

**MINISTRY OF ECONOMY
AND FINANCE**

GENERAL SECRETARIAT

REPUBLIC OF MALI
One People – One Goal – One Faith



PRESENTATION OF THE 2009 REVIEW
POVERTY REDUCTION AND GROWTH STRATEGY
PAPER (PRGSP)

August 2010

I. INTRODUCTION

The third review of the Poverty Reduction Growth and Strategy Paper (PRGSP), chaired by Mr. Sanoussi Toure, Minister of Economy and Finance, was conducted on June 7, 2010 at the Balla Moussa Keita room of the International Conference Center in Bamako. The third review took on special significance: while focused on 2009, it served as the midterm review of a five-year program. It would also serve as the basis for preparation of the 2012-2016 Poverty Reduction Strategy Paper (PRSP) over the following six months.

The participants in the review included:

- The members of government: the Minister of Territorial Administration and Local Communities; the Minister of Livestock and Fisheries; the Minister of Mines; the Minister of Women's Promotion, Children, and Family; the Minister of Economy and Finance; the Minister of Social Development, Solidarity, and the Elderly; the Minister of Housing, Land Issues, and Urban Planning; the Minister of Secondary and Higher Education and Scientific Research; the Minister of Basic Education, Literacy, and National Languages; the Minister Delegate in charge of the Budget (under the Minister of Economy and Finance); the Minister of Agriculture, represented by the secretariat general; and the Minister of Energy and Water, represented by the secretariat general;
- Representatives of national institutions;
- Representatives of civil society;
- Representatives of the private sector;
- Representatives of trade unions;
- Regional governors;
- Presidents of the regional assemblies;
- Representatives of national and regional technical agencies; and
- Technical and financial partners (TFPs).

The review, programmed for one day, was organized around three major unifying and interdependent themes:

- accelerated growth and the issue of population growth;
- poverty trends and the achievement of the Millennium Development Goals (MDGs); and
- the issue of aid financing and effectiveness.

II. PRINCIPAL RESULTS OF THE REVIEW

The findings of the review are summarized below:

1. Economic and demographic growth

Economic growth

Real GDP growth remained relatively high (4.3 percent in 2007, 5.0 percent in 2008, and 4.5 percent in 2009) despite the global recession, surpassing that of the West African Economic and Monetary Union (WAEMU) (3.3 percent in 2007, 3.7 percent in 2008, and 2.9 percent in 2009). Inflation declined from 9.2 percent in 2008 to 2.2 percent in 2009, compared to 7.4 percent in 2008 and 1.1 percent in 2009 for the WAEMU region.

Primary sector: In 2009, the added value contributed by primary sector activities increased by 5.6 percent compared to 2008, the result of a satisfactory harvest produced by good rainfall and government efforts, particularly in regard to input subsidies for food crops. Rice production was a key driver of primary sector performance: efforts under the Rice Initiative in recent years boosted the share of rice in total grain production from 27.8 percent in 2007 to 33.5 percent in 2009. Primary sector performance also reflected a recovery in cotton production, which increased by 16.8 percent after posting successive declines in 2007 and 2008. The “other industrial crops” segment, which includes wheat and groundnut, also posted positive growth, the result of authorities’ efforts to diversify agriculture. Finally, the added value of the “livestock” and “fishing and forestry” segments posted higher rates of growth than in 2008 through the continued execution of support projects initiated in these areas. In regard to implementation of the accelerated growth strategy (AGS), most activities relating to infrastructure and productive sectors, particularly agriculture, are still in progress and have yet to produce their full impact on economic growth.

Secondary sector: The contribution from the secondary sector was modest (0.5 percent). The “construction and public works” segment provided the largest contribution to growth at 0.3 percent, supported by the continuation of major projects undertaken by the government.

The value of mining production, aided by improved international gold prices (up 4.7 percent), increased 1.5 percent in 2009. Gold production, in decline since 2007 after reaching a high of 62 tons in 2006, averaged 54.6 tons during 2005-2009. Artisanal production of gold was an estimated 4 tons/year. Gold production in 2009 totaled 53.7 tons compared to 52.8 tons in 2008, representing an increase of 1.7 percent.

Tertiary sector: During the past three years, a key component of economic growth has been a buoyant tertiary sector, driven by rapid expansion of mobile phone service. The tertiary sector contributed 2.4 percent of average growth of 4.6 percent over the period 2007-2009. The contribution remained relatively stable from year to year, and was largely attributable to 1.0 percent and 0.8 percent contributions from the “commerce” and “transportation and telecommunication” segments, respectively.

To summarize, the Malian economy posted 4.6 percent growth over the period 2007-2009 despite the international crises it faced during that period. This reflects stability of growth and the positive impact of the government’s actions to cope with these crises. Economic growth was led by the tertiary sector (2.4 percent of the 4.6 percent posted during the period under review). The tertiary sector contribution is all the more remarkable in that it remained relatively stable from year to year. The primary sector contribution was more modest (1.6 percent) and less stable. The contribution from the secondary sector was also modest (0.5 percent).

Most of the actions identified in the AGS were launched (of the 93 actions identified, 14 were completed and 17 are in progress). Close to half of the 93 AGS actions concerning development of infrastructure and productive sectors; of those 46 actions, 39 are in progress.

Population growth

Mali’s resident population increased from 3.5 million inhabitants in 1960 to 14.5 million in 2009. It could increase by a factor of three or four by 2050, reaching 45 to 60 million inhabitants. According to preliminary results of the 2009 General Population and Housing

Census, annual population growth was 3.6 percent (compared to 2.5 percent, 3.7 percent, and 2.2 percent respectively in 1976, 1987, and 1998). This rapid growth may be accounted for by declining emigration and increasing immigration in recent years. Measures to contain population growth are included in the Malian National Population Policy and third implementation program for 2010-2014.

Population growth presents the economic problem of slower growth in per-capita income unless GDP grows more rapidly than the population. It also raises issues in regard to the universal values of freedom to procreate and the rights of children.

2. Poverty trends and achievement of Millennium Development Goals (MDGs)

Despite strong economic performance in recent years compared to sub-Saharan African and WAEMU countries, Mali's average annual growth rate of 4.6 percent is below the target of 7 percent provided in the PRGSP. Results in terms of poverty reduction were therefore modest. Poverty remains a major problem, with nearly half the population living below the poverty line in 2009. Poverty is primarily a rural phenomenon, and significant regional disparities remain.

- **MDG 1: Reduce poverty and hunger by half**

The incidence of income poverty was an estimated 43.7 percent in 2009, representing a decline of 3.7 percentage points with respect to 2006 (47.4 percent). According to the same estimates, poverty declined in rural areas (from 57.6 percent to 53.5 percent) as well as urban areas (from 25.5 percent to 23.5 percent). The significant decline in rural poverty reflects substantial public investment, particularly in basic infrastructure. The more modest decline in urban poverty is largely attributable to the exodus of rural populations pushed toward urban centers in search of better living conditions.

The analysis of living conditions confirms that poverty is essentially rural. The 2008 Communal Poverty Index (IPC) indicates that all of the extremely poor communes are rural. In contrast, all the urban communes except one are "non-poor," as are 103 rural communes. The target poverty rate is 35 percent by 2015.

Chronic malnutrition (growth retardation) remained stable at 38 percent between 2001 (Demographic and Health Survey (EDSM) III) and 2006 (EDSM IV). The target malnutrition rate is 17 percent by 2015. Over the same period, acute malnutrition (emaciation) increased (from 11 percent in 2001 to 15 percent in 2006), while the proportion of underweight persons continued to fall (from 33 percent in 2001 to 27 percent in 2006).

Also of note is the implementation of "Initiative 166" under the National Food Security Program, targeting the 166 most vulnerable communes in terms of food security. This initiative is intended to speed the achievement of MDGs in those communes, thereby improving the country's overall situation.

Mali may be on its way to achieving MDG 1. Stable macroeconomic performance and control of population growth are some of the conditions necessary to reducing extreme poverty and hunger by 2015.

- **MDG 2: Achieve universal primary education (100%):** The gross elementary school enrollment rate increased from 64 percent in 2002 (54 percent for girls) to 82 percent in 2009 (73 percent for girls). The enrollment rate, then, is somewhat lower for girls than for boys. Mali has a chance of achieving this MDG.
- **MDG 3: Promote gender equality and empower women:** Considerable progress has been made in regard to the status of women, particularly in terms of a sustained political commitment to consolidate their rights. However, certain socio-cultural practices continue to present serious obstacles. The National Gender Equality Policy (PNEFH) was drawn up and three-year action plans were prepared. The government and the United Nations system established the Joint United Nations Program to Promote Human and Gender Rights (PCDHG), which focuses primarily on mass communication relating to women's rights.
- **MDG 4 and 5:** Tremendous efforts were made in the area of health care with the construction of community health centers (CSCOMs) to bring health care services to local communities. As a result, the proportion of the population living within 5 kilometers of a health center increased from 46 percent in 2003 to 57 percent in 2009.
- **MDG 4: Reduce the under-five mortality rate by two-thirds:** The infant and child mortality rate increased from 238 per thousand in 1996 to 229 per thousand in 2001 and 191 per thousand in 2006, against an objective of 150 per thousand in 2011. The mortality rate for infants under age one decreased from 123 per thousand in 1996 to 113 per thousand in 2001 and 96 per thousand in 2006. The objective under the second Ten-Year Health and Social Development Program (PRODESS II) is 56 per thousand. Despite genuine progress, then, it does not appear likely that this MDG will be attained by 2015.
- **MDG 5: Reduce maternal mortality by three-quarters:** The rate of use of family planning remained flat, despite its critical role not only in reducing the number of undesired pregnancies and controlling population growth but also in reducing maternal mortality. Ten percent of maternal deaths result from abortion, which is still illegal in Mali except for health reasons or in case of rape or incest. The objective of 10 percent usage by 2011 is realistic, provided innovative strategies are implemented to address unmet needs. The availability of cesarean sections free of charge, introduced in 2005, has failed to produce perceptible change: from 1.9 percent in 2006, the rate of cesarean sections increased to 2.3 percent in 2009 against an established objective of 5 percent.

The maternal mortality rate remains quite high (464 deaths per 100,000 live births in 2006), although it saw its first decline in 10 years. The established objectives are 344 deaths in 2011 and 146 deaths per 100,000 live births by 2015. Despite real progress, then, the challenge of achieving this MDG remains considerable.

- **MDG 6: Combat HIV/AIDS, malaria, and other diseases:** The HIV/AIDS prevalence rate among all population groups declined by 0.4 percentage points, to 1.3 percent in 2006, compared to 1.7 percent in 2001. Much work remains to be done among high-risk groups, particularly sex workers.

The incidence of malaria in children under five was estimated at 132.3 per thousand for uncomplicated malaria and 39 per thousand for severe malaria in 2009. Despite efforts made, malaria remains the leading reason for juvenile consultations. It is also serious in pregnant women. Mali is on its way to achieving this MDG provided it continues the efforts undertaken.

- **MDG 7: Ensure environmental sustainability:** With respect to the environment, Mali must face major environmental challenges, in particular, degradation of soil and plant cover, desertification, silting in the Niger River, water shortages, loss of biodiversity, and climate change. While rural development policies address these challenges, they are too often neglected by other sector policies that have a major environmental impact (especially energy and industrial policies). In this context, the ongoing review of Order 08-346/P-RM of June 26, 2006 regarding environmental impact studies and the study to prepare the national environmental assessment strategy are raising high expectations. For the time being, efforts are focused on preserving soils and plant cover and controlling desertification with the preparation of a Strategic Framework for Sustainable Land Management (CSI/GDT). The adoption of the Agricultural Framework Law (LOA) may also contribute to sustainable land management.

In the drinking water sector, the national rate of access to water was 73.1 percent in 2009 compared to 71.7 percent in 2008, 70.1 percent in 2007, and 67.4 percent in 2006. The objective of 75 percent may be achieved by 2010. In 2009, rates of access to drinking water improved for both rural and urban areas. However, drinking water continued to be more accessible in urban areas than rural (a difference of roughly 7 percentage points in 2008 and in 2009). The chances of achieving this MDG by 2015 are very good.

In regard to energy, the national rate of access to electricity increased from 14.1 percent in 2003 to 25.2 percent in 2009. Access to electricity in rural areas increased from 11.2 percent in 2008 to 13.3 percent in 2009, indicating a specific effort of the department through the Malian Agency for Domestic Energy and Rural Electrification (AMADER).

In the area of urban development and housing, the government initiated a social housing construction program (2003-2007). The objective of 3,500 homes by 2007 was exceeded with 4,066 homes provided, representing an execution rate of 116.2 percent. On average, 40 percent of the program beneficiaries were women. The National Conferences on Land held in December 2009 will provide direction for future efforts.

- **MDG 8: Global partnership:** The results are encouraging, as reflected by the measures taken in implementing the Paris Declaration:
 - the development of the National Action Plan on Aid Effectiveness;
 - the creation of a Secretariat for Aid Harmonization;
 - coordination of the TFPs (lead agency, technical pool, troika, etc.);
 - the Gleneagles scenario;
 - the Joint Country Assistance Strategy (JCAS).

In the area of solidarity and social development, the efforts deployed have resulted in expanded coverage of population groups by mutual health associations. The coverage rate for mutual health associations increased from 2.6 percent to 3.5 percent between 2008 and 2009, thereby achieving the objective of 2.1 percent. Also of note is the government's adoption of significant laws, including laws establishing the mandatory health insurance (AMO) and medical assistance insurance (RAMED) systems and creating the National Health Insurance Fund (CNAM) and the National Medical Assistance Agency (ANAM).

In the area of employment and vocational training, job promotion activities served to create 33,623 jobs in 2009 compared to 28,764 in 2008. However, the workforce potential remains constrained by underemployment and unemployment. Prospects in this area will depend on accelerated implementation of the National Vocational Training Policy adopted in 2009.

Going forward, reducing the incidence of income poverty by 2 percent per year will require annual per-capita GDP growth of 3.5 percent. At that rate of per capita growth, the objective of reducing the incidence of income poverty to 35 percent by 2015 could be achieved.

To summarize, the improved coverage of basic social services conceals enormous disparities across regions and between urban and rural areas. In view of low purchasing power, the poor quality of public services and cost of basic social infrastructure (education, health, drinking water, electricity) hampers access to the minimum package of services.

3. Optimization of financing

Ninety-seven percent of the resources provided in the PRGSP financing plan were mobilized in 2009, compared to 84 percent in 2008.

State budget, domestic financing: Actual budget receipts represented 92.2 percent of the projected total. This result reflects greater mobilization of direct taxes (144.6 percent of the forecast) and taxes on imports (106.6 percent of the forecast) than projected. At the same time, VAT receipts and taxes on petroleum products were below expected levels (88.4 percent and 75.7 percent of the forecasts, respectively).

