

**AFRICAN DEVELOPMENT FUND**

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**MALI**

**PROPOSAL FOR A SUPPLEMENTARY LOAN OF UA TEN MILLION  
TO SUPPORT THE GROWTH AND POVERTY REDUCTION  
STRATEGY SUPPORT PROGRAMME (PASC RP) AND HELP  
MITIGATE THE IMPACT OF THE GLOBAL CRISIS**

*October 2009*

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## **Currency Equivalents**

*September 2009*

Unit of Account	=	CFAF 737.9
Euro	=	CFAF 655.957
United States Dollar	=	CFAF 467

### **Fiscal Year**

1 January to 31 December

### **Weights and Measures**

1 tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.47 acres

### **Acronyms and Abbreviations**

ARMP	:	Public Procurement Regulatory Agency
CARFIP	:	Public Finance Reform Unit
CFAF	:	Franc of the African Financial Community
CMDT	:	Compagnie Malienne de Développement du Textile (Malian Textile Development Company)
CSP	:	Country Strategy Paper
DAF	:	Administrative and Financial Directorate
DCF	:	Financial Control Directorate
DGB	:	Directorate-General for the Budget
DGMP	:	Directorate-General for Public Procurement
GDP	:	Gross Domestic Product
HIPCI	:	Heavily Indebted Poor Countries Initiative
IGF	:	General Inspectorate of Finance
MDGs	:	Millennium Development Goals
MTEF	:	Medium-Term Expenditure Framework
PADDER	:	Decentralization and Regional Economic Development Support Programme
PAGAM/GFP	:	Government Plan of Action on Improvement/Modernization of Public Finance Management
PASCRP	:	Growth and Poverty Reduction Programme Support Project
PEFA	:	Public Expenditure and Financial Accountability
PRGF	:	Poverty Reduction and Growth Facility
SAPs	:	Structural Adjustment Programmes
SIGFIP	:	Integrated Public Financial Management System
TFPs	:	Technical and Financial Partners
TOFE	:	Table of Central Government Financial Operations
UNDP	:	United Nations Development Programme
WAEMU	:	West African Economic and Monetary Union

## Loan Data

### Client Information

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<b>Borrower</b>	:	Republic of Mali
<b>Executing Agency</b>	:	Ministry of Economy and Finance

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### Key Information on ADF Financing

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1. Initial Loan Amount	33 million Units of Account (UA)
<b>2. Loan Amount</b>	<b>10 million Units of Account (UA)</b>
3. Total Loan Amount	43 million Units of Account (UA)
4. Service Charge	0.75% per year on disbursed amounts outstanding
5. Commitment Fee	0.5% per year on undisbursed loan amounts starting 120 days after the signature of the Loan Agreement
6. Duration	50 years, including a ten-(10) year grace period
7. Repayment	The principal will be repaid in 40 years at the rate of 1% of the principal per year, from the 11th to the 20th year and 3% each year subsequently

### Indicative Timeline of Main Milestones

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Approval of Concept Note	(May 2008)
Programme Appraisal	(June 2008)
Programme Approval	(September 2008)
Effectiveness	(September 2008)
<b>Supplementary Loan Approval</b>	<b>(September 2009)</b>
Completion	(September 2010)
Final Disbursement Deadline	(December 2010)

## **1. INTRODUCTION**

### **1.1 Proposal Objective**

1.1.1 The aim of this proposal for a supplementary loan to finance Mali's Growth and Poverty Reduction Strategy Support Programme (2008-2010 PASCRP) for ten million Units of Account (UA) is to help mitigate the impact of the financial crisis on the country's economy. The Bank received a request from the Malian Government to enable it to address the exceptional adverse conditions induced by the current international economic crisis. The Malian Government asked the Bank for the utilization, in the form of budgetary support, of the supplementary resources from two ongoing projects and the supplemental allocation to be received by Mali in 2009 as a result of its positive performance assessment under ADF-XI.

1.1.2 On 4 March 2009, the Boards of Directors approved Resolution No. F/BD/2009/05 concerning the Bank's response to the economic impact of the financial crisis on its regional member countries. The related document (ADB/BD/WP/2009/27) enables the Bank to provide a rapid and flexible response to mitigate the negative impact of the economic and financial crisis by increasing or channelling additional resources through rapid disbursement operations. The resolution also authorizes support for countries borrowing from the ADF window such as Mali through '*alternative use or accelerated use of currently available concessional resources, including the possible reallocation of resources from ongoing investment operations to budget support operations*'. In order to allow the disbursement of these supplementary resources in favour of Mali no later than end November 2009, the option of the accelerated circulation of the document is proposed, pursuant to the above resolution. The resolution also approves the presentation of budget support documents on the financial crisis to the Board on the basis of a fourteen-day distribution deadline.

### **1.2 The 2008-2010 PASCRP<sup>1</sup>**

1.2.1 The Programme was approved on 24 September 2008, for thirty-three million Units of Account (UA 33 million) awarded from ADF resources, to be disbursed in three respective tranches of UA 15 million, UA 12 million and UA 6 million. The PASCRP has three objectives: (i) reinforce the stability of the macroeconomic framework, in particular its link to the poverty reduction strategy; (ii) improve the management of public resources, in particular, the budget control dimension; and (iii) assist Mali's decentralization process by supporting the effective transfer of powers and resources to local authorities. In that respect, the reform measures retained are implemented through two components: (a) improvement of public finance management; and (b) promotion of decentralization. The budget support for the financing of the PASCRP is in keeping with the Bank's governance strategic thrusts for the 2008-2012 period and contributes towards achieving the targets set forth under the pillars of the 2008-2012 Results-Based Country Strategy Paper (RBCSP) for Mali, whose extension to 2011 was approved on 12 February 2009 by the Bank's Boards of Directors (ADF/BD/WP/2008/147/Rev.1).

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<sup>1</sup> For further details on the programme, refer to Mali – PASCRP Appraisal Report ADF/BD/WP/2008/81 of 4 September 2008.

1.2.2 The first UA 15 million tranche was disbursed on 24 December 2008. The resources of the proposed supplementary loan of UA 10 million to strengthen the financing of the ongoing PASCRP would be disbursed at the same time as the second UA 12 million tranche, i.e. a total of UA 22 million, subject to fulfilment of the conditions agreed with the Malian party.

### **1.3 Basic Data and Impact of the Global Crisis on Mali**

1.3.1 The global economic recession will have a negative impact on the real sector in Mali and lead to a fall in real GDP. The GDP growth rate was 4.2% in 2009 compared to 5.3% in 2008, despite strong performance in the agricultural sector as a result of the 'Rice Initiative'. This contraction would mostly be induced by the effects of the crisis on the cotton sector for the coming 2009/2010 season. The sector was already showing signs of fragility during the 2008/2009 crop year. All the market indicators point to a continuing fall in rates, leading to a decline in the revenue of the Malian Textile Development Company (CMDT). Since June 2008, cotton prices have fallen by 21.73% from a fob average of CFAF 750 per kilo to a fob average of CFAF 587 per kilo in February 2009. This situation has exacerbated CMDT's financial difficulties, thereby reducing its ability to pay haulers while it has to honour all its delivery commitments to foreign clients. The Government and technical and financial partners (TFPs) have identified urgent measures to revive the cotton sector for a total cost of about CFAF 57.4 billion, including CFAF 23.3 billion in irreducible requirements for the 2008-2009 and 2009-2010 crop years, which could create strong pressure on the Government's 2009 budget. Therefore, the Government has provided for CFAF 15.4 billion in transfers in 2009. Furthermore, in response to the Government's request to the TFPs for support to the cotton sector, the World Bank has increased its ongoing Poverty Reduction Strategy Support by USD 10 million (from USD 55 to 65 million).

