPC Initiative (in percent)	0.9	1.1	9.6	10.7	14.5	14.5	18.0	15.0	12.0	9.0	5.4	--
Debt Service due on current IMF obligations 2/	7.0	8.7	9.4	18.1	22.2	22.2	22.7	19.1	13.5	9.3	6.2	3.1
Principal - as of Mali's enhanced HIPC decision point	6.5	7.9	9.0	16.9	21.0	21.1	21.7	18.2	12.7	8.6	5.5	2.4
Interest	0.5	0.8	0.5	1.3	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.7
IMF assistance—deposits into member's account												
Completion point assistance - Original HIPC 3/	10.800											
Interim assistance - Enhanced HIPC	0.690	5.746			2.646							
Completion point assistance - Enhanced HIPC 4/						25.657						
IMF assistance under original HIPC Initiative	0.2	0.8	0.8	1.6	2.0	2.0	2.1	1.9	1.3	1.0	0.8	--
IMF assistance without interest	0.2	0.6	0.8	1.4	1.5	1.6	1.7	1.6	1.1	0.9	0.8	--
Interest earnings	--	0.2	--	0.2	0.5	0.4	0.3	0.3	0.2	0.1	0.1	--
IMF assistance under enhanced HIPC Initiative 5/	0.3	0.4	3.3	3.7	5.1	6.4	8.6	7.5	4.8	3.5	2.1	--
IMF assistance without interest	0.3	0.4	3.3	3.7	5.0	5.0	6.3	5.2	4.2	3.1	1.9	--
Estimated interest earnings	--	0.0	--	0.0	0.1	1.3	2.3	2.3	0.6	0.4	0.2	--
Total IMF assistance under the HIPC Initiative	0.5	1.2	4.1	5.3	7.1	8.4	10.7	9.4	6.0	4.5	2.9	--
IMF assistance without interest	0.5	1.0	4.1	5.1	6.6	6.7	8.0	6.8	5.2	4.0	2.6	--
Estimated interest earnings	--	0.2	--	0.2	0.5	1.7	2.7	2.5	0.8	0.5	0.3	--
Debt service due on current IMF obligations after IMF assistance 5/	6.5	7.5	5.3	12.9	15.1	13.8	12.0	9.7	7.5	4.9	3.3	3.1
Share of debt service due on current IMF obligations covered by IMF assistance (in percent) 5/	7.5	13.7	43.5	29.1	32.0	37.9	47.1	49.2	44.5	47.8	46.9	--
Memorandum items:												
Proportion (in percent) of each principal repayment obligation falling due during the period to be paid by IMF HIPC Initiative assistance from the principal deposited in member's account of which: under the original HIPC Initiative	8.1 3.3	13.0 8.2	45.7 8.4	30.3 8.3	31.2 7.2	31.6 7.7	36.8 8.0	37.6 8.9	41.3 8.5	46.5 10.1	47.9 13.8	- -
Total debt service due (millions of U.S. dollars) 6/	...	...	...	105	107	112	114	115	115	120	119	119
of which: debt service due on IMF obligations (millions of U.S. dollars)	...	...	...	23.9	27.6	27.5	28.1	23.5	18.2	17.4	13.4	9.4
Debt service due on current IMF obligations after IMF assistance 5/	...	...	...	16.1	15.7	15.4	16.1	13.5	10.3	11.5	11.1	9.4
In millions of U.S. dollars	...	...	...	2.1	1.86	1.50	1.58	1.20	0.84	0.90	0.83	0.68
In percent of exports	...	...	...	...	...	...	...	...	...	...	...	...
Share of total debt service covered by IMF assistance (in percent) 5/	...	...	...	7.4	11.2	10.8	10.5	8.7	6.8	4.9	1.9	--

Source: Member authorities; and Fund staff estimates.

1/ Total IMF assistance under the HIPC Initiative is SDR 45.54 million calculated on the basis of data available at the enhanced HIPC decision point, excluding interest earned on member's account and on committed but undisbursed amounts as described in footnotes 4 and 5.