State budget, external financing: Grants received in 2009 were above the PRGSP projections (102.6 percent), and represented 19 percent of total receipts. General budget support (ABG) and budget stabilization support (ABS) were relatively higher in 2009 than in 2007: CFAF 52 and 45.5 billion, respectively, in 2009 compared to CFAF 49 and 40 billion in 2007.

State budget, expenditures: Expenditures totaled CFAF 1,016 billion in 2009 compared to 1,048 billion provided in the PRGSP, representing an execution rate of 96.9 percent. The current expenditure execution rate was 106.5 percent compared to 79 percent for capital expenditures.

State budget, expenditures by PRGSP pillar (excluding the Special Investment Budget (BSI)): The share accounted for by Pillar 1 of the PRGSP, "Developing Infrastructure and Productive Sectors" stood at 20 percent in 2009 compared to 18.6 percent in 2008 and 17.5 percent in 2007. In contrast, the share allocated to Pillar 2 "Pursuing and Consolidating Structural Reforms" declined from 27.2 percent in 2007 to 26.6 percent in 2008 and 25.5 percent in

2009. The share represented by Pillar 3, “Strengthening the Social Sector” remained nearly constant at 35.5 percent in 2007, followed by 35.2 percent in 2008 and 36.0 percent in 2009.

Budget balance and debt: The budget deficit was smaller than projected for each of the three years under review (1 billion in 2007, 57 in 2008, 12 in 2009). However, if receipts and expenditures against special funds and annexed budgets are taken into consideration in 2009, the overall budget balance stands at 291 billion compared to the forecast of 279 billion.

Other sources of financing: It is difficult to gather information concerning the finances of local governments, public entities, and NGOs, despite the major role these institutions play in stimulating growth and reducing poverty. It is important that the government look for better ways to monitor this financing in order to better orient it toward the PRGSP objectives.

Transfers from Malians abroad: Official transfers from the Malian diaspora stood at CFAF 174 billion in 2009 (BCEAO). These transfers are socially useful insofar as they reduce economic vulnerability by covering urgent needs in regard to health, educational expense, food, etc. They also maintain social cohesion and family ties. However, they have little impact on growth.

Private investment: Private investment increased by 8 percent in 2009 compared to 3 percent in 2008. The share of private investment in GDP remained relatively stable (between 7 and 8 percent) from 1998 to 2009, and represented between 55 and 58 percent of total investment.

Business climate: The reforms adopted in 2009 boosted Mali’s *Doing Business* ranking (156th out of 183 countries in 2009 compared to 166th out of 181 in 2008). The reforms included, in particular, the creation of the Agency to Promote Investments (API), which simplified the process of establishing an enterprise (from 26 days to three days); reduction of the number of documents required for cross-border trade; improvement of the system supporting automated exchange of information (EDI) between tax administrations; enhancement of shareholder rights under the Code of Civil Procedure; and reduction of case processing times for the Commercial Court. Much work remains in the areas of access to credit, combating corruption, and simplifying procedures. The review under way of the Investment Code and the adoption of the private-sector framework law (LOSP) planned for 2010 are expected to improve the institutional environment for enterprises.

Banking system: Credits to the economy stood at CFAF 745 billion at end-2009 compared to 671 billion in 2008, representing an increase of 10.9 percent. This increase is remarkable in light of the restrictions on credits to the economy seen in most countries in 2009 in response to the global recession. However, most credits to the economy represented cash advances and facilities to enterprises; access to credit for investment remains very difficult for the private sector. Banks lend only at short or medium terms (generally from 6 months to a maximum of 5 years) and high interest rates, and demand collateral that is often difficult to provide.

3. Major constraints to reducing poverty

Mali continues to face exogenous constraints: the vagaries of the climate, price volatility of import and export products, and international and sub-regional crises.

The constraints that remain critical and require more sustained action include the lack of skilled workers in most sectors, a weak financial system, inadequate diversification of production, and low utilization of surface water.

III. Principal recommendations (and key stakeholders)

After discussion, the following recommendations were made to correct weaknesses and deficiencies in implementation of the PRGSP.

Recommendations for future reviews

Recommendations for organization

- Begin preparatory work for the review at an earlier point in time (Government);
- Encourage decentralized agencies, local offices of central government agencies, civil society, and the private sector to become more involved in preparation of the review (Government, civil society, private sector);
- Ensure that the findings of the review are taken into consideration in preparing the State budget (Government);
- Monitor the implementation of recommendations from reviews of the PRGSP (PSRP technical unit);
- Establish a harmonized timetable for reviews in order to facilitate better planning, particularly for sector reviews, and to ensure that sufficient reliable data are available (Government);
- In cooperation with the institutions responsible for producing statistics, establish a timetable for the major surveys to be conducted in the coming years in the context of the Statistics Master Plan (SDS) (Government).

Recommendations for analyses

- Address the major themes of governance and regional integration in greater depth in the report (PRSP Technical Unit);
- Clarify Mali's comparative advantages with respect to the sources of growth identified, and define the approaches that might be contemplated to support the various sectors in question (PRSP Technical Unit);
- Delineate more clearly the linkages between the accelerated growth strategy (AGS) and the sources of growth to be strengthened (PRSP Technical Unit);
- Analyze the institutional environment more thoroughly in the section addressing constraints to Mali's growth (PRSP Technical Unit);
- Clarify the recommendations to reduce poverty, in particular, the recommendations for the most vulnerable groups and the recommendations to reduce regional and gender disparities (PRSP Technical Unit);
- Provide for the implementation of social safety nets to reduce poverty, given their significant, proven impact on reducing extreme poverty (PRSP Technical Unit);
- Emphasize the importance of protecting the environment (PRSP Technical Unit);
- Explain the HIPC Initiative and the associated financing more thoroughly (PRSP Technical Unit);
- Emphasize the effectiveness of financing rather than the volume (PRSP Technical Unit).

Recommendations for stronger, more equitable growth

Implementation of the AGS

- Improve the ranking of AGS priorities, prepare a timetable and precise sequence of activities provided in the strategy, and institute a better management policy (Government, TFPs);
- Improve the distribution of responsibilities for implementation of the AGS (Government);
- Accelerate implementation of the Agricultural Framework Law (Government).

Options to remove constraints on the private sector

- Strengthen the capacities of small and medium-sized enterprises and industries (Government, private sector);
- Accelerate implementation of the National Vocational Training Policy (Government);
- Strengthen the monitoring of the action plan to fight corruption and financial crime (Government);
- In the review of the Investment Code and finalization of the private sector framework law (LOSP), provide for the establishment of a simple, transparent tax system with moderate rates for all economic transactors; eliminate tax and customs exemptions for certain categories of companies; and expand the tax base (Government);
- Develop a national quality policy that provides for strengthening of standard-setting institutions and infrastructures in regard to quality, application of and compliance with existing standards, and support for companies in the certification process (Government, TFPs);
- Continued efforts to improve the business climate (Government);
- Support private sector regulatory bodies (Government).

Recommendations to reduce poverty

To control population growth

- Accelerate implementation of the National Population Policy and the 2010-2014 Program of Priority Population Actions and Investments (Government);
- Conduct an advocacy campaign to promote a population policy (Government);

To reduce regional disparities

- Continue to improve the supply of social services to communes to reduce regional disparities (Government, TFPs);
- Accelerate the implementation of the Program to Develop Northern Mali (Government, TFPs).

To reduce gender disparities

- Accelerate the adoption and implementation of the national gender equality policy (Government);
- Develop and implement a national policy to protect children's rights (Government);

To promote access to training and jobs

- Accelerate the implementation of the National Vocational Training Program (Government);

- Focus attention on the content of public investments (in terms of jobs) by incorporating the employment-intensive approach defined by the ILO as a criterion in decisions to allocate public financing (Government);
- Take special measures to provide youths with access to stable, decent work (Government, TFPs);

To stimulate income-producing activities for the poorest segments of society

- Improve the efficiency of food production (Government, TFPs);
- Continue the actions undertaken to develop microfinance (Government, TFPs, private sector);

Recommendations to optimize financing

Policy governing allocation of public resources

- Continue efforts to align annual budgets with the PRGSP pillars (Government);
- Increase the share of capital expenditures in the government budget (Government);
- Take measures to finance current government expenditures from domestic resources in 2013 (Government);
- Increase the share of poverty-related spending relative to the total government budget (Government);
- Increase the share of spending allocated to gender, environmental protection, and the fight against HIV (Government).

Government financing mechanisms

- Continue efforts under way to expand the tax base (proposed land tax, program to develop local taxation arrangements in the Government Action Plan for Improvement and Modernization of Public Finance Management (PAGAM/GFP II), revision of the Investment Code, etc.) to achieve the target tax rate of 17 percent established by the WAEMU (Government);
- Accelerate the preparation and adoption of the PAGAM/GFP II (Government);
- Improve coordination of financial support with sector policies in order to adhere to financing plans defined in national sector strategies (Government, TFPs).

Public financial management

- Ensure optimal efficiency of expenditures (Government);
- Strengthen governance and transparency by improving control functions (Government).

Aid effectiveness and alignment with national procedures

- Ask the TFPs to fulfill the obligations adopted under the Joint Country Assistance Strategy (JCAS) and encourage them to simplify their procedures and align them with national procedures (Government/TFPs);
- Continue efforts to improve aid effectiveness, particularly through improvement of the public financial management and procurement system (Government, TFPs).

Financing and organization of local governments

- Provide real autonomy to local governments (Government);
- Ensure the effective implementation of resource transfers to local governments (Government);
- Compensate local governments when the central government grants private-sector tax exemptions that result in losses or foregone earnings for local governments (Government);

- Further decentralize human resources (Government, local governments, civil society).
- Strengthen capacities of elected local government officials in PFM (Government).

Transfers from Malians abroad

- Design and implement a consistent set of measures to channel transfers from Malians abroad to productive investments (Government and private sector)

Conclusions

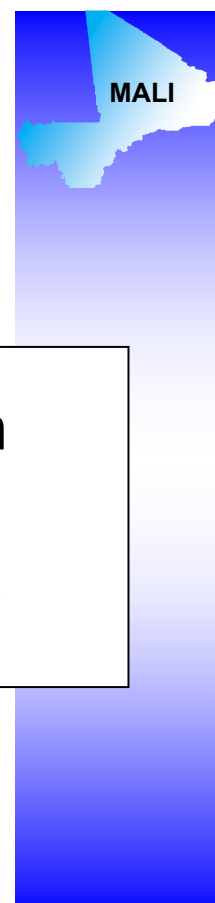
The 2009 review serves as the midterm review of the Poverty Reduction and Growth Strategy Paper (2007-2011 PRGSP). It draws on retrospective and forward-looking analyses to provide a critical evaluation of implementation of the PRGSP as the unifying framework for policies and strategies, identify the principal constraints to its execution, and propose the necessary measures to improve its performance.

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PRSP TECHNICAL UNIT

REPUBLIC OF MALI
One People – One Goal – One Faith



Poverty Reduction and Growth Strategy Paper (PRGSP) 2009 Implementation Report

SUMMARY REPORT

August 2010

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Acronyms and Abbreviations

AfDB	African Development Bank
AGS	Accelerated Growth Strategy
AMADER	Malian Agency for Domestic Energy and Rural Electrification
BCEAO	Central Bank of West African States
CCIM	Chamber of Commerce and Industry of Mali
CESC	Economic, Social and Cultural Council
CFAF	CFA Franc
CMDT	Compagnie Malienne des Textiles (state-owned cotton company)
CNDIFE	National Center for Documentation and Information on Women and Children
CPS	Planning and Statistics Unit
CSCOM	Community Health Center
DFS	Decentralized Financial Systems
DGB	General Directorate of the Budget
DNGM	National Directorate of Geology and Mines
DNH	National Directorate of Water Management
DNPD	National Directorate of Development Planning
DNS	National Directorate of Health
DNSI	National Directorate of Statistics and Information Technology
DNTCP	National Directorate of the Treasury and Public Accounting
EMS	Energy and Mines Sector
FP	Family Planning
GDP	Gross Domestic Product
GER	Gross Enrollment ratio
GIR	Gross Intake Rate
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IMF	International Monetary Fund
INSTAT	National Statistics Institute
IPC	Communal Poverty Index
JCAS	Joint Country Assistance Strategy
LAM	Lactational Amenorrhea Method
LHIS	Local Health Information System
LI	Labor-Intensive
LIHS	Limited Integrated Household Survey
LOA	Agricultural Framework Law
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiative

MDSSPA	Ministry of Social Development, Solidarity, and the Elderly
MEF	Ministry of Economy and Finance
MICS	Multiple Indicator Cluster Surveys
NGO	Nongovernmental Organization
NHDR	National Human Development Report
ODHD	Sustainable Human Development Monitoring Center
OMATHO	Tourism and Hotel Trade Board of Mali
PAGAM/GFP	Government Action Plan for Improvement and Modernization of Public Finance Management
PAIPP	Program of Priority Population Actions and Investments
PEFA	Public Expenditure and Financial Accountability
PNC	Prenatal Clinic
PNEFH	National Gender Equality Policy
PRGSP	Poverty Reduction and Growth Strategy Paper
PRODESS	Ten-Year Health and Social Development Program
PRSP	Poverty Reduction Strategy Paper
PTR	Pupil Teacher Ratio
SDR	Rural Development Sector
SDS	Statistics Master Plan
SIB	Special Investment Budget
SME	Small and Medium-Sized Enterprises
SOTELMA	Société des Télécommunications du Mali (state-owned telecommunications company)
TFP	Technical and Financial Partner
VAT	Value-Added Tax
WACEM	West African Cement (Société de Cimenterie d'Afrique de l'Ouest)
WAEMU	West African Economic and Monetary Union

Introduction

1. This review takes place at a time of:
 - serious reflection as Mali celebrates the 50th anniversary of its independence;
 - shared commitment on the part of the government and the technical and financial partners (TFPs) to improve aid effectiveness through the implementation of the Joint Country Assistance Strategy (JCAS); and
 - reverberation of the serious global energy, food, financial, and economic crises.
2. It also takes place at a time when a great deal of progress has been made in aligning the PRGSP and the government budget. The PRGSP's conclusions and recommendations will contribute to the preparation of the 2011 budget law.
3. Building on the lessons learned in past reviews, the 2009 PRGSP review will be innovative in its methodological approach, its content, and its participatory process.
 - Methodological approach: Taking account of the macro and micro focuses of the PRGSP, the government has decided to target three major topics that are both interdependent and over-arching in the 2009 review (the mid-term PRGSP review): (i) accelerated growth and the issue of population growth; (ii) poverty trends and evaluation of the achievement of the MDGs; and (iii) the issue of aid effectiveness and financing. Its aim is to emphasize the value added of the PRGSP review compared with the sectoral reviews.
 - Content: The 2009 PRGSP review will look beyond quantitative results to attempt to place particular emphasis on analysis, a better understanding of the issues, and proposals for effective solutions.
 - Participatory process: The entity established to prepare the 2009 review achieved effective participation of all parties concerned, particularly the TFP thematic groups. Moreover, the involvement of all players in this review clearly reflects the increased commitment of the government to expand the consultation process on the major challenges to the development of our country.
4. This report is a summary of three reports on the above-mentioned topics. The data and analyses cover the years 2007 to 2009, with emphasis on indicator trends for the period that expose major issues. The recommendations then propose solutions to these problems. In some cases, the analysis focuses on a longer period to provide a better understanding of the issue under discussion.
5. In addition to the introduction and conclusion, the report is divided into five main sections:
 - Process: Defining policies and applying them methodically
 - Accelerating growth
 - Continuing the poverty reduction effort
 - Optimizing financial resources
 - Recommendations: Making the necessary corrections and providing the needed impetus.