1.3.2 Regarding public finances, the Government for 2008 estimated a CFAF 36.7 million shortfall in budgetary resources and aid, of which CFAF 22.9 billion in lost budgetary revenue and CFAF 13.7 billion in undisbursed amounts of budgetary resources and aid. This situation led to deterioration in the basic budgetary balance of -1.8% of GDP in 2008. In 2009, the total financing gap (refer to Table 1) is CFAF 168.5 billion, compared to an initial forecast of CFAF 127.3 billion. This gap would arise mainly from: (i) loss of fiscal revenue due to a slowdown in economic activity; and (ii) failure to disburse budgetary grants and loans. Under these conditions, the basic budgetary balance will be -2.3% of GDP in 2009.

1.3.3 In connection with the impact on the balance of payments, a contraction of remittances by Malians living abroad and tourism revenue of about 0.7 GDP points is projected for each of these items. The capital and financial operations account will also be affected by the reversal of private capital flows from inflows in 2008 to capital outflows in 2009. Concerning the banking sector, the gross assets of Malian banks held with foreign correspondents fell by 17% from CFAF 49.8 billion to CFAF 41.1 billion between February 2009 and February 2008. Over the same period, guarantee deposits dropped sharply by 43% from CFAF 22.6 billion to CFAF 12.9 billion.

## **2. JUSTIFICATION FOR SUPPLEMENTARY LOAN AND RETENTION OF THE LOAN AGREEMENT ON THE SECOND TRANCHE DISBURSEMENT CONDITIONS**

### **2.1 PASCRP Performance**

The logical framework matrix in Annex provides the implementation status of the reforms agreed upon under the PASCRP as at end June 2009, as well as the outcome indicators.

#### ***With Regard to Component 1 – Reinforcing Public Finance Management***

2.1.1 As mentioned in the appraisal report of the ongoing PASCRP, the situation in Mali's cotton sector constitutes a risk which could undermine the stability of the macroeconomic and financial framework. Therefore, performance enhancement reforms have been initiated. There have been some significant developments in the CMDT privatization process with the establishment of four (4) subsidiaries in the CMDT area of operation (*refer to the note in Annex on cotton and CMDT's status*). The proposed partial contribution of assets has been adopted and were lodged with the Registry of the Commercial Court on 24 March 2009. The CMDT Holding/Subsidiaries Agreements were signed on 30 May 2009. The transfer of the subsidiaries' capital is scheduled as follows: 20% for the producers, 2% for the workers, 17% for the State and 61% for a reference private economic operator. However, with regard to bid invitation, the Government would rather have all 17 plants constituting these subsidiaries operating, in order to make them more attractive to sell. Thus, the end June 2009 cut-off date for bid launching could not be met as initially planned. Furthermore, State transfers to CMDT could not be contained within the ceiling of CFAF 10 billion in 2009 as agreed under the PASCRP. They stand at CFAF 15.4 billion as mentioned in paragraph 1.3.1.

2.1.2 Overall, the implementation of the Government Plan of Action to Improve and Modernize Public Finance Management (PAGAM/GFP) was considered satisfactory by the TFPs, with an implementation rate of 73.3% of the initially scheduled activities at end December 2008. Progress has been made in public finance management, thanks particularly to: (i) the strengthening of the institutional and regulatory framework; (ii) the building of workers' capacity; (iii) the improved expenditure chain interconnection rate (85%); (iv) the broadening of the tax base; and (v) the enhanced compliance of the Public Procurement System with the related WAEMU Directives. However, some weaknesses remain with regard to: (i) the effectiveness of public expenditure implementation and control procedures; (ii) the reliability of accounting procedures and financial reports; and (iii) the quality of external audits and controls.

2.1.3 Regarding external control reforms, measures to review and streamline the legislative and regulatory texts on the Audit Bench of the Supreme Court with a view to increased autonomy and capacity building have evolved to some extent. The draft organic law modifying organic law No.96-071 of 16 December determining the organization and operational rules of the Supreme Court and the procedure to follow, was adopted by the Council of Ministers at its sitting of 18 February 2009 and tabled before Parliament on 20 March 2009. The major innovations of this draft organic law focus on: (i) the possibility of appointing many more advisers to the Audit Bench, contrary to the present situation where the number is limited to 14; (ii) the delegation, to the President of the Audit Bench, of the management of credits entered in the budget; (iii) the powers conferred upon the President of

the Bench to determine areas of jurisdiction for its three constituent chambers; (iv) primacy and a general covenant on jurisdiction over public finance control; and (v) revision of the procedure followed before the Audit Bench with a distinction between the jurisdictional procedure and the non-jurisdictional control procedure. On the other hand, there has been no progress on the Bill regarding the status of judicial officers of the Audit Bench. Therefore, the Government should speed up the finalization of the second bill, the adoption of which should constitute an important milestone in improving the external control of public finance management.

2.1.4 With regard to improved transparency of public procurement, it is worth noting the 15 April 2009 appointment of members of the Public Procurement Authority Regulatory Council comprising three government representatives, three others from the private sector and three from civil society. The bi-monthly public procurement gazette is published regularly by the DGMP. Similarly, the public procurement decentralization process has been completed with the installation of new regional public procurement directors and public service delegations in February 2009. Notwithstanding this progress, the value of contracts awarded through direct negotiation remains high at 20.6% at end March, which could indicate the impossibility of achieving the objective of an 18% reduction in value compared to 2008.

#### ***With Regard to Component 2 - Promotion of Decentralization***

2.1.5 The reforms agreed upon under this component deal mainly with the revision of the principal texts on decentralization, with a view to transferring responsibility for local and regional development to the decentralized territorial communities in general, especially so for the transfer of financial resources. These principal texts are being revised against a backdrop of the organization of communal elections. The Bill modifying Act 95-034 of 12/04/1995 amended, governing the Local Government Code in the Republic of Mali was considered by the Inter-ministerial Council and forwarded to the Secretary-General of the Government in February 2009. This revision will make it possible to: (i) clarify the responsibilities of legislative bodies with a view to ensuring greater consistency in the operations of local governments among themselves and with the central government; (ii) expand the typology of the local government budgetary resources; and (iii) strengthen the *ex ante* control mechanism for the implementation of the local government budget.

2.1.6 The validation workshop concerning the study on the revision of Act 93-008 of 11 February 1993 determining the conditions for the unfettered administration of local governments was held in December 2008. The draft text validated by this workshop has been submitted to the Ministry of Territorial Administration and Local Governments for comment. The same has been done for the study on the revision of Act 00-44 of 7 July 2000, determining the fiscal resources of districts and regions, the national workshop on which was held on 2 and 3 March 2009. As part of the establishment of transparent procedures for training programmes and adapted technologies to strengthen territorial financial governance, it should be noted that the budget and accounting instructions as well as the guide to the operation of accounts have been in effective use since 2008. However, to-date the software for use by the payment authorization officer has not yet been developed.