2/ Forthcoming obligations estimated based on rates and principal schedules in effect as of August 2000 (i.e. around the time of Board approval of Mali's enhanced HIPC decision point). Interest obligations include SDR Department charges and assessments.

3/ Amount of assistance actually disbursed into member's account at the original HIPC completion point in September 2000.

4/ A final disbursement of SDR 25,657,000 (plus accrued interest during the interim period) assumed to be disbursed into Mali's account at the enhanced HIPC completion point in February 2003.

5/ Includes estimated interest earnings on: (i) amounts held in member's account; and (ii) up to the second completion point, amounts committed but not yet disbursed. It is assumed that these amounts earn a rate of return of 5 percent in SDR terms; actual interest earnings may be higher or lower. Interest accrued on (i) during a calendar year will be used toward the first repayment obligation(s) falling due in the following calendar year except in the final year, when it will be used toward payment of the final obligation(s) falling due in that year. Interest accrued on (ii) during the interim period will be used toward the repayment of obligations falling due during the three years after the completion point.

6/ After traditional debt-relief mechanisms.

Table 17. Paris Club Creditors' Delivery of Debt Relief Under Bilateral Initiatives
Beyond the HIPC Initiative

Countries covered (1)	ODA (In percent)		Non-ODA (In percent)		Provision of Relief	
	Pre-Cutoff-date (2)	Post-Cutoff-date (3)	Pre-Cutoff-date (4)	Post-Cutoff-date (5)	Decision point (In percent) (6)	Completion point (7)
Australia	HIPCs	100	100	100	100 ^{1/}	100 ^{1/}
Austria	HIPCs (case-by-case)	Case-by-case (100)	Case-by-case (100)	Case-by-case (100)	-	Case-by-case
Belgium	HIPCs	100	100	Case-by-case (100)	-	Stock
Canada	HIPCs ^{2/}	- ^{3/}	- ^{3/}	100	100	100 flow
Denmark	HIPCs	100	ase-by-case (up to 100)	-	-	Stock
France	HIPCs	100	100	100	-	100 flow ^{4/}
Finland	HIPCs	95	98	-	-	-
Germany	HIPCs	100	100	100	-	100 flow
Ireland	-	-	-	-	-	-
Italy	HIPCs	100	100 ^{5/}	100	100 ^{5/}	100 flow
Japan	HIPCs	100	100	100	-	Stock
Netherlands	HIPCs	100	100	100	-	90-100 flow ^{6/}
Norway	HIPCs	- ^{3/}	- ^{3/}	100	100 ^{7/}	100 flow
Russia	Case-by-case	-	-	-	-	Stock
Spain	HIPCs	100	Case-by-case	Case-by-case	Case-by-case	Stock
Sweden	Case-by-case	- ^{3/}	- ^{3/}	Case-by-case (100)	-	Stock
Switzerland	HIPCs	- ^{3/}	- ^{3/}	Case-by-case	Case-by-case	Case-by-case, flow
United Kingdom	HIPCs	100	100	100	100 ^{8/}	100 flow ^{8/}
United States	HIPCs	100	100	100	100 ^{9/}	100 flow

Source: Paris Club Secretariat.

Note: Columns (1) to (7) describe the additional debt relief provided following a specific methodology under bilateral initiatives and need to be read as a whole for each creditor. In column (1), "HIPCs" stands for eligible countries effectively qualifying for the HIPC process. A "100 percent" mention in the table means that the debt relief provided under the enhanced HIPC Initiative framework will be topped up to 100 percent through a bilateral initiative.

^{1/} Australia: post-cutoff-date non-ODA relief to apply to debts incurred before a date to be finalized; timing details for both flow and stock relief are to be finalized.

^{2/} Canada: including Bangladesh. Canada has granted a moratorium of debt service as of January 2001 on all debt disbursed before end-March 1999 for 11 out of 17 HIPCs with debt service due to Canada. The debt will be written off at the completion point. The countries to be covered are Benin, Bolivia, Cameroon, Ethiopia, Guyana, Honduras, Madagascar, Mali, Senegal, Tanzania, and Zambia.