1. Process: Defining policies and applying them methodically

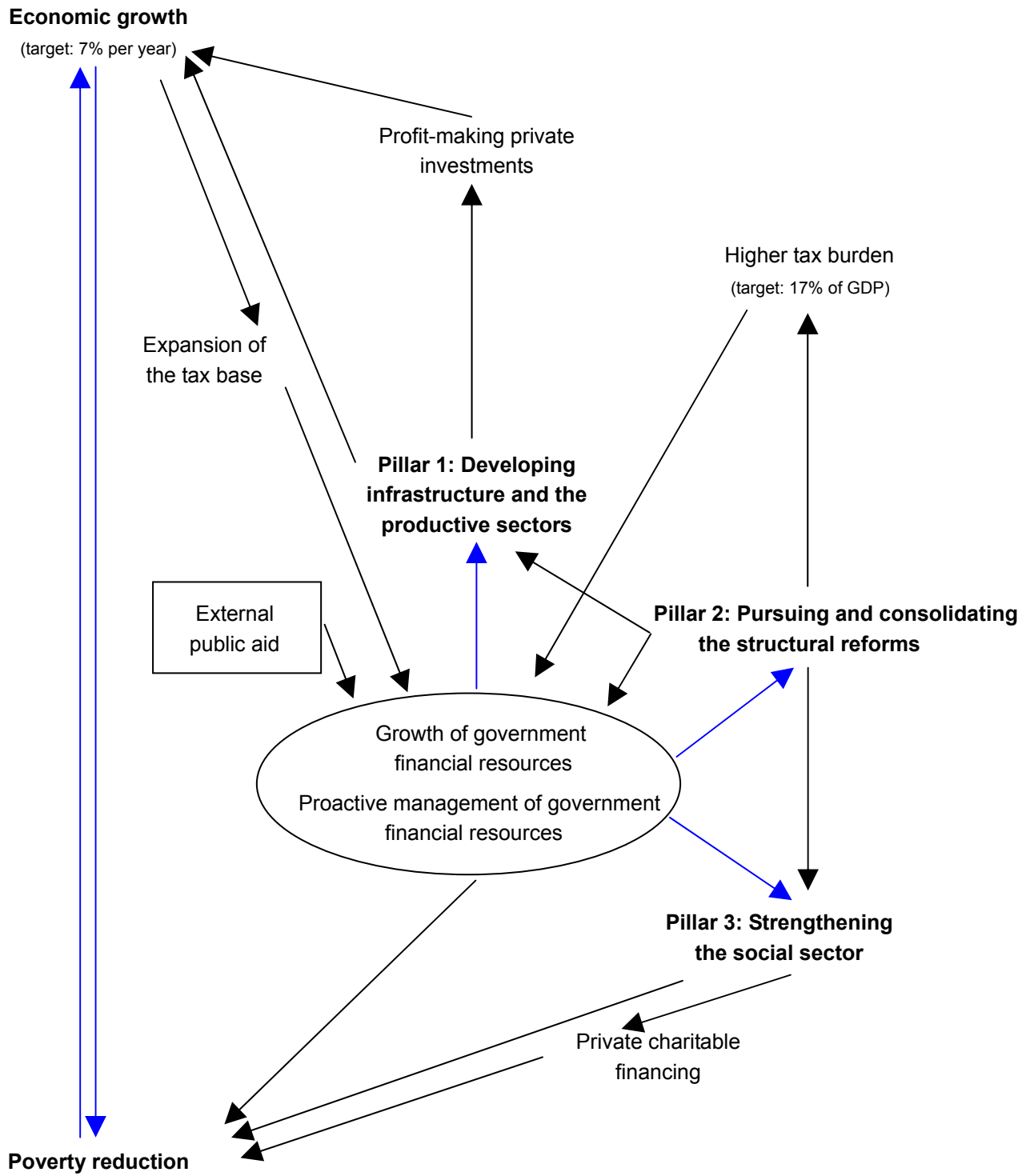
6. After assessing implementation of the 2002-2006 PRSP, the government adopted the Poverty Reduction and Growth Strategy Paper (PRGSP) for 2007-2011. This strategy paper aims to achieve an average annual growth rate of 7 percent so as to significantly reduce

poverty and accelerate progress toward the Millennium Development Goals (MDGs). This aim was reaffirmed by the President of the Republic in the Economic and Social Development Program (PDES), which reflects the political commitment to implement the PRGSP and transform Mali into an agricultural powerhouse and an emerging economy.

7. The PRGSP is intended to stimulate progress by providing political, economic, and social players with a series of goals organized in a coherent system.
8. Progress toward the goals should be methodically assessed so that all players may take the necessary corrective actions and provide the needed impetus: the government first of all, through its budget laws and supporting legislative and regulatory action, and the technical and financial partners (TFPs) in public international cooperation secondly, by planning the aid that they provide.
9. The PRGSP tracking mechanism includes:
 - a Policy Committee,
 - a Joint Mali/TFP Committee,
 - a National Steering Committee,
 - a Technical Secretariat provided by the PRSP Technical Unit under the authority of the Ministry of Economy, which has been mandated by the government to coordinate the process, and
 - Regional and Local Committees.
10. The annual PRGSP review is the culmination of this tracking process. It aims to highlight the most significant findings and to articulate the appropriate opinions and recommendations.
11. This 3rd Review is particularly important. Although it focuses on 2009, it is also a mid-term review of the five-year program and will lay the foundations for preparation of the 2012-2016 PRGSP, which is scheduled to begin in the next six months.
12. The technical preparation was divided among three working groups:
 - one group focusing on "Accelerated Growth and the Issue of Population Growth";
 - a second group focusing on "Poverty Trends and Evaluation of the Achievement of the MDGs";
 - a third group focusing on "The Issue of Aid Effectiveness and Financing."
13. Each of these three groups was organized to produce its report on the basis of an intensely participatory process (Drafting Committee, Review Committee, Validation Meetings).
14. All central government departments were highly mobilized, showing how important the PRGSP has become to them since it validates their actions in a particular sector by situating them within an overall context. Data reporting, the joint assessment of progress toward the goals, and discussions on the difficulties encountered and solutions needed have been very productive. These efforts could be further intensified since departments not only have data on their activities but also the necessary competencies to analyze these data and interpret them in a forward-looking operational context.
15. Civil society and the private sector were involved in the process, but only on an ad hoc basis. While their concerns and their methods of approaching problems are inherently different from those of the government, the participation of nongovernmental players is essential: economic growth is above all the domain of the private sector and poverty reduction that of civil society as a whole. The mechanisms for such dialogue could be improved, however.
16. The international public cooperation technical and financial partners also supported the work by providing documentation and assessments.
17. This document is intended to be a summary of the *Report on the 3rd Review of the PRGSP*.

18. The *Report on the 3rd Review of the PRGSP* focused on three themes: growth, poverty reduction, and financing, based on three group reports, and was intended as a working tool for:
 - a critical analysis of implementation of the PRGSP as an overarching framework for policies and strategies;
 - identification of the main constraints to its implementation;
 - examination of the measures needed to improve its performance.
19. Ideally, the sectoral reviews provide input for the PRGSP review and it, in turn, is used in the preparatory process for the Budget Law, which normally begins in early July each year. A study has been launched on the "harmonization of the review schedule" to significantly improve the linkages between the many exercises that track and monitor implementation. However, data access can be difficult:
 - Some public data (local governments, public institutions, NGOs that have signed the Framework Agreement, etc.) are still difficult to obtain; institutional and organizational improvements in the units concerned will help with this problem.
 - Other data are by nature widely dispersed and can be obtained only by specific surveys or cumbersome processing. The PRSP Technical Unit, which has been tasked with coordinating PRGSP tracking, is the main unit using the National Statistics System (SSN). It intends to continue to improve its cooperation with the other users of this system in the context of the Statistics Master Plan.
20. The PRGSP is based on a retrospective mechanism focusing on three main strategic thrusts that work together to achieve a high level of sustainable, poverty-reducing GDP growth. These strategic thrusts are:
 - Developing infrastructure and the productive sector;
 - Pursuing and consolidating the structural reforms;
 - Strengthening the social sector.
21. This results in a complex set of interactions among multiple parameters:
 - The State creates growth: for example, through capital expenditure (Pillar 1 of the PRGSP), which can leverage the private sector.
 - Growth increases the State's resources by expanding the tax potential.
 - Growth reduces poverty: for example, by creating jobs in the private sector.
 - The State reduces poverty: for example, by committing social expenditures (Pillar 3 of the PRGSP).
 - Poverty reduction creates growth by increasing the demand effect.
 - Strengthening of institutions (Pillar 2 of the PRGSP) creates growth: for example, by improving the business environment.
 - Strengthening of institutions (Pillar 2 of the PRGSP) increases the State's resources: for example, by improving tax collection.
 - etc.

This mechanism is illustrated in the following diagram.



2. Accelerating GDP growth

Annual average GDP growth rate of 4.6 percent

22. The modeling done when the PRGSP was prepared was based on IMF projections and specific assumptions regarding the national economy. It shows that an average annual GDP growth rate of 7 percent from 2007 to 2011 is necessary to reduce the income poverty level by 6 percentage points by 2011, an annual decline of 1.2 percentage points. This scenario was retained with the assumption of proactive government policies to support growth sectors of the economy and increase revenues. This scenario is realistic, given the rates observed in the past when no consolidation strategy was being applied. However, since 2007, GDP growth in Mali has been below projections each year.

	<i>2006 Memorandum</i>	2007	2008	2009	2010	2011	2007-2009 Average
PRGSP forecasts (%)	3.6	7.0	6.4	6.5	7.8	7.1	7.0
Actual (%)	5.3	4.3	5.0	4.5			4.6

Source: INSTAT, DNPD

23. There are many possible explanations for the below-target growth rate.
- The Malian economy has had to deal with exogenous shocks (food, energy, and financial crises) that the initial model could not have anticipated.
 - The implementation of the Accelerated Growth Strategy (AGS) was delayed in several key sectors, including development of basic infrastructure and the productive sectors.
 - In some sectors, the impact of the AGS will be felt only in the medium term.
24. **The GDP growth rate** was 4.5 percent in 2009. Although this is below the target of 6.5 percent, it is encouraging to note that growth in Mali remained above the average for the WAEMU during the global downturn.
25. **Inflation** declined from 9.2 percent in 2008 to 2.2 percent in 2009. This sharp decline was observed across the WAEMU (from 7.4 percent in 2008 to 1.1 percent in 2009). In Mali, the main factor behind this decline in inflation was increased food production owing to abundant rainfall and financial and tax support from the State to offset the impact of the international crisis on products and services whose prices particularly impact the very poor. Some of the measures to stimulate national production (such as the Rice Initiative) are to be extended
26. **The primary sector** grew 5.6 percent in 2009, compared to 13.2 percent in 2008. Within this sector, growth of agricultural output declined from 20.2 percent in 2008 to 6.4 percent in 2009. The high rate of growth in 2008 is explained by the impact of the Rice Initiative, which resulted in rice production that was almost 50 percent higher in 2008 than in 2007. Considering this, growth in 2009 compared with 2008 appears to be an achievement. The primary sector has also benefited from the upturn in cotton production, which increased 16.8 percent from 2008 to 2009 (from 202,397 tonnes to 236,000 tonnes). Output in the

consolidated industrial agriculture (excluding cotton), rice, and food (excluding rice) subsectors increased by 9.0 percent, 6.0 percent, and 5.0 percent, respectively.

27. Grain production in 2009 was almost 6 percent higher than in 2008. Rice represented 33.5 percent of grain production in 2009 (1,704,106 tonnes), compared with 33.8 percent in 2008 and 27.8 percent in 2007. This increase in the share of rice in total grain production is explained for the most part by the Rice Initiative. With the efforts of the government to extend this initiative to other crops (corn, wheat, and cotton), the share of rice should decline in future. Moreover, livestock, fisheries, and forestry grew by 4.2 percent, 3.8 percent, and 5.6 percent, respectively, in 2009, compared to 4.0 percent, 3.0 percent, and 3.9 percent in 2008.
28. **The secondary sector** emerged from two consecutive years of recession in 2009. Output increased by 3.5 percent, after having declined by 4.6 percent in both 2007 and 2008.
 - Growth in 2009 was led by agri-food industries (particularly beverages and tobacco): 8.0 percent compared to -20.0 percent in 2008.
 - In contrast, other manufacturing industries, particularly chemical industries, declined 9.2 percent in 2009 compared with an increase of 16.2 percent in 2008.
29. The construction sector grew 6 percent, in part because of the continuation of major public works projects begun by the State. Water and electricity grew 10 percent.
30. Moreover, with the rise in world prices for gold (increase of 4.7 percent), the value of mining production increased by 1.5 percent in 2009. Gold production has been declining since 2007, after peaking at 62 tonnes in 2006. Between 2005 and 2009, it averaged 54.6 tonnes. Artisanal gold production is estimated at around 3 to 4 tonnes per year. In 2009, gold production was measured at 53.7 tonnes, compared to 52.8 tonnes in 2008, an increase of 1.7 percent.
31. **The tertiary sector** grew 3.5 percent in 2009, compared to 4.3 percent in 2008. The transportation and telecommunications industries account for a large part of this slowdown. After having supported the performance of the tertiary sector for many years, the growth of these industries slowed significantly, from 10 percent in 2008 to 1.9 percent in 2009.
32. In summary, between 2007 and 2009, the Malian economy grew 4.6 percent despite the impact of the international crises. This is indicative of the country's stable growth and the positive impact of the measures taken by the government in response to these crises. The tertiary sector led growth of the Malian economy (2.4 percent of the 4.6 percent recorded during the period under review). The contribution of this sector is all the more remarkable in that it has remained relatively stable from one year to the next. The primary sector made a lesser (1.6 percent) and less stable contribution. The contribution of the secondary sector is modest (0.5 percent)

Sources of growth to be supported

Sources of growth in the primary sector to be supported

33. The Agricultural Framework Law provides the road map for the development and implementation of agricultural policies in Mali. Its aim is to increase the fiscal resources allocated to the rural sector, particularly by means of the creation of the National Fund in Support of Agriculture. It should increase yields and make land tenure more secure through the application of the decree on the registration of agricultural holdings and the decree on the status of agricultural holdings. These measures will help to reduce poverty since they will directly benefit poor farmers. The Agricultural Development Policy (PDA) and the National Program for Investment in the Agricultural Sector (PNISA) are the framework for implementation of the Agricultural Framework Law.