## 2.2 Need to Cover the Revised Financing Gap in 2009

2.2.1 The second review of the PRGF-backed Economic and Financial Reforms Programme which took place in Bamako from 5 to 18 May 2009, confirmed the Government's difficult financial situation with many outstanding payments and a widening of the current account deficit owing to the sluggish external environment. The initially estimated financing gap for 2009 of CFAF 127.3 billion, i.e. 3.13% of GDP, has widened considerably and now stands at CFAF 168.5 billion, i.e. 4.10% of GDP. Consequently, ADF has been asked to contribute along with the other TFPs to narrow the gap and contain the trend towards deficit financing through arrears accumulation, which could impact negatively on the private sector and employment. ADF's overall contribution of UA 22 million to cover the new financing requirements in 2009 (initial amount of UA 12 million of the second tranche and proposed supplementary loan of UA 10 million), represents 9.4% of the financing gap and 17.8% of identified financing. The following table summarizes the different financing identified as well as the residual gap as at end June 2009.

**Table 1**  
**Financing Requirements and Sources for 2009 (in CFAF billion)**

	<i>Initial 2009 TOFE</i>	<i>Revised 2009 TOFE</i>
<b>Financing Gap (-deficit / +surplus)</b>	<b>127.3</b>	<b>168.5</b>
<b>Identified Financing</b>	<b>76.6</b>	<b>88.67</b>
ADF	8.6	15.8
WB	24.8	29.7
IMF	3	3
EU	16.5	16.5
Germany	2.6	2.6
Denmark	2	2
France	3.3	3.3
Netherlands	6.6	6.6
Sweden	9.2	9.2
Others		
<b>Residual Financing Gap</b>	<b>50.7</b>	<b>79.8</b>

Source: Malian Authorities July 2009.

## 2.3 Origin of Resources for the Supplementary Budget Support Loan in 2009

2.3.1 The financial resources amounting to UA 10 million identified for this supplementary budget support loan with a view to mitigating the impacts of the crisis on the Malian economy have two sources:

- ***Reallocate the Resources from two Active Projects (UA 4,500,000)***

Projects retained within the framework of the operation to reallocate resources to a supplementary budget support loan include: (i) the Daye, Hamadja and Korioume Plain Rural Development Support Project (PADRP – Loan No. 2100150000615 for UA 7,840,000), with UA 4,000,000 for reallocation, after all commitments); and (ii) the Ansongo District Rural Development Project (PRODECA – Loan No. 2100150000600 for UA 9,440,000), with UA 500,000 for reallocation. The two projects are described in Annex to this report. This proposal derives from the recommendations of the latest portfolio review report considered by the Committee on Operations and Development Effectiveness (CODE) on 21 July 2009 (ADB/BD/WP/2009/98).

▪ ***Supplementary Resources in respect of ADF-XI (UA 5,500,000)***

Mali received a supplementary allocation following its positive performance assessment in 2009. Part of this amount is proposed for allocation to the supplementary loan for financing the ongoing PASCRP. It is expected that UA 5,500,000 will be mobilized from these supplementary resources in respect of ADF-XI for 2009. The loan will be subject to the usual ADF financial conditions. It should be noted that this increased utilization of ADF-XI resources in the form of budget support is in line with ADF policy since it remains below the 50% ceiling of Mali's allocation. The supplementary amount would bring ADF-XI net resources earmarked for budget support to UA 38.5 million, out of a total allocation of UA 148.2 million, i.e. a proportion of 22.6%.

## **2.4 Renewal of the Terms of the Initial Loan Agreement (PASCRP) for the Supplementary Loan**

2.4.1 According to the findings of the last supervision mission, the programme components remain relevant and progress has been made, even though implementation of certain reform measures must be accelerated. These concern, in particular, external control, specifically the revision of the text on the status of judicial officers of the Audit Bench. In addition to the amount of the second tranche of the initial PASCRP (UA 12 million), the Government wishes that the total resources of the supplementary loan be put at its disposal in 2009. It is also proposed to maintain the agreed reform measures in the PASCRP as well as the terms of the initial loan agreement. For the supplementary UA 10 million amount, a new agreement will be signed to which will be annexed the letter of agreement related to the restructuring of the portfolio in response to needs generated by the financial crisis. However, the conditions previously retained in the Agreement remain unchanged (refer to Table 2).

<b>Table 2 Reminder of the Conditions Precedent to Disbursement of the Original ADF Loan Financing the PASCRP</b>
<b>Disbursement of the First Tranche</b>
Evidence of the opening in the books of the Main Agency of the Central Bank of West African States (BCEAO) of a special account for payment of loan resources for implementing the programme; and Satisfactory review of the implementation of the public financial management-related reforms (PAGAM-GFP operational reforms), certified by the PAGAM-GFP technical committee;
Evidence of the adoption by the Board of Directors of the Malian Textile Development Company (CMDT) of the commissioner's report on the contributions to the assets and liabilities of each of its four (4) future subsidiaries.
<b>Disbursement of the Second Tranche</b>
Satisfactory review of the Public Financial Management-Related Reforms (PAGAM-GFP 2008 Operational Plan) in general and more specifically, the measures aimed at building the operational capacity of the Audit Bench of the Supreme Court as certified by the PAGAM-GFP Technical Committee;
Evidence of the effective establishment of the Public Procurement Regulatory Body;
<b>Disbursement of the Third Tranche</b>
Satisfactory review of the implementation of the Public Financial Management-related reforms (PAGAM-GFP 2009 Operational Plan), as certified by the PAGAM-GFP Technical Committee
Evidence of the adoption by the Council of Ministers of the bills concerning the revision of: (a) Act 93-008 of 11/02/1993 amended, determining the conditions for free administration of the Territorial Communities; (b) Act 95-034 of 12/04/1995 amended, governing the Code on Territorial Communities in the Republic of Mali and, (c) Act 00-044 of 07/07/2000 determining the fiscal resources of Mali's Communes, Circles and Regions;.
Transmission to the General Secretariat of the Government of the Bill on the establishment, organization, operation and control of the Public Services of Mali's Territorial Communities.
Evidence of an 18% reduction in the value of contracts awarded through direct negotiation in 2009 compared to 2008.
<b>Triggering Measures for Future Support</b>
Evidence of the revision and adoption of two Bills on the organic law of the Supreme Court and the rules governing judicial officers of the Audit Bench as retained in the PAGAM/GFP

### **3. LEGAL INSTRUMENT AND DISBURSEMENT CONDITIONS**

#### **3.1 Legal Instrument**

3.1.1 Regarding the resources from the three projects, it is worth noting that the operations in question are financed with two ADF loans (Daye Hamadja PADRP and PRODECA). All the related loan agreements will remain effective. However, a letter of approval will be signed between the Government and the Bank with a view to specifying the conditions for implementing the proposals contained in this document. All the debt service requirements will be maintained in accordance with the Loan Agreements.

3.1.2 The new supplementary loan agreement will specify the breakdown of the resources origin, making a distinction between the resources sourced from portfolio restructuring as part of the Bank's response to the economic impact of the financial crisis and new resources resulting from ADF XI 2009 allocation. Entry into force of the supplementary loan agreement is subject to the Borrower's fulfilment of the conditions set forth under Section 5.01 of the General Conditions Applicable to ADF Loan Agreements and Guarantee Agreements.

#### **3.2 Disbursement Conditions**

3.2.1 The Government will communicate to the Bank the references of the Special Account into which the funds from the projects will be paid. The disbursement of the UA 10 million single tranche of this supplementary loan is subject to the Borrower providing to the Fund's satisfaction, evidence of:

- (i) The satisfactory review ascertaining the implementation of public finance management reforms (PAGAM-GFP 2008 operational plan), especially measures aimed at building the operational capacity of the Supreme Court's Audit Bench, as certified by the PAGAM-GFP Technical Committee; and
- (ii) Actual establishment of the Public Procurement Regulatory Authority.