^{3/} 100 percent of ODA claims have already been cancelled on HIPCs, with the exception of Myanmar's debt to Canada.

^{4/} France: cancellation of 100 percent of debt service on pre-cutoff date commercial claims as they fall due starting at the decision point. Once countries have reached their completion debt relief on ODA, claims will go to a special account and will be used for specific development projects.

^{5/} Italy: cancellation of 100 percent of all debts (pre-cutoff-date and post-cutoff-date, ODA and non-ODA) incurred before June 20, 1999 (the Cologne Summit). At decision point cancellation of the related amounts falling due in the interim period. At completion point cancellation of the stock of remaining debt.

^{6/} The Netherlands: ODA: 100 percent ODA: pre- and post-cutoff-date debt will be cancelled at decision point; for non-ODA: in some particular cases (Bolivia, Burkina Faso, Mali, Ethiopia, Nicaragua, and Tanzania), the Netherlands will write off 100 percent of the consolidated amounts on the flow at decision point; all other HIPCs will receive interim relief up to 90 percent reduction of the consolidated amounts. At completion point, all HIPC countries will receive 100 percent cancellation of the remaining stock of the pre-cutoff-date debt.

^{7/} On debt assumed before December 31, 1997.

^{8/} United Kingdom: "beyond 100 percent" full write-off of all debts of HIPCs as of their decision points, and reimbursement at the decision point of any debt service paid before the decision point.

^{9/} United States: 100 percent post-cutoff date non-ODA treated on debt assumed prior to 06/20/99 (the Cologne Summit).

Table 18. HIPC Initiative: Status of Country Cases Considered Under the Initiative as of February 06, 2003

Country	Decision Point	Completion Point	Target NPV of Debt-to-Gov. revenue (in percent)		Assistance Levels 1/ (In millions of U.S. dollars; present value)					Percentage Reduction in NPV of Debt 2/	Estimated Total Nominal Debt Service Relief (In millions of U.S. dollars)
			Export	Gov.	Total	Bilat-eral	Multi-lateral	IMF	World Bank		
Completion point reached under enhanced framework											
Bolivia					1,302	425	876	84	194		2,060
Original framework	Sep. 97	Sep. 98	225		448	157	291	29	54	14	760
Enhanced framework	Feb. 00	Jun. 01	150		854	268	585	55	140	30	1,300
Burkina Faso					553	83	469	57	231		930
Original framework	Sep. 97	Jul. 00	205		229	32	196	22	91	27	400