Grains, particularly rice

34. Mali has comparative advantages in rice production that make it a potential net exporter in years of normal rainfall. This position could be improved by taking advantage of the immense potential of irrigable land (almost 1 million ha in the area covered by the Office du Niger) and by intensification of rice production systems. Expansion of irrigated land is under way is through the hydro-agricultural development program covering two periods (2003-2007 and 2008-2012):
- During the 2003-2007 period, 70,801 ha were developed (all types of development) compared with a target of 64,207 ha, or an execution rate of 110 percent.
 - In 2008-2009, 11,983 ha were developed, compared with a target of 36,330 ha, or an execution rate of 33 percent).¹
35. In tandem with the increase in irrigated land, the mechanization and intensification of production systems also continued in 2009 as farmers were provided with high-quality inputs and equipment.²

Fruits and vegetables

36. Mali produces a number of vegetables and exotic fruits (mangoes, green beans, tiger nuts) for which there is high off-season demand in Europe and the Middle East. Through trade related assistance programs, efforts are being made to help players in the fruits and vegetables subsector meet regulatory and trade requirements for the international markets. These efforts have resulted, for example, in a 135 percent increase in the value of mango exports between 2005 and 2009.

Gum arabic

37. Gum arabic is a harvestable wild product with export potential that is under-exploited. With modern tapping techniques, harvests could be increased tenfold, meaning that output could easily reach 5,000 tonnes per year from naturally growing trees alone. The development of new plantations should not pose any technical difficulties.

Shea nuts

38. Shea nuts are a versatile product (food, traditional medicines, cosmetics, soaps, lighting, etc.) and a significant source of income for farmers, primarily women. Potential output is estimated at 165,000 tonnes of dried nuts per year, compared to the 80,000 tonnes currently produced.

Livestock

39. Controlled exports of live animals are significantly higher than they were in 2008. Appropriate processing, transportation, and storage equipment (modern refrigerated slaughterhouses and refrigerated trucks) are needed to bring additional value added to these products.

¹ The reasons for this poor performance are, in large part: (i) slow procurement and disbursement procedures; (ii) the lag with respect to the work schedule; and (iii) work stoppages owing to the rainy season and flooding, on the one hand, and an overestimation of project/program and office forecasts, on the other.

² In 2009: tractors and accessories (1,500), rotary tillers (316), plows (348,048), tiller combines (236,608), harvesters (1,054), hullers (1,368), motor driven pumps (3,678), rice mills (9), and various other types of modern agricultural equipment.

Biofuels

40. The implementation of the National Strategy for the Development of Biofuels prepared in 2008 creates excellent prospects for coverage of a significant portion of fuel demand. Moreover, in the long run, it will help not only to limit greenhouse gas emissions resulting from the use of conventional fuels, but will also promote access to lower-cost fuels (jatropha oil).

Sources of growth in the secondary sector that should be supported

Mining

41. Gold is currently the top mineral resource in Mali, and the six gold mines in operation make Mali the third largest gold producer in Africa, after South Africa and Ghana. In 2008, the National Directorate of Geology and Mines (DNGM) estimated proven reserves at 320 tonnes. At a rate of extraction of 50 tonnes per year, these mines can be expected to continue in operation for six years. In addition to gold, other minerals are of particular interest and the mining department is planning to launch a vast program to promote and inventory certain growth subsectors, including oil exploration (under way) and the production of construction materials (with the signing of a special tax agreement between the Government of Mali and the Indian company WACEM Mali hopes to begin to produce approximately 1 million tonnes of cement per year starting in 2011, creating about 250 direct jobs).

Handicrafts

42. According to estimates for the sector, 40 percent of the labor force works in the handicrafts subsector, which contributes 15 to 20 percent to GDP. Exports of handicrafts totaled CFAF 3.7 billion in 2009. The policy to promote handicrafts resulted in a legal and regulatory framework for the subsector and the creation of both the National Center for the Promotion of Handicrafts and the Chamber of Trades. These efforts should be continued as part of a genuine blueprint for the development of handicrafts in order to exploit the growth potential of this sector.

Textiles

43. The availability of high quality raw cotton is a potential advantage, but it does not allow for the development of a cotton processing industry based on spinning or weaving because of advances in the automation of the global textile industry. This automation has resulted in an erosion of the comparative advantage of low-wage countries, such as Mali. It is therefore necessary to promote investment in textiles, particularly local industrial textiles and traditional textiles. The privatization of CMDT, which is under way, should help to strengthen the competitiveness of Malian textiles. Moreover, greater support for activities related to textiles (oil milling, livestock feed, soaps, etc.) would be a source of value added and thus of growth for the economy.

Agri-food and processing industries

44. A large number of farm, forestry, and pasture products could be further processed, which would create jobs and strengthen economic growth. The significant progress achieved in the processing of fruits and vegetables, the completion of the Markala sugar project, and the third sugar factory (N-Sukala) should help to make the Office du Niger area a genuine economic center and thus promote substantial overall growth.

Sources of growth in the tertiary sector that should be supported

Tourism

45. The number of jobs generated by the tourism sector doubled between 2002 and 2009 (from 10,315 in 2002 to 20,296 in 2009). However, in 2009, only 115,500 international visitors entered Mali via the Bamako S noui Airport, compared with 135,902 in 2008, a 15 percent decline resulting primarily from the impact of the international crisis.

Telecommunications

46. The telecommunications sector is a source of growth in and of itself but it is also an important production factor for all other sectors of the economy. The impetus provided by the sector as the privatization process is completed in 2009 should enable it to contribute significantly to accelerating growth. A legal and institutional framework that is favorable to the establishment of private operators appears to be needed.

Impact of growth on the environment

47. Mali faces major environmental challenges: soil degradation, plant cover depletion, desertification, silting of the Niger River, water shortages, loss of biodiversity, climate change, etc. The environment is a key factor in all rural development policies, although it is often neglected in sectoral policies that have a major environmental impact (specifically industry and energy policies). The current review of Decree No. 08-346/P-RM of 06/26/08 on impact studies and the study for the development of the national environmental assessment strategy have raised considerable expectations.
48. For the moment, efforts are concentrated on soil and plant cover preservation and desertification control through the preparation of a Strategic Framework for Investment in Sustainable Land Management (CSI/GDT). Continued implementation of the Agricultural Framework Law will also support sustainable land management.

Progress of the Accelerated Growth Strategy

49. To achieve the 7 percent growth target, an Accelerated Growth Strategy (AGS) has been prepared for the 2008-2012 period. It proposes to make rural development the engine of economic growth and to make the private sector its vehicle.
50. The strategy's action plan focuses on five main areas:
 - Improving the macroeconomic and fiscal framework;
 - Improving governance and combating corruption;
 - Pursuing structural reforms;
 - Developing infrastructure and the productive sectors;
 - Developing the private sector.
51. Progress in the implementation of this strategy indicates that most of the planned actions have been launched. However, the progress of certain key actions, such as hydro-agricultural projects, has fallen short of the objectives owing to the amount of financing that needs to be mobilized.

Growth outlook

52. The forecast rate of growth for 2010 is 5.2 percent, while the PRGSP target is 7.8 percent. The 5.2 percent forecast is based on a number of assumptions, including sustained

performance in the primary and tertiary sectors, and improved growth in the secondary sector. These assumptions take into account recent developments in these sectors, the international economic environment, and the implementation of the Accelerated Growth Strategy.

53. The primary sector could grow 4.8 percent if efforts made in the context of the Rice Initiative continue and are expanded to other crops and if the reform of the cotton sector is implemented efficiently.
54. Growth in the secondary sector should reach 4.5 percent in 2010, compared with 3.5 percent in 2009, as the mining slowdown is offset by the expansion of other industries.
55. Growth of 5.3 percent is expected in the tertiary sector in 2010 compared with 3.5 percent in 2009. The transportation and telecommunications industries are expected to grow by 5 percent. Trade could strengthen as national strategies for the development of the shea nut and gum arabic industries are launched and the Export Promotion Agency begins operations.

Impact of population growth on the economy

56. The resident population of Mali has increased fourfold since independence despite substantial emigration flows. The population has increased from 3.5 million in 1960 to 14.5 million in 2009, and it could increase an additional three or fourfold by 2050, bringing it to between 45 million and 60 million inhabitants. Based on the provisional results of the 2009 General Population and Housing Census, the annual population growth rate is 3.6 percent (compared with 2.5 percent, 3.7 percent, and 2.2 percent, respectively, in 1976, 1987, and 1998). A slowdown in emigration and acceleration of immigration (return of Malian expatriates and subregional migrations) in recent years could explain the high rate of population growth between 1998 and 2009. An analysis of the final results of the census will be enlightening.
57. Population growth is an economic problem in that it impacts per capita income, which will decline if GDP does not grow as quickly as the population does. It also raises the issue of the universal values of fertility and children's rights. The 2006 Population and Health Survey shows that approximately 30 percent of women would like to use a family planning method but do not have access to services that could help them. Measures to slow population growth are included in Mali's National Population Policy and its third implementation program for 2010-2014.

Constraints to growth

58. Mali faces external constraints to growth: unpredictable climatic conditions and fluctuations in the prices of export and import products. In contrast, domestic constraints, which can be influenced by proactive policies, can be divided into two broad categories:

Constraints that are gradually disappearing

59. **Some production costs**, such as transportation and telecommunications costs, are trending downward: in the case of transportation costs because of infrastructure improvements, particularly in the road network, and in the case of telecommunications costs because of greater competition. Electricity should be less expensive when the Malian network is connected with the Côte d'Ivoire network.
60. **The institutional environment** has improved in recent years with the creation of the One-Stop Shop and the simplification of the Tax Code in 2009.

Constraints that remain

61. Other constraints require more sustained action, however:
- **Insufficient qualified labor** in most sectors.
 - **Weakness of the financial system:** banks grant only short- and medium-term loans (maximum of five years), limit the amounts involved, require collateral that is difficult to provide, and keep interest rates high. Most lending is for terms of less than six months and bank loans are extended primarily to finance trade.
 - **Little diversification of production:** the share of the primary sector in the national economy remains dominant. As this sector pays almost no taxes, there is no direct link between economic performance and government revenues.
 - **Underuse of surface waters:** each year immense quantities of rainwater are lost when they could be used for agriculture or to water livestock.

3. Continuing the poverty reduction effort

62. **Income poverty was estimated at 43.7 percent** in 2009, a decline of 3.7 percentage points from 2006 (47.4 percent).
- It has decreased significantly in rural areas, from 57.6 percent to 53.5 percent, as a result of substantial public investment, particularly in basic infrastructure.
 - In contrast, it has declined very little in urban areas (from 25.5 percent to 23.5 percent) owing to the persistence of profound inequalities and urban drift, with severe poverty pushing families toward the cities.
63. Simulations suggest that an annual average per capita GDP growth rate of 4 percent would bring the poverty rate to 30 percent by 2015. However, the average per capita GDP growth rate was just 2.7 percent per year between 2001 and 2006 (DNSI, ODHD, PRSP, 2007).
64. While overall GDP growth was 4.6 percent between 2007 and 2009, per capita GDP growth declined considerably in 2009 as the population increased. Prospects for reducing poverty thus risk being jeopardized by the difficulties encountered in controlling population growth. The results of the MICS/LIHS survey in 2010 should shed additional light on this issue
65. **Poverty of living conditions is primarily a rural problem.** Between 2006 and 2008, the rate of access to basic socioeconomic services (education, health, water, electricity, radio, telephone, etc.) improved. The 2008 IPC shows that the communes classified as very poor were all rural, while almost all urban communes and 103 rural communes were classified as "not poor." The classification ranked the urban communes in the district of Bamako at the top of the country's non-poor communes, followed by the communes of Sikasso, Mopti, Koutiala, Ségou, Massigui and Kayes.

Instruments for reducing poverty and inequality

Transfers

66. **Private transfers** represent the third most important source of income for households (16.5 percent) after the sale of agricultural products (43.4 percent) and non-agricultural wages or income (35 percent).
67. **Public transfers** represent 1.7 percent of household income. In the Kayes region public transfers represent a particularly high percentage (31.1 percent), especially in the income of non-poor households (36 percent).

Microfinance

68. It has been established that microfinance associations help to reduce the poverty of their members. The poverty of living conditions of members declines by 10 to 30 percentage points, depending on sociodemographic characteristics. There is one caveat, however: microfinance operates more effectively in areas that are relatively better served by other types of economic and social infrastructure. The very poor, living in extremely deprived areas, benefit less.
69. Alongside these formal instruments, family assistance is an essential component of social support. The 2006 Limited Integrated Household Survey (LIHS) showed that in case of difficulties family and friends are the main recourse for households and that without transfers the incidence of income poverty increases.

Social sector trends

Education and literacy

70. A number of challenges impact the internal efficiency and quality of education, including the rate of early dropouts from the education system, repeater rates, poor learning by pupils in primary school, and low literacy rates among adults.
71. The goal set in the PRGSP was achieved in 2009 since the primary school gross enrollment ratio (GER) increased from 75 percent in 2006 to 82 percent in 2009:
- Enrollment of girls has remained approximately 20 percent below that of boys since 2002. The most disadvantaged regions in 2009 were Kidal (50.2 percent), Mopti (61.5 percent) and Sikasso (74.3 percent).
 - The primary school gross intake rate (GIR) was 77.7 percent in 2009 (70.7 percent for girls), with the most disadvantaged regions being Mopti at 56 percent, Kidal at 66.4 percent, and Sikasso at 69.5 percent.
72. Primary school completion rates are improving as grade repetition declines (although the repeater rate was 13.4 percent in 2008-2009 at the primary level) and as dropouts decrease (although the 23 percent dropout rate for primary school remains a concern). The primary school gross completion rate is 55.7 percent in 2009 (47.2 percent for girls). The most disadvantaged regions are Kidal at 26.2 percent, Tombouctou at 34.7 percent and Gao at 37.2 percent.