### **4. CONCLUSIONS AND RECOMMENDATIONS**

In light of the foregoing, the reallocation of available resources from ongoing projects identified to fund the budget support (PASCRP) will help to increase the available budget resources and mitigate the impact of the global economic crisis on Mali. Pursuant to Resolution F/BD/2009/05 of the Boards of Directors approving the Bank's response to the economic impact of the financial crisis in its regional member countries (RMCs), Management recommends that the ADF Board of Directors approve the procedure to reallocate loan resources from the two projects (Daye Hamadja PADRP and PRODECA) amounting to UA 4,000,000 to a budget support loan. Furthermore, Management recommends that the Board authorize the use of UA 5,500,000 ADF-XI supplementary resources for a supplementary budget support loan in favour of Mali, within the framework of the Bank's response to the economic impact of the financial crisis in its regional member countries.

Administrative Map of Mali



Government's Request

REPUBLIC OF MALI



MINISTRY OF ECONOMY  
AND FINANCE

GENERAL SECRETARIAT

**CONFIDENTIAL**

Bamako, 02 October 2009

**Minister of Economy and Finance**

Mr. Franck Joseph Marie PERRAULT  
Director, Regional Department West B  
African Development Bank  
BP 323 Tunis Belvedere 1002  
Fax: (216) 71 351 933  
Tunisia

Ref. : M/Letter 0829/MF-SG of 27/03/2009  
Subject : Request for a Supplementary Loan to Finance the Growth and Poverty  
Reduction Strategy Support Programme in Response to the Financial Crisis  
(PASCRP)

Mr. Director,

Pursuant to my above-referenced letter, I have the honour to request you to reallocate resources from the Daye Hamadja and Korioume Plain Rural Development Project and the Ansongo District Rural Development Project to the Growth and Poverty Reduction Strategy Support Programme.

I confirm that the amount requested is UA 10,000,000 which could be financed partly from the available ADF-XI resources.

Furthermore, this letter nullifies my correspondence No. 0179/MEF-SG dated 7 July 2009.

Kindly accept, Mr. Director, the assurances of my highest consideration.

Copy:

- Mr. L. Ennahli, ADB Resident Representative in Mali

Minister Delegate in charge of the Budget  
Lassine BOUARE  
Knight of the National Order of Mali

**Annex 3****Response to the Financial Crisis - Resources Released from Projects in Mali**

<b>Project Name</b>	<b>ADF Loan (in UA)</b>	<b>Approval Date</b>	<b>Closure Date</b>	<b>Undisbursed Amount (in UA)</b>	<b>Amount Allocated to the Supplementary Budget Support Loan</b>
Daye, Hamadja and Korioume Plain Rural Development Support Project (PADRP)	7,840,000	03.11.2000	30.11.2009	4,685,351.84	4,000,000
Ansongo District Rural Development Project (PRODECA)	9,440,000	27.10.1999	30.11.2009	538,005.54	500,000
<b>TOTAL</b>				<b>5,223,357.38</b>	<b>4,500,000</b>

Response to the Financial Crisis – Brief Description of the two Selected Projects

**NOTE ON THE STATUS OF THE ANSONGO DISTRICT RURAL  
DEVELOPMENT PROJECT (PRODECA)**

P-ML-AAO-015  
Loan Number: 2100150000615

**I. Activities Undertaken from January to December 2009 concerned:**

1. **Monitoring of studies, works and supply of goods:** (i) detailed sketches of the Ankoum Wadi; (ii) equipment supply (cofferdams and fish racks) for PSC works; (iii) well and borehole completion works; (iv) various construction completion works (lots 2 and 3); (v) pursuit of various construction works (lot 1); (vi) pursuit of works on hillside dams; and (vii) works monitoring and supervision.

2. **Services and consultants:** (i) monitoring of accounts audit (status as at 31 December 2008) and auditing the accounts of the agricultural credit component; (ii) establishment of agricultural credit committees; (iii) TORs for preparation of the project completion report; (iv) preparation of the 2009-2010 farming season; and (v) administrative/financial management and monitoring of project dossiers.

**II. Activities to Undertake**

Activities to undertake from October to November include: (i) implementation of the Ankoum Wadi diversion works and launching of procedures for the procurement of pumping equipment for the Ankoum PIV; (ii) continuation and completion of various construction works (lot 1), hillside dam works; (iii) works monitoring and supervision; (iv) continuation of the agricultural credit committees; (v) auditing of accounts (status as at 30 November 2009); (vi) preparation of the project completion report; (vii) monitoring of the 2009-2010 farming season; and (viii) administrative and financial management, and monitoring of dossiers.

**III. Balance**

The balance after deducting various commitments stands at **UA 511,207**.

**Status of Latest Disbursements made from 01/01/2009 to 21/09/2009**

Value Date	Amount Requested XOF	Amount Approved	Beneficiary	Amount Disbursed in UAC	Disbursements in UAC	Undisbursed Balance in UAC
01.01.2009	Opening Balance				8.432.515,45	1.007.484,55
12.01.2009	8.110.000	7.642.200	SETICO INGENIEURS CONSEILS	10.313,98	8.442.829,43	997.170,57
12.01.2009	19.646.500	19.646.500	PROJET DE DEVELOPPEMENT RURAL	26.515,08	8.469.344,51	970.655,49
12.01.2009	24.717.101	24.717.101	CHIC AFRIQUE - SA	33.358,40	8.502.702,91	937.297,09
12.01.2009	3.210.382	3.210.382	ENTREPRISE ABDOURHAMANE FOULANE	4.332,76	8.507.035,67	932.964,33
02.02.2009	24.112.580	22.119.762	CHIC AFRIQUE - SA	29.499,66	8.536.535,33	903.464,67
02.02.2009	7.465.294	7.465.294	ENTREPRISE BATIR ISSE TAZIDERT	9.955,97	8.546.491,30	893.508,70
18.02.2009	27.028.187	27.028.187	ENTREPRISE HYDRO MALI	35.620,98	8.582.112,28	857.887,72
18.02.2009	2.500.000	2.500.000	D.R.G.R GAO	3.294,80	8.585.407,08	854.592,92
14.04.2009	74.091.843	74.091.843	ENTREPRISE HYDRO MALI	101.423,48	8.686.830,56	753.169,44
29.05.2009	4.483.868	4.483.868	Groupement D'ENTREPRISE MAHAMADOU	6.184,17	8.693.014,73	746.985,27
11.06.2009	9.203.843	9.203.843	Groupement D'ENTREPRISE MAHAMADOU	12.719,49	8.705.734,22	734.265,78
14.07.2009	5.288.472	5.288.472	CHIC AFRIQUE - SA	7.263,46	8.712.997,68	727.002,32
14.07.2009	4.740.000	4.740.000	SARECI	6.510,16	8.719.507,84	720.492,16
24.07.2009	8.577.800	8.577.800	SETICO INGENIEURS CONSEILS	11.928,20	8.731.436,04	708.563,96
24.07.2009	9.079.976	9.079.976	ENTREPRISE HYDRO MALI	12.626,52	8.744.062,56	695.937,44
05.08.2009	35.714.672	35.714.672	ENTREPRISE WEREBA	49.269,24	8.793.331,80	646.668,20
03.09.2009	2.900.000	2.900.000	SARECI	4.060,53	8.797.392,33	642.607,67
03.09.2009	29.738.863	29.738.863	ENTREPRISE SONNY TRAVAUX	41.639,82	8.839.032,15	600.967,85
08.09.2009	12.082.195	12.082.195	Groupement ACAS-GARI	16.788,52	8.855.820,67	584.179,33
21.09.2009	53.715.000	2.788.000	PROJET DE DEVELOPPEMENT RURAL	46.173,79	8.901.994,46	<b>538.005,54</b>

<b>NOTE ON THE STATUS OF THE DAYE, HAMADJA AND KOURIOME PLAIN DEVELOPMENT SUPPORT PROJECT (PADR-PDHK – TIMBUKTU)</b>
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<b>P-ML-AAZ-003</b>
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<b>Loan Number: 2100150000600</b>
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**I. Activities Undertaken from January to September 2009**

1. **Contract execution:** (i) construction of three (03) warehouses; (ii) construction of “Cooperative Union” offices; (iii) drilling of ten (10) boreholes equipped with manual pumps; (iv) construction of nine (9) large-diameter wells; and (v) construction of a training centre, a craft centre and a fence.