Enhanced framework	Jul. 00	Apr.02	150		195	35	161	22	79	30	300
topping up	...	Apr.02	150		129	16	112	14	61	24	230
Mauritania	Feb. 00	Jun-02	137	250	622	261	361	47	100	50	1,100
Mozambique					2,023	1,270	753	143	443		4,300
Original framework	Apr. 98	Jun. 99	200		1,717	1,076	641	125	381	63	3,700
Enhanced framework	Apr. 00	Sep. 01	150		306	194	112	18	62	27	600
Tanzania	Apr. 00	Nov. 01	150		2,026	1,006	1,020	120	695	54	3,000
Uganda					1,003	183	820	160	517		1,950
Original framework	Apr. 97	Apr. 98	202		347	73	274	69	160	20	650
Enhanced framework	Feb. 00	May 00	150		656	110	546	91	357	37	1,300
Decision point reached under enhanced framework											
Benin	Jul. 00	Floating	150		265	77	189	24	84	31	460
Cameroon	Oct. 00	Floating	150		1,260	874	324	37	179	27	2,000
Chad	May. 01	Floating	150		170	35	134	18	68	30	260
Ethiopia	Nov. 01	Floating	150		1,275	482	763	34	463	47	1,930
Gambia, The	Dec. 00	Floating	150		67	17	49	2	22	27	90
Ghana	Feb. 02	Floating	69	250	2,186	1,084	1,102	112	781	56	3,700
Guinea	Dec. 00	Floating	150		545	215	328	31	152	32	800
Guinea-Bissau	Dec. 00	Floating	150		416	212	204	12	93	85	790
Guyana					585	220	365	74	68		1,030
Original framework	Dec. 97	May 99	107	280	256	91	165	35	27	24	440
Enhanced framework	Nov. 00	Floating	150	250	329	129	200	40	41	40	590
Honduras	Jul. 00	Floating	110	250	556	215	340	30	98	18	900
Madagascar	Dec. 00	Floating	150		814	457	357	22	252	40	1,500
Malawi	Dec. 00	Floating	150		643	163	480	30	331	44	1,000
Mali					523	162	361	58	182		870
Original framework	Sep. 98	Sep. 00	200		121	37	84	14	44	9	220
Enhanced framework	Sep. 00	Floating	150		401	124	277	44	138	28	650
Nicaragua	Dec. 00	Floating	150		3,267	2,145	1,123	82	189	72	4,500
Niger	Dec. 00	Floating	150		521	211	309	28	170	54	900
Rwanda	Dec. 00	Floating	150		452	56	397	44	228	71	800
São Tomé and Príncipe	Dec. 00	Floating	150		97	29	68	-	24	83	200
Senegal	Jun. 00	Floating	133	250	488	193	259	45	124	19	850
Sierra Leone	Mar.02	Floating	150		600	205	354	123	122	80	950
Zambia	Dec. 00	Floating	150		2,499	1,168	1,331	602	493	63	3,850
Preliminary HIPC document issued											
Côte d'Ivoire	Mar.98 3/	...	141	280	345	163	182	23	91	6 4/	800
Total assistance provided/committed					25,101	11,612	13,318	2,043 5/	6,394		41,520
Preliminary HIPC document issued											
Côte d'Ivoire 6/	...	...	91	250	2,569	1,027	918	166	438	37	3,900
Congo, Democratic Rep. of	...	...	150		5,773	3,580	2,193	400	700	79	9,800