	2006 memorandum	2007	2008	2009
Primary school gross enrollment ratio	75.0 %	77.6 %	80.0 %	82.0 %
Primary school gross enrollment ratio for girls	65.6 %	68.0 %	70.7 %	73.0 %
GER girl/boy parity rate	0.76	0.78	0.79	0.80
Primary school intake rate	74.2 %	75.6 %	79.4 %	77.7 %
Primary school completion rate	48.5 %	53.2 %	54 %	55.7 %
Primary school repeater rate	17.0 %	15.2 %	14.2 %	13.4 %
Primary school pupil-teacher ratio (PTR)	56.0	55.0	55.0	53.0

Source: CPS Education

73. The primary school pupil-teacher ratio (PTR) decreased from 56 in 2006 to 55 in 2008 and 53 in 2009. Despite the efforts made, it is far from the standard of 40 defined by the World Bank's Education for All Fast Track Initiative. As well, significant regional disparities remain: the district of Bamako and the regions of Mopti and Gao have PTRs that are better than the national average
74. In 2007, more than half of pupils in the second and fourth grades were below the minimum standard in language and communications, as well as mathematics and technology. In the

sixth grade, more than half of pupils were below standard in technology. The 2009 assessment is currently being validated but its provisional results are worrisome.

75. Compared to 2005, the allocation of resources to education is still not optimal owing to the dropout and repeater rates. There are numerous and varied constraints:
- little targeting of resources to resolving regional and gender disparities;
 - failure to implement action plans for the enrollment of girls;
 - insufficient domestic and external financing;
 - difficulties in mobilizing allocated resources;
 - insufficient involvement of local governments;
 - inefficient and ineffective management of resources mobilized to achieve the goals
 - little consideration of population growth in planning
 - weak management capacities at the central and local levels.

Health

76. With the support of its partners, the health department achieved the following:
- construction of health centers;
 - provision of qualified staff to health units;
 - free cesarean sections;
 - distribution of insecticide treated mosquito nets;
 - strengthening of the standard system for patient transfers between health institutions at different levels in the health pyramid;
 - free treatment of obstetric fistulae in certain public hospitals (EPHs).
77. **The maternal mortality rate** remains very high (464 deaths per 100,000 live births) although it has declined for the first time in 10 years. Free cesarean sections, introduced in 2005, have not produced visible changes, with the rate of cesarean sections increasing from 1.9 percent in 2006 to 2.3 percent in 2009 against a goal of 5 percent
78. **The infant and child mortality rate** decreased from 238 per thousand in 1996 to 229 per thousand in 2001 and 191 per thousand in 2006, against a goal of 150 per thousand by 2011. The mortality rate for children under the age of 1 declined from 123 per thousand in 1995, to 113 per thousand in 2001, and 96 per thousand in 2006. The PRODESS II target is 56 per thousand by 2011.

	Achievements		Goals	
	2001	2006	2011	2015
Maternal mortality per 100,000 live births	582	464	344	146
Family planning (FP) prevalence rate	5.7 %	6.9 % (6.4 w/o LAM)	10 %	20 %
% of FP needs not met	35 %	31 %	25 %	
% of mothers under 20 years old	34 %	30 %	24 %	
% of attended births	41 %	49 %	65 %	
Prenatal clinic rate (CPN)	30 %	35 %	46 %	

Source: CPS/Santé

79. **The family planning prevalence rate** (FP) has remained unchanged, although it is a determining factor in reducing the number of unwanted pregnancies and controlling population growth, and also in bringing down the maternal mortality. In 10 percent of cases

maternal mortality rate results from abortions, which are still illegal in Mali except for health reasons and in cases of rape or incest. The goal of a prevalence rate of 10 percent by 2011 is realistic as long as innovative strategies are implemented to meet the unmet needs of the population.

80. **Combating harmful health practices** for girls and women, particularly female circumcision, has been stepped up using an intersectoral approach.
81. **The HIV/AIDS prevalence rate** in the general population has declined by 0.4 percentage point to 1.3 percent in 2006. Efforts must still be made with high risk groups, particularly sex trade professionals.
82. **The incidence rate for mild malaria** among children under five was estimated at 132.3 per thousand in 2009, and the rate of severe malaria at 39 per thousand. Despite efforts made, malaria remains the main reason for juvenile consultations and is also a serious problem among pregnant women.
83. The main constraints in the health sector are:
 - difficulty of access for the poor to health districts and referral institutions;
 - insufficient qualified staff at all levels of the health pyramid;
 - under-equipment of health institutions;
 - little involvement of rural communities in the implementation of certain health programs;
 - insufficient subsidization of drugs
 - persistence of malaria monotherapy;
 - frequent and prolonged stock-outs of free kits for severe malaria;
 - insufficient response rate in the mobilization of external resources, particularly Sectoral Budgetary Support (ABS) resources.

Social development and solidarity

84. PRODESS II defines the sectoral program of the Ministry of Social Development, Solidarity, and the Elderly (MDSSPA), which has made significant progress.
85. Substantial improvements have been observed in the coverage of the population by social and solidarity-type medical insurance systems and in the provision of assistance to the very poor. The efforts made led to the registration of 41 new mutual associations in 2009, bringing the total to 162 at the end of the year. This increased coverage of the population from 2.6 percent to 3.5 percent between 2008 and 2009 and exceeded the objective of 2.1 percent. However, the sector faces a number of challenges, including the low level of services offered and the limited protection for the most vulnerable. Significant actions relate to the following areas
 - **Solidarity and combating social exclusion**
 - socioeconomic integration of the disabled, the elderly, and the impoverished;
 - consolidation of solidarity and social development mechanisms;
 - signing of the Convention on the Rights of Persons with Disabilities.
 - **Social protection**
 - introduction of mandatory health insurance (AMO) and medical assistance (RAMED) plans;
 - creation of the National Health Insurance Fund (CNAM) and the National Health Assistance Agency (ANAM);
 - review of the laws creating and organizing the Social Security institutions;
 - revaluation of family allowances and pensions.

- **Economic solidarity**
 - development and implementation of a program in support of the development of mutual assistance plans;
 - review of the laws governing mutual assistance plans.
- **Cooperatives and associations**
 - promotion of cooperative societies;
 - adoption of the decree organizing the National Council for Cooperative Societies;
 - organization of dialogue on the implementation of the Guarantee Fund.
- **Poverty reduction**
 - introduction of a mechanism to facilitate lending to the very poor;
 - implementation of a literacy program targeting vulnerable and disadvantaged groups;
 - improvement of access of the very poor to income generating activities (IGA);
 - improvement of access of the very poor to basic social services.
- **Institutional enhancement**
 - enhancement of the institutional capacities of the MDSSPA and its partner institutions;
 - development of the institutional capacities of economic solidarity organizations;
 - consolidation of the planning system;
 - creation of the Decentralization and Deconcentration Support Unit (CADD).
- **Human resources development**
 - significant increase in staffing related to social development;
 - improvement of teaching capacities of training institutions.

Living conditions

Water and sanitation

86. Planned sanitation activities were completed as projected, primarily:
- completion and rehabilitation of waterworks
 - completion and rehabilitation of water points
 - organization of demonstrations of improved latrines
 - cleaning and rehabilitation of culverts and drains.

	2007	2008	2009
In rural areas	67.6 %	69.9 %	71.4 %
In urban and semi-urban areas	75.9 %	76.3 %	77.4 %
National	70.1 %	71.7 %	73.1 %

Source: DNH (Global method for the calculation of access to water)

Environment

87. In 2007 the National Sanitation Policy, the National Forestry Policy, and the Action Plan for the National Wetlands Policy were implemented. Several programs for the reforestation and development of natural forests, fauna protection, agro-pastoral development, and surface and subterranean water control were implemented by government entities, nongovernmental organizations and agencies, and some local governments.
88. The National Directorate of Water and Forests (DNEF) plans to undertake 16 projects requiring CFAF 28.4 billion in financing. Several of these projects and programs, including the Decentralized Forest Management Program (GEDEFOR), are expected to start up in 2010.

Housing

89. In 2008, 1,027 subsidized housing units were built, as compared to 1,087 units in 2007 and 880 units in 2006. The number of men benefiting from these housing units is slightly higher than the number of women, although the proportion of women is steadily increasing from year to year, from 37 percent in 2006 to 42 percent in 2007.
90. In 2009, 1,700 units were built at a total cost of CFAF 10 billion entirely financed from the national budget. In July-August 2009, the National Housing Strategy (SNL) was evaluated to identify its strengths and weaknesses.

Access to energy

91. The national electricity access rate was 25.2 percent in 2009 compared with 25.4 percent in 2008. This stagnation is explained by the sharp population increase in Mali between 1998 and 2009.
- The electricity access rate in urban areas declined significantly by 5 percentage points as a result of urban growth.
 - In rural areas, the access rate rose from 11.2 percent in 2008 to 13.3 percent in 2009, reflecting the department's special effort through AMADER.

	2007	2008	2009
Overall rate	22.5 %	25.41 %	25.27 %
Urban	55.6 %	58.2 %	53.00 %
Rural	8.2 %	11.2 %	13.3 %

Source: CPS/SME Statistics Compendium, April 2010

Employment and professional development

92. Promotion of employment and professional development is ongoing throughout the country. The Employment and Vocational Training Exchange was launched in July 2008 to promote the placement of young people in production jobs.

	2006	2007	2008	2009
Private sector jobs	13,464	13,618	20,532	30,088
Public sector jobs	9,555	3,659	8,232	3,535
Total	23,019	17,277	28,764	33,623

Source: National Directorate of Employment

93. The adoption of the National Vocational Training Policy in 2009 gave more visibility to the government's actions in this area, which focused on apprenticeship training, modular training, and training of trainers.
94. A brief analysis of the configuration of the Malian private sector, its structure, and its potential identified eight key sectors where there is demand for professional training:
- general commerce;
 - agro-business;
 - hotels – restaurants;
 - construction;
 - mechanics – electromechanics – electronics;
 - mining;
 - pattern cutting-dressmaking-dyeing;
 - health – sanitation.

95. The Ten-Year Vocational Training for Employment Program (PRODEFPE) will identify an adequate supply of vocational training to meet the demand and create long-term jobs.

Combating gender inequality

96. MDG-3 ("Promote Gender Equality and Empower Women"), which is related to all other development goals, is a key factor in poverty reduction. Considerable progress has been made overall with the status of women, including a sustained political commitment to the consolidation of women's rights. However, some socio-cultural practices remain as serious obstacles.
97. The National Gender Equality Policy (PNEFH) has been developed along with three-year action plans. The government and the United Nations System have established the United Nations Joint Program of Support for the Promotion of Human Rights and Gender Equality (PCDHG), focusing primarily on mass communications regarding rights.
98. ***In the area of violence against women***, significant progress has been made with three plans of action:
- 2010-2012 Action Plan to End Female Circumcision;
 - Action Plan to Combat Trafficking in Women and Girls;
 - Action Plan on Violence Against Women.
99. ***Targeted training*** in 140 trades, including the hotel trade, pattern cutting-dressmaking, and cooking, has been organized ***for girls*** who have dropped out of school or have never attended school.
100. The entry of women into productive jobs has been promoted:
- construction of 23 centers for the self-promotion of women in 2008;
 - construction of 10 houses for women and children;
 - construction of 8 shea nut processing units between 2005 and 2009;
 - construction of 7 small shea nut processing units in 2009;
 - adoption by the government of a strategy for the processing of local unpasteurized milk in 2009 with 41 dairy pools across the country;
 - vocational training in techniques for improving feed lots, tanning, livestock raising, and fish farming.
101. ***Approximately 20 percent of women had access to land*** in 2008 and 2009, compared with 18.5 percent in 2007. Although this rate is low, it is indicative of an upward trend reflecting the recent application of the Agricultural Framework Law to the benefit of women, and also of the increased willingness by decision-makers to make giving rural women access to land a priority.
102. A number of actions have been taken to lighten the workload of women in accessing safe drinking water and energy. The installation of 131 multifunctional platforms has given 3,225 women the capacity to read, write and calculate in the national language of their choice. Among these women, 1,048 were made responsible for managing the equipment.
103. Many economic, financial, and sociocultural problems remain:
- low school enrollment ratios for girls and low literacy rates for women;
 - insufficient statistical data broken down by gender in certain sectors;
 - little tracking of the implementation of laws and regulations (LOA, etc.);
 - insufficient consideration of gender in sectoral projects, programs, and policies;
 - lack of adequate financial resources;
 - insufficient contribution of the mechanisms in support of the promotion of gender equality;
 - limited scope for production and investment by women;
 - vulnerability of women and children to violence;
 - sociocultural resistance.

The major constraints to poverty reduction

- uncontrolled population growth;
 - vulnerability of the population to economic shocks;
 - unstable performance of the agricultural sector;
 - volatility of commodity prices (agricultural products, gold);
 - lack of qualified human resources.
104. Improvement in the coverage of basic social services conceals enormous disparities by region and by place of residence (urban, rural). The low quality of public services and the cost of basic social infrastructure (education, health, safe drinking water, electricity), when combined with limited purchasing power, blocks the population's access to the minimum package of services.

4. Optimizing financial resources

105. Good management of government finances:
- both domestic government resources and
 - foreign aid provided to the Malian government by its technical and financial partners in international public cooperation
- is essential to implementation of the Poverty Reduction and Growth Strategy Paper (PRGSP)
106. The quality of management of public financial resources depends primarily on the quality of the institutional framework in place, which comes under Pillar 2 of the PRGSP: "Pursuing and consolidating the structural reforms." The Government Action Plan for Improvement and Modernization of Public Finance Management (PAGAM/GFP) targets this specifically.
107. Resource management has improved considerably as a result, and it is partly owing to this "good use of resources" that public debt relief was granted to Mali under the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI).

Government budget

Resources (cf. Table 12)

108. In 2009, revenues and grants totaled CFAF 896.5 billion, a 20.9 percent increase from 2008, after the 3.5 percent decline recorded between 2007 and 2008. Grants increased 27.8 percent to CFAF 171.5 billion, but remained below the CFAF 181.2 billion reached in 2007.
109. Total revenue (excluding grants) increased 19.4 percent compared with 2008, essentially as a result of the rise in tax revenues, which grew 16.5 percent between 2008 and 2009 to CFAF 624.3 billion in 2009 compared with CFAF 541.9 billion in 2008
110. Direct taxes were higher than forecast (144.6 percent of forecast), as were indirect taxes, mainly import taxes, (106.6 percent of forecast). Revenues from the VAT and the taxes on petroleum products were not as high (88.4 percent and 75.7 percent of forecast, respectively). The VAT represents 34.1 percent of total revenues (CFAF 247.4 billion out of CFAF 725.0 billion), whereas the accepted standard is that they should amount to 50 percent of government resources. The lack of progress in the collection of domestic VAT, which increased just 6.1 percent between 2008 and 2009 (while the VAT on imports increased 36.6 percent) suggests that Malian companies are evading this tax, raising the issue of a need for greater tax equity.