2. The preparation of bidding documents and the signing of contracts for: (i) supply and installation of computer equipment; (ii) supply of vehicles (vehicles, motorcycles, auto-cycles and bicycles); (iii) procurement of drugs (initial allocation), equipment for the Kabara Community Health Centre; (iv) procurement of furniture and sundry equipment (office furniture, office equipment, electric appliances, furniture for Iloa and Iissafaye schools); (v) re-appraisal and decision on technical bids concerning the selection of a firm to audit the accounts for the 2008 and 2009 financial years; (vi) bid opening and decision on financial bids concerning limited shopping for the selection of a firm to audit the accounts for the 2008 and 2009 financial years; and (viii) re-launch of international competitive bidding for rehabilitation works on the three plains (Daye, Hamadja and Korioume), the bid opening of which is scheduled for 1 October 2009.

**II. Activities to Undertake**

The activities to undertake from October to November include: (i) the reception of ongoing contracts; (ii) the signing of the contract on limited shopping for the selection of a firm to audit the 2008 and 2009 financial years; (iii) bid opening and signing of the contract on the Daye, Hamadja and Korioume Plain rehabilitation works; and (iv) preparation of the 2009-2010 farming season.

**III. Balance**

The balance after deducting various commitments stands at UA **4,203,292**.

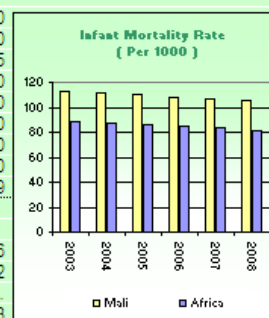
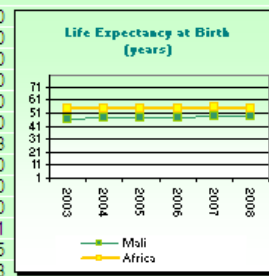
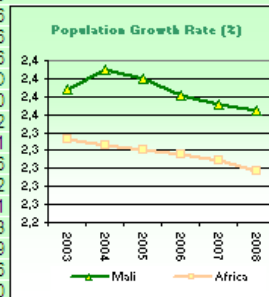
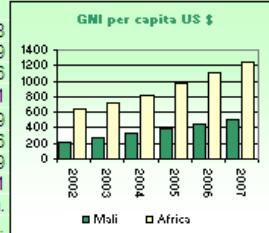
**Status of Latest Disbursements from 01/01/2009 to 05/08/2009**

Value Date	Amount Requested XOF	Amount Approved XOF	Beneficiary	Amount Disbursed in UAC	Cumulative Disbursements in UAC	Undisbursed Balance in UAC
01.01.2009	Opening Balance				2.452.121,09	5.387.878,91
12.01.2009	32.502.209	7.995.000	Groupement GEDUR et BDPA-SATEC	10.790,12	2.462.911,21	5.377.088,79
12.01.2009	6.424.375	6.424.375	Entreprise du Bâtiment des Travaux	8.670,39	2.471.581,60	5.368.418,40
23.01.2009	189.235.000	189.235.000	PROJET D'APPUI AU DEVELOPPEMENT	252.774,87	2.724.356,47	5.115.643,53
04.03.2009	15.715.347	15.715.347	A-BTP-TP	20.793,89	2.745.150,36	5.094.849,64
14.04.2009	4.937.642	4.937.642	ENB/TP	6.759,08	2.751.909,44	5.088.090,56
14.04.2009	17.865.000	17.865.000	HYDRO MALI SARL	24.455,20	2.776.364,64	5.063.635,36
14.04.2009	4.484.000	4.484.000	HYDRO-MALI SARL	6.138,09	2.782.502,73	5.057.497,27
14.04.2009	15.243.043	15.243.043	ENTREPRISE FATA YACOUBA TRAORE	20.866,03	2.803.368,76	5.036.631,24
29.05.2009	EUR 47.082,00	EUR 47.082,00	Groupement GEDUR et BDPA-SATEC	42.689,96	2.846.058,72	4.993.941,28
02.06.2009	15.674.749	15.674.749	Groupement GEDUR et BDPA-SATEC	21.701,89	2.867.760,61	4.972.239,39
11.06.2009	3.057.500	3.057.500	FAACIM SARL	4.225,39	2.871.986,00	4.968.014,00
11.06.2009	3.057.500	3.057.500	FAACIM SARL	4.225,39	2.876.211,39	4.963.788,61
11.06.2009	5.010.000	2.058.003	FAACIM SARL	2.844,11	2.879.055,50	4.960.944,50
17.06.2009	9.195.919	9.195.919	ENTREPRISE FATA YACOUBA TRAORE	12.699,03	2.891.754,53	4.948.245,47
17.06.2009	8.651.957	8.651.957	A-BTP-TP	11.947,84	2.903.702,37	4.936.297,63
22.06.2009	7.477.177	7.477.177	Entreprise du Bâtiment des Travaux	10.286,41	2.913.988,78	4.926.011,22
24.07.2009	12.004.200	12.004.200	HYDRO-MALI SARL	16.692,92	2.930.681,70	4.909.318,30
24.07.2009	1.666.300	1.666.300	HYDRO-MALI SARL	2.317,14	2.932.998,84	4.907.001,16
24.07.2009	19.773.000	19.773.000	HYDRO MALI SARL	27.496,14	2.960.494,98	4.879.505,02
31.07.2009	EUR 47.082,00	EUR 47.082,00	Groupement GEDUR et BDPA-SATEC	43.076,58	3.003.571,56	4.836.428,44
31.07.2009	15.674.749	15.674.749	Groupement GEDUR et BDPA-SATEC	21.778,88	3.025.350,44	4.814.649,56
31.07.2009	15.674.749	15.674.749	Groupement GEDUR et BDPA-SATEC	21.778,88	3.047.129,32	4.792.870,68
31.07.2009	15.674.749	15.674.749	Groupement GEDUR et BDPA-SATEC	21.778,88	3.068.908,20	4.771.091,80
05.08.2009	EUR 47.082,00	EUR 47.082,00	Groupement GEDUR et BDPA-SATEC	42.869,98	3.111.778,18	4.728.221,82
05.08.2009	EUR 47.082,00	EUR 47.082,00	Groupement GEDUR et BDPA-SATEC	42.869,98	3.154.648,16	<b>4.685.351,84</b>