Sources: IMF and World Bank Board decisions, completion point documents, decision point documents, preliminary HIPC documents, and staff calculations.

1/ Assistance levels are at countries' respective decision or completion points, as applicable.

2/ In percent of the net present value of debt at the decision or completion point (as applicable), after the full use of traditional debt-relief mechanisms.

3/ Côte d'Ivoire reached its decision point under the original framework in March 1998. The total amount of assistance committed thereunder was US\$345m in NPV terms.

4/ Nonreschedulable debt to non-Paris Club official bilateral creditors and the London Club, which was already subject to a highly concessional restructuring, is excluded from the NPV of debt at the completion point in the calculation of this ratio.

5/ Equivalent to SDR 1,582 million at an SDR/US dollars exchange rate of 0.7745, as of June 11, 2002.

6/ It is suggested that enhanced HIPC relief for Côte d'Ivoire overtake the commitments made under the original HIPC framework.

Mali: Status of Actions to Strengthen Tracking of Poverty-Reducing Public Spending						
Actions	Measures	Timing	Status ¹	Updated Status	Comments	
1	Budget Formulation	Identify poverty reducing items in budget	S	II	FI	Action completed in the fourth quarter of 2002
2	Budget Formulation	Improve accounting for external disbursements	S	II	II	Discussions with development partners continue.
3	Budget Formulation	Include table showing poverty-reducing expenditures in 2002-03 budget	S	NS	FI	Implemented with the Budget Law of 2003.
4	Budget Formulation	Improve classification with GFS economic objective basis	M	II	II	Implemented for central government. The chart of accounts for local governments harmonized with the central government accounts.
5	Budget Formulation	Apply the classification of functions of government (COFOG) to recurrent and development budget	M	II	FI	The COFOG and UEMOA classifications are used to book government expenditure.
6	Budget Formulation	Include two year projections in 2003-04 budget	M	II	FI	The annex to the 2003 budget gives projections for 2003-2005. Program budgets for each ministry are now on a triennial basis.
7	Budget Execution	Strengthen internal audit	M	NS	II	The Minister of Finance has strengthened the audit unit.
8	Budget Execution	Finalize TOR for public expenditure tracking surveys	S	NS	II	Drafts terms of reference are ready
9	Budget Reporting	Template for local government reporting	S	NS	II	Local governments are required to send monthly balance sheets to a newly created Treasury unit.
10	Budget Reporting	Issue circular requiring local govt. quarterly reports	S	NS	II	A new Treasury unit centralizes information on the budget execution of local governments.
11	Budget Reporting	Training and enforcement measures for timely submission of local govt. reports	S	NS	II	The new Treasury unit is responsible for strengthening local government accounting capacity.
12	Budget Reporting	Quarterly monitoring reports created	S	NS	II	The Treasury produces monthly and quarterly statements since December 2002.
13	Budget Reporting	Strengthen external audit measures	M	II	FI	Six additional judges and experts were added to the Account Section of the Supreme Court.

¹As reported in the IMF Staff Report EBS/02/157. FI: Fully Implemented; NS - Not started; II- Implementation initiated.

Debt Management

Overall, Mali's debt-monitoring system provides for a comprehensive accounting of medium- and long-term public and public-guaranteed debt on a loan-by-loan basis. Nevertheless, there are some areas where improvement is still needed, including data processing capacity, and the expansion of data coverage. On the latter, the debt office would need to improve its monitoring of non-guaranteed debt of public and mixed enterprises, private non-guaranteed and short-term debt, so as to provide a comprehensive view of all external debt obligations. Authorities have integrated the debt management function into macroeconomic policy making and are enhancing their ability to make medium-term macroeconomic projections.

The legal framework is comprehensive with established laws implemented through appropriate decrees. Coordination with macroeconomic policies is carried out within a formal committee. The main agency involved is the *Direction générale de la dette publique* (DGDP) under the Ministry of Finance and consists of a staff of 35. The staff are well-trained in clearly defined basic debt management functions although there is a clear shortage of specialists with analytical skills. Computer equipment is relatively adequate, with the database set up on a shared network. Limited internet access is also available, facilitating the debt office's contacts with the creditors.

External debt statistics are maintained using the latest version of the Commonwealth Secretariat-Debt Recording and Management System (CS-DRMS) that was acquired using a Canadian grant. In addition the *Direction de la dette* acquired an analytical software, Debt-Pro, to carry out debt sustainability analyses, but is using it on a limited basis due to lack of training. Portfolio analysis and DSAs are conducted annually as well as on an ad-hoc basis. The debt office monitors public and publicly guaranteed debt. However its monitoring of parastatal debt is conducted on an ad-hoc basis (at times of HIPC DSA preparation usually) and there is no systematic debt data reconciliation update and monitoring. As a result, information on non-guaranteed public sector debt is often inconsistent and incomplete and data collected in an ad-hoc manner is not recorded properly in the main debt database. Consequently parastatal debt is usually not included in outputs. Loan disbursements are communicated to the debt unit, usually by creditors but with frequent and extended delays.

The debt office is capable of promptly producing relatively well prepared standard reports with accurate projections of debt service (with the exception of parastatal debt). As a result, late payment penalties are uncommon. However, reports that serve as inputs to macroeconomic and budget projections need to be improved somewhat.

As Mali's nonconcessional borrowing is subject to strict limits, the debt unit generally evaluates the concessionality of any new loan that is being considered. However, the impact of new loans on overall debt portfolio or long-term debt sustainability is not well integrated. The debt unit participates actively in any debt renegotiations process that the government undertakes, and its technical input is an important element in the negotiations. However, the debt management staff highlight the importance of receiving proper training in evaluation of and negotiations on the debt relief proposals, particularly in light of the envisaged HIPC completion point.

IMAGING

Report No.: P
Type: MOP

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