111. The tax burden rose significantly between 2008 and 2009, to 14.4 percent in 2009 from 13.3 percent in 2008 (the tax burden was 14.2 percent in 2007). Throughout the period, the tax burden was below the WAEMU community standard, which has been 17 percent since 2008.
112. Grants increased 27.8 percent to CFAF 171.5 billion, but remained below the CFAF 181.2 billion achieved in 2007. Coordination of aid is in line with the National Action Plan on Aid Effectiveness and the Joint Country Assistance Strategy (JCAS) Action Plan. Quality improvements begun in 2002 should also be mentioned, namely, the gradual establishment of various consultation frameworks, which operate on a relatively regular basis and which are intended to ensure better coordination of tracking and assessment of PRGSP implementation: the joint Mali/TFP commission, sectoral consultation frameworks and sectoral reviews, the joint budget review, the PRGSP review, and the monthly MEF-TFP (Troïka) meetings.

Allocation of resources (cf. Table 13)

113. In 2009, government expenditures totaled CFAF 1,015.8 billion or 96.9 percent of the target of CFAF 1,048.0 billion set in the PRGSP.
114. Current expenditures were higher than forecast (106.5 percent), while capital expenditures represented just 78.9 percent of forecasts. The government financed current expenditures from resources initially set aside for capital expenditure, which explains why capital expenditures represented only 37 percent of total expenditure and net lending, as against a forecast of 45.5 percent. This is worth noting given that capital expenditures are a source of economic growth and also given that the same situation was observed in 2008 (35.6 percent compared with a forecast 45.6 percent), while in 2007 performance was better than forecast (48.4 percent as against a target of 46.3 percent).

Sectoral budgetary allocations (cf. Tables 14 and 15)

115. Budgetary allocations (excluding external financing of the Special Investment Budget—SIB) totaled CFAF 827.8 billion in 2009 (provisional data), as compared to CFAF 750.1 billion in 2008, an increase of 10.4 percent. This increase is all the more remarkable when compared with the situation in 2007, when such allocations totaled CFAF 723 billion.
 - The share of Pillar 1 of the PRGSP—"Developing Infrastructure and the Productive Sectors"—in the total came to 20.1 percent in 2009, an increase in comparison with 2008 (18.6 percent) and 2007 (17.5 percent).
 - In contrast, the share allocated to Pillar 2—"Pursuing and Consolidating the Structural Reforms"—gradually declined from 27.2 percent in 2007 to 26.6 percent in 2008 and 25.5 percent in 2009.
 - The share of Pillar 3—"Strengthening the Social Sector"—remained steady at 35.5 percent in 2007, 35.2 percent in 2008, and 36.0 percent in 2009.
116. Pillar 3 is a factor in poverty reduction. It receives higher allocations and is driven by education and health through the implementation of the Education Sectoral Investment Program (PISE II) and the Health and Social Development Program (PRODESS II). At the same time, Pillar 2 aims to lay the foundations for implementation of all policies, including and especially economic growth strategies, while Pillar 1 is the main vector for GDP growth.

Poverty reduction spending (cf. Tables 16 and 17)

117. Poverty reduction spending, excluding external financing of the SIB, has increased steadily, from CFAF 396 billion in 2007 to CFAF 404.8 billion in 2008 and CFAF 437.1 billion in 2009. Conversely, its share in the government budget has declined, from 54.8 percent in 2007 to 54.0 percent in 2008 and 52.8 percent in 2009.

Financial balances

118. In 2009, the financial balance (total expenditures minus total revenues) totaled CFAF 290.8 billion, against a forecast of CFAF 279.4 billion. The deficits observed each year have essentially been made up by foreign borrowing, while the government has borrowed very little from the national banking system. It even has a tendency to repay rather than to borrow from banks located in Mali. This is no doubt because of the privatization revenues, which were higher than predicted in 2008 (CFAF 39.1 billion) and 2009 (CFAF 180.4 billion) as a result of the privatization of SOTELMA (CFAF 4 billion had been forecast for each of these two years).

External public debt

119. As of December 31, 2009, the external public debt totaled CFAF 1,056.6 billion, compared with CFAF 810.5 billion at end-2008, a 30.4 percent increase (it had already increased by 17.6 percent from 2007 to 2008). This rise in the total external debt is worth noting: renewed indebtedness tends to erase the beneficial effects of the MDRI.

Domestic public debt

120. As of December 31, 2009, the stock of domestic debt totaled CFAF 108.7 billion, as compared to CFAF 42.3 billion in 2008 and CFAF 14.8 billion in 2007. One of the reasons for the increase in the domestic debt is the issuance of public securities—Treasury bonds and bills—with maturities after 2009.

External financing of the Special Investment Budget (SIB) in 2009

121. In 2009, externally financed expenditure totaled CFAF 192.580 billion, compared to an annual forecast of CFAF 257.629 billion, a rate of mobilization of 74.8 percent compared with 51.66 percent in 2008.

Table 7: External Financing of the SIB in 2009

Nature of Financing	2009 SIB forecasts	2009 Achievements		Share (%)
		Cumulative	Rate (%)	
Loans	161.116	109.087	67.7%	60.7%
Grants	96.513	83.493	85.5 %	39.3%
Total	257.629	192.580	74.8 %	100%

Source: DNPDP

122. The efforts made to improve the rate of mobilization of external financing have begun to bear fruit, but progress is affected by cumbersome public procurement procedures, half-hearted launching of new projects/programs, and/or limited capacity of companies to execute contracts that have already been awarded.
123. Looking at the sectors individually, the secondary sector has the highest execution rate at 83 percent, followed by Human Resources (81 percent), the rural economy at 77 percent, and the infrastructure sector at 59 percent.

Other sources of financing

124. Apart from the government and the TFPs, other sources of financing for growth and poverty reduction are not easily identified using the existing tracking mechanism. One response to this weakness will be introduced at the end of the next quarter. It appears that, apart from the private sector, which contributes to growth, and Malian expatriates, who contribute significantly to poverty reduction, the amounts involved are quite modest.
125. The players concerned—local governments, public institutions, NGOs, etc.—generally obtain their resources from the government (in the form of grants or subsidies) or from the

TFPs (in the context of projects or programs), making them conduits for public resources rather than contributors of new resources, at least for the time being, pending acceleration of the decentralization process.

The private sector

126. Private investments increased by 8 percent, which is better than the 3 percent recorded in 2008 but less than the 13 percent seen in 2007. Until 2004, private investments were consistently at least 40 percent higher than public investments, whereas since 2005 this rate has never exceeded 30 percent, indicative of the substantial increase in public investment.

Maliens abroad

127. The Malian diaspora contributes substantially to the country's economy. Transfers from Malians living abroad recorded by BCEAO-Mali totaled CFAF 174 billion in 2009. This amount is far from inconsequential, being higher, for example, than public international cooperation grants to the government, which totaled CFAF 171.5 billion in 2009.
128. The amounts recorded by the BCEAO do not include transfers not directly observed because they do not transit through the banks or specialized companies, which are very expensive and which are not present throughout the country. A study by the AfDB published in January 2008 estimates the total amount of transfers received by Mali at CFAF 300 billion, 73 percent of which transits through "informal" channels. Almost two-thirds of these transfers (formal and informal) come from France.

Financing methods

The banking and financial system

129. At end-2009, the situation in the banking and financial system was characterized by:
- an increase in the money supply + 16.1 percent
 - a substantial increase in net foreign assets + 49.6 percent
 - an increase in credit to the economy + 10.9 percent
 - a decline in credit to the government - 13.4 percent
130. **Domestic credit**, i.e., the consolidated balance of domestic credit from the central bank and commercial banks, totaled CFAF 446.0 billion as of December 31, 2009, a decline of 13.4 percent from the 2008 level. At the same time, credit to the economy totaled CFAF 744.9 billion, compared to CFAF 671.2 billion in 2008, a 10.9 percent increase. This increase is remarkable given the decline in credit to the economy observed in most countries in 2009 as a result of the global recession. It made it possible to offset the effects of the international crisis on companies and individuals.

Decentralized financial systems (DFSs)

131. The DFSs mobilized CFAF 1.3 billion for investment, technical capacity building in supervisory organizations, and strengthening of the financing capacity of the system, which has been shown to contribute significantly to property reduction according to the 2008 National Human Development Report.

Balance of payments

132. Mali's balance of payments position in 2009 totaled CFAF 239.6 billion, an increase from the CFAF 272.9 billion reported in 2008. This increase is explained essentially by the improvement in the financial operations accounts as a result of the privatization of SOTELMA and the loans to the government

Financing outlook

133. To implement its poverty reduction strategy and attain the MDGs, the government is exploring various options with the TFPs, including: the Gleneagles Scenario, the so-called Initiative of the 166 Communes, financing of the National Program for Investment in the Agricultural Sector (PNISA), and so forth.
134. Announced external financing for the period 2008-2011 totals CFAF 1,830 billion.
135. The data collected to prepare the Medium-Term Resource Framework (MTRF) indicate commitments of CFAF 460.6 billion for 2009, of which CFAF 290.3 billion have been taken into account in the budget law.
136. Compared with 2009, financing is expected to increase by 23 percent in 2010, and then to decline. This trend is more indicative of the predictability of external aid flows than of an actual decline. Predictability drops the further one looks into the future.
137. However, the level of aid in 2010 (CFAF 568 billion) can be considered a credible guide for the level of aid to be reached in 2011.

5. Recommendations: Making the necessary corrections and providing the needed impetus

138. The recommendations listed below are directed in particular at the government of Mali (the Government), but also at the technical and financial partners (TFPs) and the private sector.

Recommendations to stimulate sustainable equitable growth

Step up implementation of the Accelerated Growth Strategy (AGS) and improve prioritization (Government)

139. The AGS calls for the implementation of 93 actions. Some of them are expected to have an impact on growth in the short term, but others will have only medium- and long-term effects. The sources (and therefore quality) of growth should be carefully analyzed to favor growth created by exports and/or private investments, which have relatively greater knock-on effects, particularly in the area of job creation. Better prioritization of these actions, along with the appropriate budget allocations, could facilitate the implementation of the AGS.

Accelerate implementation of the Agricultural Framework Law (Government)

140. Investing in agricultural subsectors will make it possible to ensure food security, create jobs in rural areas, and stimulate economic growth.
141. The Agricultural Framework Law calls for the allocation of budgetary resources to the rural sector through the creation of the National Fund in Support of Agriculture. Use of this fund should make it possible to raise yields, reduce production costs, and secure property rights (through application of the decree on the registration of agricultural holdings and the decree on the status of agricultural holdings). To achieve these objectives, the Agricultural Development Policy (PDA) and the National Program for Investment in the Agricultural Sector (PNISA) must be finalized and implemented quickly.

Develop agricultural processing activities (Government)

142. A large number of products could be further processed to meet the needs of the domestic market and for export to the subregion and beyond. An important challenge will be to improve the quality of products. The Government should strengthen institutions, quality and

standardization infrastructures, application and respect of the existing standards, and guidance of companies in certification and quality management processes.

Develop the agricultural, forestry, and pastoral export subsectors (Government)

143. The potential of the agricultural, forestry, and pastoral subsectors, where demand for products is high on the international market, provides an opportunity to reduce poverty.
144. It is true that production must increase and agri-food enterprises must develop, but the key remains marketing at the international level, for which various prerequisites must be met, including access to transportation and conservation infrastructure and a good understanding of international standards.

Accelerate implementation of the National Vocational Training Policy and invest heavily in higher education (Government)

145. In its development strategy documents, Mali has emphasized basic education, which helps to raise the enrollment ratio for children. While this is certainly a valid approach, it will help to increase growth only in the medium and long term. To sustain short-term growth, the focus must be on vocational and technical training to increase the number of qualified workers and employees needed by companies. The National Policy on Vocational Training adopted in July 2009 must be implemented.
146. There is presently some mismatch between the proposed training and companies' needs. The National Policy Paper on Higher Education and Scientific Research underscores this: "Given the national economic structure and possible medium-term trends, the main competency deficits today involve skilled workers [. . .]. There is therefore a need to propose a supply of short-term professional training leading to a diploma or other qualification that meets the needs identified in socioeconomic growth sectors."
147. Moreover, the deterioration of higher education in Mali will create very serious problems in 10 years' time when a large number of qualified professionals in the private and public sectors will retire. In the medium and long term, growth cannot be sustained unless higher education provides the Malian government and companies with the qualified employees they need.

Alleviate red tape for companies (Government and private sector)

148. The institutional environment creates serious difficulties for companies. The red tape, multitude of controls, and lack of clarity in the procedures used and decisions made by the various levels of government are a constraint to initiatives by local entrepreneurs and foreign investors. It is significant that the foreign investments that are successful are made by very powerful companies (SUKALA or the telephone operators, for example), which have access to the highest levels of government. What is needed is to:
 - increase the productivity of companies by reducing delays and lowering start-up costs (official and unofficial taxes),
 - encourage entrepreneurs to increase their investments, either in existing companies or in new companies.
149. These difficulties could be alleviated by a redefinition of the mandates of institutions providing direct services to enterprises, particularly the National Directorate of Commerce and Competition, the General Directorate of Taxes, and the General Directorate of Customs (Pillar 2 of the PRGSP).

Ensure that environmental protection regulations are respected and speed up implementation of the program for sustainable land management (Government)

150. In an international context of climate change and its harmful effects on health, soil, food security, etc., production systems must move toward clean production technologies.
151. This requires the application and strict respect of existing regulations, the implementation of the Strategic Framework for Investment in Sustainable Land Management (CSI/GDT), and the introduction of measures to encourage the various parties concerned to opt for production systems that respect the environment.

Facilitate private sector access to credit (Government, TFPs, and private sector)

152. Given the barriers to access to credit, the government plans to establish two funds for SMEs: a Guarantee Fund that should make it easier to obtain loans from private banks and a National Fund for Investment that will directly finance lending. These funds should be endowed with CFAF 5 billion each.
153. The impact of these funds on the banking system must be simulated in a feasibility study to ensure that these investments are not counterproductive in the medium term. Subject to satisfactory and controlled impact, the government could ask the TFPs to contribute to these funds.
154. The assessment of the impact of a Guarantee Fund for SMEs could lead to the creation of a similar fund for large companies facing borrowing difficulties. Such a fund could also be supported by the TFPs

Recommendations for accelerating poverty reduction

Improve the productivity of the food crops sector (Government and TFPs)

155. To attain the goal of combating hunger and malnutrition by 2015, Mali must:
 - step up the rate of execution of hydro-agricultural projects to protect crops from climatic uncertainties and reduce the vulnerability of the population;
 - facilitate access to agricultural credit and further promote the provision of equipment to farmers, livestock herders, and fishermen;
 - maintain price incentives for producers while protecting the purchasing power of consumers.

Continue to improve the supply of social services at the commune level by endeavoring to reduce regional disparities (Government and TFPs)

156. Increasing the supply of social services has helped to reduce poverty. To ensure that this trend continues, it is important to expand the socioeconomic infrastructure (health, education, safe drinking water, electricity, housing, etc.) in all communes, especially in the poor communes, and to secure its operation in the long-term.
157. Based on the principle of interregional equalization, these investments should be more substantial in regions where the social indicators are lowest.