## Mali

### COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Mali	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ('000 Km <sup>2</sup> )		1 240	30 323	80 976	54 658
Total Population (millions)	2008	13	986	5 521	1 229
Urban Population (% of Total)	2008	32,1	39,1	44,2	74,6
Population Density (per Km <sup>2</sup> )	2008	10,3	32,6	66,6	23,1
GNI per Capita (US \$)	2007	500	1 226	2 405	38 579
Labor Force Participation - Total (%)	2005	26,1	42,3	45,6	54,6
Labor Force Participation - Female (%)	2005	45,9	41,1	39,7	44,9
Gender -Related Development Index Value	2005	0,371	0,482	0,694	0,911
Human Develop. Index (Rank among 174 countries)	2006	168	n.a.	n.a.	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2005	47,5	34,3	25,0	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2008	2,4	2,3	1,4	0,3
Population Growth Rate - Urban (%)	2008	4,2	3,3	2,5	0,6
Population < 15 years (%)	2008	44,2	56,0	40,0	16,6
Population >= 65 years (%)	2008	2,3	4,5	3,3	15,6
Dependency Ratio (%)	2008	103,9	78,0	52,8	49,0
Sex Ratio (per 100 female)	2008	97,5	100,7	96,7	106,0
Female Population 15-49 years (% of total populati	2008	24,2	48,5	53,3	47,2
Life Expectancy at Birth - Total (years)	2008	48,5	54,3	65,8	77,1
Life Expectancy at Birth - Female (years)	2008	49,1	55,5	67,6	80,6
Crude Birth Rate (per 1,000)	2008	42,6	35,8	22,2	11,2
Crude Death Rate (per 1,000)	2008	15,7	12,4	8,1	10,1
Infant Mortality Rate (per 1,000)	2008	105,7	81,8	51,4	6,3
Child Mortality Rate (per 1,000)	2008	188,8	134,5	77,4	7,9
Total Fertility Rate (per woman)	2008	5,5	4,6	2,7	1,6
Maternal Mortality Rate (per 100,000)	2005	970,0	683,0	450,0	9,0
Women Using Contraception (%)	2001	8,1	29,7	61,0	75,0
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2004	9,3	39,6	78,0	287,0
Nurses (per 100,000 people)*	2004	58,0	120,4	98,0	782,0
Births attended by Trained Health Personnel (%)	2004	50,0	51,2	59,0	99,0
Access to Safe Water (% of Population)	2006	60,0	64,3	84,0	100,0
Access to Health Services (% of Population)	2005	...	61,7	80,0	100,0
Access to Sanitation (% of Population)	2006	45,0	37,6	53,0	100,0
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2005	1,7	4,5	1,3	0,3
Incidence of Tuberculosis (per 100,000)	2005	1,7	315,8	275,0	19,0
Child Immunization Against Tuberculosis (%)	2007	97,0	83,0	89,0	99,0
Child Immunization Against Measles (%)	2007	87,0	83,1	81,0	93,0
Underweight Children (% of children under 5 years)	2004	38,0	25,2	27,0	0,1
Daily Calorie Supply per Capita	2004	2 163	2 436	2 675	3 285
Public Expenditure on Health (as % of GDP)	2005	2,9	2,4	1,8	6,3
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2007	83,1	99,6	106,0	101,0
Primary School - Female	2007	74,0	92,1	103,0	101,0
Secondary School - Total	2007	31,6	43,5	60,0	101,5
Secondary School - Female	2007	26,6	40,8	58,0	101,0
Primary School Female Teaching Staff (% of Total)	2005	26,4	47,5	51,0	82,0
Adult Illiteracy Rate - Total (%)	2007	76,7	38,0	21,0	1,0
Adult Illiteracy Rate - Male (%)	2007	68,6	29,0	15,0	1,0
Adult Illiteracy Rate - Female (%)	2007	84,0	47,0	27,0	1,0
Percentage of GDP Spent on Education	2006	4,6	4,5	3,9	5,9
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2005	3,9	6,0	9,9	11,6
Annual Rate of Deforestation (%)	2005	...	0,7	0,4	-0,2
Annual Rate of Reforestation (%)	2005	...	10,9	...	...
Per Capita CO2 Emissions (metric tons)	2006	0,1	1,0	1,9	12,3



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators; last update : septembre 2009

UNAIDS; UNSD; WHO; UNICEF, WRI, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

## Note on Cotton and Status of CMDT

This note was based on the implementation status of the revised schedule for the reform of the cotton sector as at 08 June 2009 and the cash flow forecast for CMDT's 2008/2009 campaign as at 31 May 2009.

1. Financing and Smooth Conduct of Campaigns: gross cotton sector requirements are CFAF 57.413 billion, including CFAF 23.387 billion in fixed requirements to permit the smooth conduct of the 2008-2009 campaign and to revive cotton production during the 2009/2010 campaign. To cover the financing gap, central government has provided CMDT with CFAF 3.8 billion to finalize the purchase of seed cotton from the 2007-2008 season and CFAF 5 billion in respect of the 2008-2009 campaign, CFAF 3 billion of which have been used for the payment of seed cotton purchases. With the central government's support, the Mali Development Bank (BDM) granted CMDT an advance of CFAF 9.061 billion on the 2008-2009 seasonal credit. It also entered in the 2009 TOFE under transfers, CFAF 15.4 million, of which CFAF 13.4 billion are earmarked for the purchase of cotton and CFAF 2 billion for the overhaul of factories. Furthermore, in response to the Government's request to TFPs for support to the cotton sector, the World Bank has increased its PRSSC 3 budget by USD 10 million (from USD 55 to 65 million dollars).
2. Fixing the price of seed cotton for the 2009-2010 campaign: the Memorandum of Understanding between the State/CMDT and producers for the 2009-2010 campaign was signed on 13 April 2009, and the purchasing prices of seed cotton for the 2009-2010 campaign have been fixed as follows: CFAF 170/Kg, CFAF 145/kg and CFAF 125/kg respectively for the first, second and third grades.
3. Establishment of CMDT's Subsidiaries' Management Organs: the proposed partial contributions of assets were adopted and lodged with the Registry of the Commercial Court on 24 March 2009. The CMDT Holding/ Subsidiaries Agreements were signed on 30 May 2009. The transfer of the capital of the subsidiaries is planned as follows: 20% for producers, 2% for workers, 17% for the State and 61% for a reference private sector economic operator
4. Establishment of Regulatory Structures (Cotton Interprofessional Organization and the Cotton Grading Board): the Cotton Interprofessional Organization (IPC) was established on 3 February 2009. The Cotton Grading Board (OCC) is scheduled to be set up in October 2009. The World Bank has provided the Cotton Sector Restructuring Mission (MRSC) with a package of CFAF 100 million to support the start-up of the IPC and OCC.
5. CMDT's cash flow: production for 2008-2009 is estimated at 201,458 tonnes of seed cotton. Given the fixed price of CFAF 200 per kilo, financing the purchase of seed cotton from growers and market costs will amount to CFAF 42.026 billion. A campaign credit of CFAF 48 billion has been signed with a banking pool. Since this credit is related to the production and average value of the sales contracts signed (CFAF 787.39/kg), the fall in world cotton prices prevents CMDT from drawing this amount.

Logical Framework Matrix of the Growth and Poverty Reduction Support Programme (PASCRP) as at 30 June 2009

Hierarchy of Objectives	Expected Outcomes	Reach (Beneficiaries)	Performance Indicators	Indicative Targets and Time-Frame	Assumptions /Risks
<p><b>1. Overall Objective</b> Contribute to the Growth and Poverty Reduction Strategy (2007-2011 GPRS)</p>	<p><b>Longer-term Outcomes</b> Strong growth, poverty reduction and improved wellbeing of the Malian population</p>	Malian Population	<p>Incidence of poverty <i>(Source: DNSI household survey)</i></p> <p>GDP growth rate in real terms <i>(Source: DNSI-macroeconomic planning)</i></p>	<p><b>Expected Long-Term Progress</b> Incidence of poverty reduced from 59% in 2006 to 31.9% in 2015 Annual average growth rate of real GDP is 7% from 2008</p>	
<p><b>2. Programme Objectives</b> 2.1 Improve public financial management</p>	<p><b>Medium-term Outcomes</b> 2.1.1 Reduction of subsidies due to improved management and viability of the cotton sector and CMDT</p> <p>2.1.2 Improved public financial control system</p> <p>2.1.3 Transparency in public procurement management</p>	<p>Malian population, cotton producers and other economic operators, the Government of Mali</p> <p>Malian Population Economic operators</p> <p>Malian population Economic operators</p> <p>Malian population Economic operators, Local elected representatives Local communities</p>	<p>2.1.1.1 Amount of central government budget transfers to the sector and CMDT;</p> <p>2.1.1.2 Effective privatization of 4 subsidiary companies</p> <p>2.1.2.1 Level of implementation of the reforms related to Public Financial Management (PAGAM-GFP 2007 Operational Plan)</p> <p>2.1.2.2 Contracts awarded through direct negotiations;</p>	<p><b>Short and Medium-Term Outcomes</b> 2.1.1.1.1 Reduction of central government transfers to CMDT from CFAF 23 billion in 2007 to a maximum of CFAF 15 billion in 2008 and CFAF 10 billion in 2009. <b>Implementation level at PASCRP review:</b> <i>Central government transfers to CMDT amounted to CFAF 15.4 billion in 2009.</i></p> <p>2.1.1.2.1 Invitations to bid for the privatization of the 4 subsidiaries selected for CMDT no later than June 2009 <b>Level of Implementation at the PASCRP review:</b> <i>The proposed partial contributions of assets have been adopted and lodged with the Registry of the Commercial Court on 24 March 2009. The CMDT-holding/subsidiaries agreements were signed on 30 May 2009. The Government wanted the operationalization of all 17 plants comprising these subsidiaries in order to make them more attractive to sell. Thus, the deadline of end June 2009 for the launching of bidding has been put back to the second half of 2009.</i></p> <p>2.1.2.1.1 The service interconnection coverage rate (budget of interconnected services in relation to the total central government budget, excluding external financing and related accounts) is up from 45.2% as at 31 March 2008 to 50% as at 31 December 2008; 75% in 2009 and 100% in 2010 <b>Level of implementation at PASCRP review:</b> <i>The interconnection coverage rate was 85% as at end June 2009.</i></p> <p>2.1.2.1.2 Regularization of suspense and advance accounts in the first two months of year n+1 as from 2010 <b>Level of implementation at PASCRP review:</b> <i>Not applicable.</i></p> <p>2.1.2.1.3 Recruitment of judicial officers for the Audit Bench: increase the numbers to 67 at end 2009 with a view to the timely production and</p>	<p>Resurgence of armed attack in the north-east region of the country. <i>Mitigative measure: Measures taken by the Government to address security issues. The resolution of this crisis is in keeping with the Agreement signed in Algiers in July 2006 between the Government and the Alliance of 23 May 2006. The negotiation process was re-launched in June 2008 under the good offices of the Algerian mediator.</i></p> <p>Risk related to the global food crisis which could impact on public finances in terms of safety nets to be put in place <i>Mitigative measure: Rice initiative taken by the Government and subsidies granted on staple products.</i></p> <p>Slippage on the implementation of measures in respect of the PRGF <i>Mitigative measure: Commitment of the Country and TFPs through the CARFIP to monitor very closely the implementation of PAGAM and recommendations of the 2007 PEFA</i></p> <p>Commitment of the Government to pursue the reforms of public procurement system in conformity with the relevant WAEMU Directives. Effective implementation of the new Public Procurement Code of April 2008</p> <p>Country's commitment to a policy of good governance and decentralization as set out in the 2007-2011 GPRASP</p>

Hierarchy of Objectives	Expected Outcomes	Reach (Beneficiaries)	Performance Indicators	Indicative Targets and Time-Frame	Assumptions /Risks
2.2 Promote decentralization	<p>2.2.1 Improved institutional framework of the territorial communities</p> <p>2.2.2 Establishment of transparent procedures, training/retraining programmes and appropriate technologies to improve local financial governance</p>		<p>2.1.2.3 Effective establishment of the regulatory authority</p> <p>2.2.1.1 Revision of the principal texts governing decentralization</p> <p>2.2.2.1 Percentage of personnel actually using the accounting procedures manuals and software</p>	<p>certification of central government accounts.</p> <p><b><u>Level of implementation at the PASCRP Review:</u></b> The draft organic law modifying organic law 96-071 of 16 December 1996 determining the organization and operating regulations of the Supreme Court and the procedure followed before it, was adopted by the Council of Ministers on 18 February and tabled before Parliament on 20 March 2009. The main innovation is the possibility of appointing many more advisers to the Audit Bench contrary to the present situation where the number is limited to 14</p> <p>2.1.2.2.1 Reduction in the value of contracts awarded by direct negotiation by 18% compared to 2008.</p> <p>Regular publication of public procurement gazette from 2009.</p> <p><b><u>Level of implementation at PASCRP Review:</u></b> Regular publication</p> <p>2.1.2.3.1 Effective establishment of the Public Procurement Regulatory Authority from the first quarter of 2009.</p> <p><b><u>Level of implementation of the PASCRP Review:</u></b> The members of the Regulatory Council of the Public Procurement Authority were appointed on 15 April 2009 and sworn in on 15 June 2009.</p> <p>2.2.1.1.1 Adoption in 2010 by the Council of Ministers of the texts revising: (a) Act No. 93-008 amended, determining the conditions for the free administration of the Territorial Communities; (b) Act No. 95-034 amended, governing the Code for the Territorial Communities; and (c) Act 00-044 determining the fiscal resources of the Communes, Districts and Regions of Mali;</p> <p><b><u>Level of Implementation at PASCRP Review:</u></b> Not applicable.</p> <p>2.2.2.1.1 Effective use of budgetary and accounting instructions as well as the guide to the functioning of the accounts as from 2008;</p> <p><b><u>Level of Implementation at PASCRP Review:</u></b> Measure effective.</p> <p>2.2.2.1.2 Development of software for the payment authorization officer in 2009;</p> <p><b><u>Level of Implementation at PASCRP Review:</u></b> Ongoing.</p>	