***Continue the actions undertaken for the development of microfinance
(Government, TFPs, and private sector)***

158. Microfinance can make a substantial contribution to poverty reduction. To strengthen the sector, the following measures should be taken:
- development and implementation of a restructuring strategy for the sector;
 - capacity building for promotion and oversight entities;
 - regularization of the status of all microfinance institutions operating outside the regulations;
 - capacity building for microfinance institutions:
 - in the preparation and implementation of business plans;
 - in the introduction of effective management and information systems;
 - development of adaptive and innovative products for specific zones and target groups in order to combat regional disparities;
 - diversification of the supply of financial services provided by microfinance institutions;
 - increased linkages with the banking sector;
 - establishment of a guarantee fund that will improve the refinancing of microfinance institutions;
 - compensation for the delays recorded in the granting of financing anticipated for 2008 and 2009.

***Accelerate implementation of the National Population Policy and the 2010-2014 Program of Priority Actions and Investments in Population (PAIPP)
(Government, TFPs)***

159. To slow population growth in the short term, targeted strategies for access to family planning, prevention of unwanted pregnancies, and improvement in the level of education of women must be implemented more effectively. A short-term decline in the fertility rate is possible. Implementation of the third PAIPP requires adequate financing by the Government and TFPs.

Reduce gender disparities by consolidating the rights of women and ensure the protection and promotion of the rights of children (Government)

160. The political will to consolidate the rights of women has been reflected in the development of the National Gender Equality Policy (PNEFH). In addition to the actions already undertaken, which must be consolidated, significant reductions in gender disparities will also require: (i) adoption and implementation of the PNEFH; (ii) adoption of the Persons and Family Code, which is currently being reviewed; (iii) adoption of laws and regulations to achieve parity between men and women in senior positions; (iv) preparation and adoption of a policy for the protection of children.

Recommendations to increase the volume and effectiveness of financing

Achieve a tax burden of 17 percent by expanding the tax base

161. The challenge is greater tax equity, which requires:
- continuation of the institutional and organizational reforms undertaken in the tax administration, which must receive additional human and physical resources;

- public communications campaigns on the need for and purpose of taxation;
- continued dialogue between the government and its financial partners to ensure transparency in fiscal management;
- examination of the possibility of a higher VAT burden, which currently represents only 34.1 percent of total government revenues, while the currently accepted standard is 50 percent.

Increase the share of capital expenditure in the government budget (Government)

162. During the 2007-2009 period, capital expenditures were lower than PRGSP forecasts, although capital spending is one of the main sources of economic growth.
163. During the three years under review, this problem was reflected in the small share of expenditure dedicated to Pillar 1 of the PRGSP, "Developing infrastructure and the productive sectors". Better programming of capital expenditure through the Special Investment Budget (SIB) could help to reverse this trend.

Continue to improve fiscal management, which will encourage the TFPs to increase their financing and to have greater recourse to budgetary assistance (Government and TFPs)

164. PAGAM I has made fiscal management more effective and transparent since 2005. This improvement is expected to continue with PAGAM II beginning in 2011 and will result in better use of available resources and a direct increase in such resources owing to higher tax revenues. An indirect increase may also result if the expenditure cycle is more rigorously controlled as in that case the TFPs may be encouraged to increase their financing and to make greater use of budgetary assistance.

Continue efforts to improve aid effectiveness (Government and TFPs)

165. In addition to the various consultation frameworks—the introduction and relatively regular occurrence of which certainly constitute progress—the government, the TFPs, and other groups of players have adopted the National Action Plan on Aid Effectiveness and the JCAS Action Plan. These two documents should shortly incorporate the conclusions of the assessments currently under way (Phase 2 of the Paris Declaration, budgetary assistance, PEFA). They call for the TFPs and the government to continue their efforts and implement the necessary reforms so as to obtain concrete results:
- predictability of aid by providing timely, comprehensive data covering the entire period of the PRGSP;
 - alignment by:
 - strengthening the sectoral approach and introducing it in new sectors;
 - increasing the use of budgetary assistance by aligning it with the budgetary cycle, particularly for payments;
 - using the national fiscal and public procurement systems;
 - continuing to harmonize the triggers for budgetary assistance;
 - harmonization of procedures and coordination of interventions by developing joint analytical studies and missions;
 - improvement of the distribution of tasks and search for complementarities;
 - results-based management by pursuing implementation of the Medium-Term Expenditure Framework (MTEF);

- mutual responsibility by ensuring that the existing consultation frameworks create genuine reciprocal accountability.

Convince the TFPs that have been reluctant thus far, particularly those that signed the Paris Declaration, to join in the existing coordination mechanisms (Government and TFPs)

166. Some TFPs make substantial contributions to Mali but do not participate in the existing coordination mechanisms. Their participation in these mechanisms, particularly the thematic and crosscutting groups, would help to provide a better understanding of the external financing allocated for development aid and therefore its effectiveness.

Strengthen the investment capacities of the local governments with a view to remedying regional disparities

167. Although the impetus for deconcentration and decentralization of resources does now exist, it is not sufficient to provide the deconcentrated levels of government and the local governments with the resources they need to perform the missions that have been transferred to them.
168. The implementation of long-term investment projects and development schemes should make it possible to develop the potential of the communes.
169. This requires strengthening information systems on the needs and resources of the local governments, particularly their own resources. Strengthening these systems will allow for optimal allocation of resources to the regions and communes on the basis of two criteria:
- the resident population in these communities (based on the General Population Census);
 - to specific needs of the communities (based on poverty tracking indicators).

Increase the block operating grants to the local governments

170. There has clearly been a decline in the block operating grants to the local governments, which is in contradiction with the decentralization policy. These operating grants are used to pay the wages of the local governments' secretaries general and revenue and expenditure managers. They should increase in line with the government wage bill (between 2.5 percent and 5 percent annually), but in fact have been declining, with the natural consequence that decentralization is becoming more dysfunctional and performing poorly.

Increase the tracking of the resources of the local governments and NGOs that have signed the Framework Agreement (resources allocated to them as well as their own resources) (Government)

171. The data transmitted by the local governments, public institutions, and NGOs that signed the Framework Agreement are very incomplete.
172. Tracking of their activities requires:
- increased staffing of the units concerned in the central government (particularly the DNTCP as regards the public institutions):
 - strengthening of their institutional mandate, particularly their authority to conduct inspections and/or audits;
 - increase in their human and physical resources
 - strengthening of the administrative and financial units of the local governments and NGOs that signed the Framework Agreement, particularly by providing training in their accounting systems.

Continue implementation of the measures taken to stimulate foreign investment (Government and private sector)

173. Step up implementation of the Action Plan to improve the business environment and the revision currently under way of the Investment Code to provide greater security for investors, both:
- institutionally (by improving the execution of contracts and strengthening the institutions that represent the private sector, particularly the Chambers of Commerce);
 - and operationally (by simplifying procedures and making them more transparent).

Design and implement a consistent set of measures to better direct transfers by Malian expatriates (Government and private sector)

174. The total amount of transfers by Malians living abroad is higher than public assistance provided by international cooperation. To optimize the use of these funds, it is necessary to:
- stimulate increased competition between banks and specialized companies to reduce transfer costs, which would make it possible to decrease the transfers coming in via unidentifiable channels;
 - promote financial products that are better adapted to the expectations of migrants to safeguard the savings that they invest "back home," particularly in real estate;
 - design and develop mechanisms to encourage migrants and recipients to use these funds for social or productive investments.

Starting in September 2010, collect the necessary data for the 4th Review of the PRGSP and preparation of the 2012-2016 PRSP (Government)

175. This involves mobilizing the institutional resources and/or necessary research resources to remedy the weaknesses in the third review. At the same time, preparation of the 2012-2016 PRSP must begin. These efforts must be made jointly with all the parties concerned (central government, decentralized and deconcentrated levels of governments, private sector, civil society).
176. At the present time, some useful data cannot be taken into account sufficiently owing to the lack of a genuinely harmonized schedule. A study on this topic will be launched shortly by the Secretariat for Aid Harmonization. Nonetheless, the fact that this effort to harmonize agendas has not yet been successful should not prevent consideration of the conclusions of the third review of the PRGSP during the preparation of the 2011 budget law.

Accelerate implementation of the Statistics Master Plan (Government and TFPs)

177. It is essential to regularly schedule and carry out surveys to assess poverty and its impact on the well-being of the population in order to provide data for the PRGSP reviews. This requires adequate financing and strict implementation of the priority action plan (2008-2012) of the Statistics Master Plan for the production, use, and dissemination of high quality, up-to-date statistics.

Conclusion

178. The 2009 review constitutes the mid-term review of the Poverty Reduction and Growth Strategy Paper (PRGSP) for 2007-2011. It is based on the analyses made above in this report, which can be divided into two major categories:

- First, a retrospective analysis of issues relating to:
 - implementation of the planned policies, strategies, and actions;
 - use of the available financial and human resources;
 - achievement of the goals;
 - problems and constraints.
 - Second, a forward-looking analysis of issues relating to:
 - next steps/changes to be made to the policies, strategies and actions to improve the results;
 - necessary resources to be provided;
 - solutions to systemic, crosscutting problems.
179. Clearly, during the review, a critical analysis of the implementation of the PRGSP as a coordinating framework for policies and strategies must be conducted, the main constraints that hampered its execution must be identified, and the necessary measures to improve its performance must be proposed

Annexes: Key Tables

	2006 <i>Memorandum</i>	2007	2008	2009	2010	2011	Average
PRGSP forecasts (%)	3.6	7.0	6.4	6.5	7.8	7.1	7.0
Achievements (%)	5.3	4.3	5.0	4.5			4.6

Source: INSTAT, DNPD

At constant prices (base 1987)	2004	2005	2006	2007	2008	2009	2004/2009 Average
Primary sector	-1.5 %	2.3 %	1.5 %	0.9 %	4.4 %	2.0 %	1.6 %
Secondary sector	0.6 %	1.8 %	1.8 %	-1.0 %	-0.9 %	0.7 %	0.5 %
Tertiary sector	2.4 %	1.6 %	3.3 %	3.8 %	1.6 %	1.3 %	2.4 %
Indirect taxes	0.8 %	0.4 %	-1.3 %	0.6 %	-0.1 %	0.4 %	0.1 %
Rate of growth	2.3 %	6.1 %	5.3 %	4.3 %	5.0 %	4.4 %	4.6 %

Source: INSTAT/DNPD

At constant prices (base 1987)	2002-2006 Average	2007	2008	2009	2007-2009 Average
Primary sector GDP	39.8 %	33.4 %	36.1 %	36.5 %	35.3 %
Secondary sector GDP	22.7 %	20.4 %	18.6 %	18.4 %	19.1 %
Tertiary sector GDP	30.8 %	38.6 %	38.4 %	38.0 %	38.3 %
GDP at factor costs	93.3 %	93.0 %	93.0 %	92.9 %	92.7 %
Indirect taxes (minus subsidies)	6.7 %	7.0 %	7.0 %	7.1 %	7.3 %
GDP at market prices	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: INSTAT/DNPD

	2006 memorandum	2007	2008	2009
Primary school gross enrollment ratio (GER)	75.0 %	77.6 %	80.0 %	82.0 %
Primary school gross enrollment ratio for girls	65.6 %	68.0 %	70.7 %	73.0 %
Primary school intake rate	74.2 %	75.6 %	79.4 %	77.7 %
Primary school completion rate	48.5 %	53.2 %	54 %	55.7 %
Primary school repeater rate	17.0 %	15.2 %	14.2 %	13.4 %
GER girl/boy parity Index	0.76 %	0.78 %	0.79 %	0.80 %
Primary school pupil-teacher ratio (PTR)	56.0	55.0	55.0	53.0

Source: CPS Education

Table 5 – Trends in MDG Health Indicators

	Achievements		Goals	
	2001	2006	2011	2015
Maternal mortality per 100,000 live births	582	464	344	146
Rate of prevalence of family planning (FP)	5.7 %	6.9 % (6.4 without LAM)	10 %	20 %
% FP needs not met	35 %	31 %	25 %	
% of mothers under 20 years old	34 %	30 %	24 %	
% attended births	41 %	49 %	65 %	
Prenatal clinic attendance rate (CPN)	30 %	35 %	46 %	

Source: CPS/Health

Table 6 - Percentage of population living less than 5 km from health care

	2006	2007	2008	2009
Proportion of the population living within 5 km of a functional CSCOM	51.0 %	58.0 %	58.0 %	57.0 %
Proportion of the rural population living within 15 km of a health structure offering the minimum package of services in a fixed center and mobile/advanced strategy activities	76.0 %	79.0 %	80.0 %	88.0 %

Source: DNS/LHIS

Table 7 – Tracking Indicators for the Social Development and Solidarity Sector- PRODESS II

	2006	2007	2008	2009
Medical assistance for impoverished persons	35.4 %	48.0 %	53.0 %	56.7 %
Population covered by mutual associations	1.7 %	2.4 %	2.6 %	3.5 %
Population covered by mutual health associations	1.5 %	1.7 %	1.9 %	3.0 %

Source: MDSSPA/Planning Unit

Table 8 – Rate of Access to Safe Drinking Water

	2007	2008	2009
In rural areas	67.6 %	69.9 %	71.4 %
In urban and semi urban areas	75.9 %	76.3 %	77.4 %
National	70.1 %	71.7 %	73.1 %

Source: DNH (global access to safe drinking water calculation method)

Table 9 – Rate of Access to Electricity

	2007	2008	2009
Overall rate	22.5 %	25.41 %	25.27 %
Urban areas	55.6 %	58.2 %	53.00 %
Rural areas	8.2 %	11.2 %	13.3 %

Source: Statistical Compendium of the CPS/SME, April 2010

Table 10 - Number of Newly Created Jobs

	2006	2007	2008	2009
Private jobs	13,464	13,618	20,532	30,088
Public jobs	9,555	3,659	8,232	3,535
Total	23,019	17,277	28,764	33,623

Source: National Directorate of Employment

Table 11 – Elected and Appointed Positions of Responsibility by Gender						
Positions of responsibility	2008			2009		
	Men	Women	% Women	Men	Women	% Women
Elected positions						
Presidents of political parties	110	3	3 %	121	3	2 %
Members of Parliament	132	15	10 %	132	15	10 %
National advisors	69	6	8 %	69	6	8 %
Mayors	696	7	1 %	695	8	1 %
Communal advisors	10 054	720	6.7 %	9 847	927	8.6 %
Members of the CCIM	13	0	0 %	12	2	14.3 %
Appointed positions						
Ministers	20	7*	25.9 %	23	8**	25.8 %
Members of the Constitutional Court	6	3	33 %	6	3	33 %
Members of the Supreme Court	6	1	14 %	6	1	14 %
Members of the CESC	51	7	12 %	52	6	10 %
Ambassadors	19	3	13.6 %	26	4	13.3 %
Secretaries general	26	0	0.0 %	24	2	7.7 %
Ombudsperson of the Republic	0	1	100 %	0	1	100 %
Directors of central and seconded services	95*	6**	5.9 %	262	29	10 %
Source: CNDIFE						
*Including the Commissioner for Food Security						
** Including the Commissioner for Food Security, the Secretary General of the Government, the Directors of central services						