Hierarchy of Objectives	Expected Outcomes	Reach (Beneficiaries)	Performance Indicators	Indicative Targets and Time-Frame	Assumptions /Risks																																											
				2.2.2.1.3 80% of personnel trained in this software in 2010 and 100% in 2011.																																												
<p><b>3 Activities/Resources</b> Negotiate, approve and sign the loan agreement</p> <p>Implementation of all the measures of the Programme matrix of measures</p> <p>Monitoring, evaluation and supervision</p> <p>Auditing of the special account</p>	<p><b>Short-term outputs</b> Implementation of 2007-2011 GPRSF Launching of the CMDT privatization process Implementation of the PAGAM/GFP operational plan Effective application of the April 2008 Public Procurement Code Establishment of the Public Procurement Regulatory Authority. Revision of the decentralization texts Building capacity of the Audit Bench of the Supreme Court.</p>	<p>Malian population Economic operators</p>																																														
<p style="text-align: center;"><b>Financial Resources</b></p> <table border="1"> <thead> <tr> <th>(in CFAF million)</th> <th>2008</th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td><b>General Budget Support</b></td> <td><b>61,319</b></td> <td><b>66,432</b></td> <td><b>66,556</b></td> </tr> <tr> <td><b>ADF (from ADF-XI allocation)</b></td> <td><b>10,275</b></td> <td><b>8,220</b></td> <td><b>4,110</b></td> </tr> <tr> <td>Germany</td> <td>1,639</td> <td>1,639</td> <td>0</td> </tr> <tr> <td>World Bank</td> <td>20,113</td> <td>21,549</td> <td>21,549</td> </tr> <tr> <td>DCE</td> <td>9,833</td> <td>16,474</td> <td>16,389</td> </tr> <tr> <td>France</td> <td>6,556</td> <td>0</td> <td>0</td> </tr> <tr> <td>Netherlands</td> <td>6,556</td> <td>6,556</td> <td>9,833</td> </tr> <tr> <td>Sweden</td> <td>5,669</td> <td>9,212</td> <td>11,693</td> </tr> <tr> <td>Denmark</td> <td>0</td> <td>2,064</td> <td>2,064</td> </tr> <tr> <td>Switzerland</td> <td>678</td> <td>718</td> <td>918</td> </tr> </tbody> </table>		(in CFAF million)	2008	2009	2010	<b>General Budget Support</b>	<b>61,319</b>	<b>66,432</b>	<b>66,556</b>	<b>ADF (from ADF-XI allocation)</b>	<b>10,275</b>	<b>8,220</b>	<b>4,110</b>	Germany	1,639	1,639	0	World Bank	20,113	21,549	21,549	DCE	9,833	16,474	16,389	France	6,556	0	0	Netherlands	6,556	6,556	9,833	Sweden	5,669	9,212	11,693	Denmark	0	2,064	2,064	Switzerland	678	718	918		(Source: CARFIP review, PRGF Review, Joint Review Report of the TFPs on the Common matrix)	
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# **AFRICAN DEVELOPMENT FUND**

## **BOARD OF DIRECTORS**

### **Resolution N° F/ ML/2009/67**

Adopted by the Board on a lapse-of-time basis on 30 November 2009

#### **Supplementary Loan to the Republic of Mali to provide additional resources for the financing of the Growth and Poverty Reduction Strategy Support Programme (GPRSSP) and assist in Mitigating the Impact of the Global Crisis**

#### **THE BOARD OF DIRECTORS,**

**HAVING REGARD** to (i) Articles 1, 2, 11, 12, 14, 15, 16 and 26 of the Agreement Establishing the African Development Fund (the "Fund"), (ii) the ADF-11 financing guidelines provided in the Report on the Eleventh General Replenishment of the Resources of the Fund, (iii) the currently applicable ADF-11 Country Resource Allocation, (iv) the Bank Group Policy and Procedures for Supplementary Financing, contained in document ADB/BD/WP/97/83-ADF/BD/WP/97/90, (v) the Bank Group Policy on Portfolio Review and Restructuring, (vi) the Appraisal Report contained in document ADF/BD/WP/2008/81 as well as the Corrigendum thereto, and (vii) the Memorandum contained in document ADF/BD/WP/2009/104/Rev.1/Approval (the "Memorandum");

#### **RECALLING:**

- i) Resolution N° F/BD/2009/05 adopted on 4 March 2009 by which this Board approved a framework of Accelerated Resource Transfer to ADF countries as part of the Bank's Response to the Economic Impact of the Financial Crisis (the "Financial Crisis Resolution"); and
- ii) The Memorandum contained in document ADB/BD/WP/2009/129-ADF/BD/WP/2009/98 submitted to the Committee on Operations and Development Effectiveness (CODE) on 21 July 2009 on the portfolio performance review report of Mali (the "Portfolio Review Memorandum") and the recommendations contained therein for the mobilization of unspent restructured loan balances in the form of a quick-disbursing budget support loan in response to the financial crisis;

#### **RECALLING FURTHER:**

1. Resolution N° F/ML/2008/14 adopted on 24 September 2008 by which this Board granted to the Republic of Mali a loan of an amount not exceeding the equivalent of Thirty-three Million Units of Account (UA 33,000,000) to assist in the financing of the Growth and Poverty Reduction Strategy Support Program (GPRSSP) (the "Programme");
2. Loan Agreement N° 2100150017494 signed on 13 October 2008 between the Fund and the Republic of Mali containing the terms and conditions between the Fund and the Republic of Mali for the financing of the Programme; and
3. The Letter of Agreement signed on 28 October 2009 between the Fund and the Republic of Mali concerning the reallocation of resources from two ongoing projects to the Program in an amount of Four Million Five Hundred Thousand Units of Account (UA 4 500 000) (the "Consolidated Resources");

**CONSIDERING** the justifications for a Supplementary Loan as described in the Memorandum, in particular the need to provide for additional resources to enable the Republic of Mali to address the exceptional adverse conditions induced by the current international economic crisis;

**TAKING NOTE** that as a result of its positive performance assessment in 2009 under ADF-11, the Republic of Mali is eligible to benefit from a supplemental allocation (the "Supplemental Allocation") and that there are therefore sufficient resources available to enable the Fund to commit the amount of the Supplementary Loan;

**DECIDES** as follows:

1. To approve the reallocation of the Consolidated Resources, as set out in the Portfolio Review Memorandum, for the purposes of providing additional resources in the form of a budget support loan to the Republic of Mali, in accordance with the Financial Crisis Resolution;
2. To grant to the Republic of Mali, from the resources of the Fund, a Supplementary Loan of an amount not exceeding the equivalent of Ten Million Units of Account (UA 10,000,000) to provide additional resources to assist in the financing of the Programme, as follows:
  - i) an amount of Four Million Five Hundred Thousand Units of Account (UA 4,500,000) consisting of the Consolidated Resources ; and
  - ii) an amount of Five Million Five Hundred Thousand (UA 5,500,000 from the ADF-11 Supplemental Allocation;
3. To authorize the President to conclude with the Republic of Mali, a Supplementary Loan Agreement on the terms and conditions specified in the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the Fund, in the Memorandum and in particular, the terms and conditions specified herein below:
  - (i) The duration of the Loan shall be fifty (50) years including a grace period of ten (10) years commencing the date of signature of the Supplementary Loan Agreement, and during the grace period, only the service charge and the commitment charge shall be payable;
  - (ii) The Loan shall be amortized over a period of forty (40) years after the expiration of the grace period, at the rate of one percent (1%) per annum from the 11th to the 20th year inclusive and at the rate of three percent (3%) per annum thereafter, in equal and consecutive semi-annual instalments payable on 1st April and 1st October of each year, and the first of such instalments shall be paid on the 1st April or 1st October immediately following the expiration of the grace period;
  - (iii) A service charge at the rate of three-quarters of one percent (0.75%) per annum on the principal amount disbursed and outstanding shall be paid semi-annually on 1st April and 1st October of each year; and
  - (iv) A commitment charge at the rate of a-half of one percent (0.50%) per annum on the undisbursed portion of the Supplementary Loan shall begin to accrue one hundred and twenty (120) days after the date of signature of the Supplementary Loan Agreement and shall be paid on the same dates specified for the payment of the service charge;
4. The President may cancel the Supplementary Loan if the Supplementary Loan Agreement is not signed within one hundred and eighty (180) days from the date of approval of the Supplementary Loan; and
5. This Resolution shall become effective on the date above-mentioned.