CFAF billion	2007			2009			2009			2007-2009
	Forecast	Achieved	% Achieved	Forecast	Achieved	% Achieved	Forecast	Achieved	% Achieved	% Achieved
Revenue and grants	749.4	768.1	102.5	881.4	741.5	84.1	935.6	896.5	95.8	93.7
Total revenue	582.4	586.9	100.8	718.6	607.3	84.5	768.6	725.0	94.3	92.7
• Fiscal revenue	535.4	539.9	100.8	663.5	540.6	81.5	708.5	653.2	92.2	90.8
- Net tax revenue	509.5	536.7	105.3	621.0	541.9	87.3	662.2	624.3	94.3	95.3
Direct taxes	106.2	106.6	100.4	112.3	149.7	133.3	122.5	177.1	144.6	127.0
Net indirect taxes	403.3	430.1	106.6	448.4	392.2	87.5	491.5	447.2	91.0	95.0
VAT	240.0	238.7	99.5	256.2	200.8	78.4	280.0	247.4	88.4	88.4
Domestic taxes on petroleum products	27.0	27.0	100.0	28.7	35.2	122.6	30.5	23.1	75.7	98.9
Import taxes (customs duties and taxes)	75.0	86.7	115.6	79.2	64.3	81.2	84.5	90.1	106.6	101.0
Other duties and taxes	87.3	77.7	89.0	101.3	91.9	90.7	114.6	93.6	81.7	86.8
Repayment of VAT exemptions and credits	-16.0	-27.0	168.8	-17.0	-22.5	132.4	-18.1	-7.0	38.7	110.5
- Nontax revenue	25.9	30.2	116.6	42.5	21.2	49.9	46.4	28.9	62.3	69.9
• Supplementary measures	0.0	0.0	0.0	60.4	0.0	0.0	48.2	0.0	0.0	0.0
Revenues of the special funds and annexed budgets	47.0	47.0	100.0	55.0	66.7	121.3	60.0	71.8	119.7	114.5
Grants	167.0	181.2	108.5	162.9	134.2	82.4	167.1	171.5	102.6	97.9
Projects	93.0	90.2	97.0	102.4	54.6	53.3	110.1	74.1	67.3	71.6
Overall budgetary assistance (ABG)	24.8	49.2	198.4	25.0	25.0	100.0	25.2	51.9	206.0	168.11
Sectoral budgetary systems (ABS)	49.2	39.9	81.1	35.5	54.6	153.8	31.8	45.5	143.1	120.01
Multilateral Debt Relief Initiative (MDRI)		1.9								
Source: DNTCP										

CFAF billion	2007			2008			2009			2007-2009
	Forecast	Achieved	% Achieved	Forecast	Achieved	% Achieved	Forecast	Achieved	% Achieved	% Achieved
Expenditure and Net Lending (commitment basis)	932.3	891.2	95.6	984.5	828.2	84.1	1,048.0	1,015.8	96.9	92.3
Fiscal expenditure	890.9	893.5	100.3	933.5	754.0	80.8	992.4	925.0	93.2	91.3
• Current expenditure	459.5	462.4	100.6	484.7	459.1	94.7	515.5	548.8	106.5	100.7
-- Personnel	160.5	160.3	99.9	174.2	186.0	106.8	186.4	213.5	114.5	107.4
-- Goods and services	181.8	182.2	100.2	189.9	164.7	86.7	204.8	190.2	92.9	93.2
-- Transfers and subsidies	103.7	105.9	102.1	109.0	94.3	86.5	113.0	129.6	114.7	101.3
• Interest due	13.5	14.0	103.7	11.6	14.1	121.6	11.3	15.5	137.2	119.8
-- External debt	11.8	2.7	22.9	10.0	12.5	125.0	9.8	12.4	126.5	87.3
-- Domestic debt	1.7	11.3	664.7	1.6	1.6	100.0	1.5	3.1	206.7	333.3
• Capital expenditure	431.4	431.1	99.9	448.8	294.9	65.7	476.9	376.2	78.9	81.2
-- External financing	295.1	268.2	90.9	303.9	172.8	56.9	322.1	223.9	69.5	72.2
Borrowing	152.9	128.8	84.2	166.0	70.8	42.7	180.2	104.3	57.9	60.9
Grants	93.0	90.2	97.0	102.4	54.6	53.3	110.1	74.1	67.3	71.7
Budgetary assistance	49.2	49.2	100.0	35.5	47.4	133.5	31.8	45.5	143.1	122.0
-- Domestic financing	136.3	162.9	119.5	144.9	122.1	84.3	154.8	152.3	98.4	100.3
Expenditure from special funds and annexed budgets	47.0	47.0	100.0	55.0	66.7	121.3	60.0	71.8	119.7	114.5
Net lending	-5.6	-49.3	880.4	-4.0	7.6	-190.0	-4.4	18.9	-429.5	162.9

Source: DNTCP

Table 14 – PRGSP – Expenditure Trends by Sector (excluding external SIB financing) between 2007 and 2009			
CFAF billion	2007 Achieved	2008 Achieved	2009 Achieved
<i>Pillar 1: Developing infrastructure and the productive sectors</i>	126.4	139.7	166.4
Agriculture	45.6	52.1	63.8
Mining, Water Resources, and Industry	18.4	27.6	30.5
Urban Planning and Public Works	40.8	37.5	43.8
Transportation	10.6	9.9	16.2
Communications	11	12.6	12.1
<i>Pillar 2: Pursuing and consolidating the structural reforms</i>	196.6	199.4	211
Public authority and general administration	102.2	96	98.4
Diplomacy and foreign affairs	19.4	19.6	19.7
Defense, domestic security	75	83.8	92.9
<i>Pillar 3: Strengthening the social sector</i>	256.6	264.1	297.7
Basic education	116.1	111.4	115.9
Secondary and higher education	37.6	51.8	60.9
Culture, youth, and sports	13.4	14.2	14.7
Health	51.4	57.2	65.8
Social sectors	31	21.5	34.4
Employment	7.1	8	6
Debt and other expenditures	143.4	146.9	152.7
Domestic debt	0.8	1.5	1.9
External debt	25.1	29.1	33.5
External debt service	10.9	13.3	13.6
Other	106.6	103	103.7
Total	723.0	750.1	827.8
Source: DGB Provisional data for 2009			

	2007 Achieved	Share of total	2008 Achieved	Share of total	2009 Achieved *	Share of total
Pillar 1: Developing infrastructure and the productive sectors	126.4	17.5%	139.7	18.6%	166.4	
Pillar 2: Pursuing and consolidating the structural reforms	196.6	27.2%	199.4	26.6%	211	25.5%
Pillar 3: Strengthening the social sector	256.6	35.5%	264.1	35.2%	297.7	36.0%
Other	143.4	19.8%	146.9	19.6%	152.7	18.4%
Total	723	100.0%	750.1	100.0%	827.8	100.0%

Source: DGB
Provisional data for 2009

CFAF billion	2007 Achieved	2008 Achieved	2009 Achieved
Pillar 1: Developing infrastructure and the productive sectors	102.40	108.40	116.10
Agriculture	45.40	42.00	42.30
Mining, water resources, and industry	14.10	21.30	19.50
Urban planning and public works	30.20	32.30	39.10
Transportation	7.30	6.30	10.10
Communications	5.40	6.50	5.10
Pillar 2: Pursuing and consolidating the structural reforms	36.90	33.40	33.40
Public authorities and general administration	34.90	31.10	30.80
Diplomacy and foreign affairs	0.00	0.00	0.00
Defense, domestic security	2.00	2.30	2.60
Pillar 3: Strengthening the social sector	256.70	263.00	287.60
Basic education	115.40	110.90	114.80
Secondary and higher education	31.20	43.40	52.30
Culture, youth, and sports	12.30	12.90	13.20
Health	50.70	56.40	65.00
Social sectors	31.00	21.50	24.20
Employment	6.80	7.70	5.80
Other	9.30	10.20	12.30
Total	396.00	404.80	437.10
Share of expenditure (C. Table 14)	723.00	750.10	827.80
Poverty reducing spending as a share of total spending	0.55	0.54	0.53

Source: DGB
Provisional data for 2009

	2007	2008	2009
Pillar 1: Developing infrastructure and the productive sectors	25.9%	26.8%	26.6%
Pillar 2: Pursuing and consolidating the structural reforms	9.3%	8.2%	7.6%
Pillar 3: Strengthening the social sector	64.8%	65.0%	65.8%
Total	100.0%	100.0%	100.0%

Source: DGB
Provisional data for 2009

Table 18: External financing of the SIB (in CFAF million)

Items	Total forecast	Total achieved	Rate	Loans			Subsidies		
				Forecast	Achieved	Rate	Forecast	Achieved	Rate
Rural economy	76,876	59,211	77%	67,789	52,290	77%	9,042	6,921	77%
Agriculture	56,726	44,871	79%	51,930	40,827	79%	4,796	4,044	84%
Livestock	12,660	8,231	65%	10,318	6,685	65%	2,342	1,546	66%
Fisheries	4,886	4,138	85%	4,841	4,138	85%	0	0	0%
Forestry	2,604	1,971	76%	700	640	91%	1,904	1,331	70%
Secondary sector	47,919	39,592	83%	19,543	17,486	89%	28,376	22,106	78%
Mining-Geology	0	1,090	0%	0	1,090	0%	0	0	0%
Water	32,194	23,686	74%	10,909	7,214	66%	21,285	16,472	77%
Energy	6,552	6,816	104%	5,123	6,182	121%	1,429	634	44%
Industry-Handicrafts	9,173	8,000	87%	3,511	3,000	85%	5,662	5,000	88%
Tourism	0	0	0%	0	0	0%	0	0	0%
Infrastructure	65,239	38,775	59%	53,239	28,637	54%	12,045	10,138	84%
Roads	60,510	35,416	59%	40,510	26,578	66%	12,045	8,838	73%
Railroads	0	0	0%	0	0	0%	0	0	0%
River transport	0	0	0%	0	0	0%	0	0	0%
Air trans.- meteorology	2,684	2,059	77%	2,684	2,059	77%	0	0	0%
Post-Telecom.	0	0	0%	0	0	0%	0	0	0%
Topography-Cartog.	0	0	0%	0	0	0%	0	0	0%
Construction-Equip.	0	0	0%	8,000	0	0%	0	0	0%
Urban planning-housing	2,045	1,300	64%	2,045	0	0%	0	1,300	0%
Transport-Storage	0	0	0%	0	0	0%	0	0	0%
Human resources	67,595	55,002	81%	20,545	10,674	52%	47,050	44,328	94%
Employment-Training	2,640	2,133	81%	0	0	0%	2,640	2,133	81%
Education	24,132	21,110	87%	10,582	4,924	47%	13,550	16,186	119%
Sports-Art-Culture	0	0	0%	0	0	0%	0	0	0%
Health-Social Affairs	19,604	17,385	89%	6,193	5,750	93%	13,411	11,635	87%
Information	0	0	0%	0	0	0%	0	0	0%
Admin.-Finan. Planning	21,219	14,374	68%	3,770	0	0%	17,449	14,374	82%
Total sectors	257,629	192,580	74.8%	161,116	109,087	68%	96,513	83,493	87%

Source: DNPD

**2009 Review of the Poverty Reduction and Growth Strategy
(2007-2011 PRGSP)**

RESULTS MATRIX

RESULTS OF THE 2009 REVIEW OF THE PRGSP

Results	Indicators															
	Indicators	Type	2015 MDG target	Reference value	Execution				Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010	2011				Collection	Analysis
Poverty and Food Security																
Promote accelerated, sustained growth and significantly reduce poverty																
Poverty																
The poverty rate has declined	1. Incidence of poverty	I	34.40%	47.40%	-	-	43.70%	43.80%	42.60%	41.40%	ODHD/INSTAT	Surveys	Five years	ODHD/INSTAT	ODHD/INSTAT	
Food security																
Every citizen is assured food security																
Fewer persons are facing serious food insecurity	2. Proportion of persons facing food insecurity who receive benefits	R	-	1.17	0	0	0	0.6	0.41	0.22	SAP report on food and nutritional situation	Reporting	Annual	SAP	SAP	
National grain stocks have increased	3. National grain stocks, consisting of the National Security Stock and the State Intervention Stock (cereal banks) in tons	A	-	-	59,600	76,944	46,777	79,800	89,900	100,000	OPAM/SAP	Reporting	Annual	CSA	CSA	
The food situation of children under five has improved	4. Rate of acute infantile malnutrition (%)	I	-	14.40%	10%	6.10%	6.20%	12%			Results of EVSS conducted by the SAP, in cooperation with UNICEF, PAM, INSTAT, INRSP, FEWS Net, and the	Survey by sampling	Annual	SAP	SAP	

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
											Ministry of Health and Ministry of Agriculture Planning and Statistics Units (CPS)				
Macroeconomic and budgetary framework															
<i>Accelerated, sustained growth</i>															
<i>Growth, financial stability, public financial management</i>															
GDP growth averages 7 percent	5. Real GDP growth (%)	R	5.8	5.3	4.3	5.0	4.5	6.5	7.8	7.1	INSTAT/DNPD	Reporting (Administrative data collection method)	Annual	INSTAT/DNPD	INSTAT/DNPD
	6. Ratio of outstanding debt/GDP	R	-	21%	20.4%	22.6%	25.3%	26.7%	21.1%	18.2%	DNPD/DGDP	Reporting (Administrative data collection method)	Annual	DGDP	DGDP/CPM
Promote strong, sustained growth and significantly reduce poverty	7. Total real expenditures in proportion to budget initially approved	R	AA	B				A	A	a	DGB	PEFA method	Every 3 years	DGB	DGB
Public financial management meets Community standards	8. Tax rate (%)	I	17.2	14.7	14.2	13.3	14.7	17	17	17	INSTAT / DNPD	Reporting (Administrative data collection method)	Annual	INSTAT / DNPD	INSTAT / DNPD
	9. Average annual rate of inflation (%)	I	0.2	1.5	1.5	9.2	2.2	1.4	1.5	1.6	INSTAT / DNPD	Reporting (Administrative data collection)	Annual	INSTAT / DNPD	INSTAT / DNPD

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
												method)			
	10. Percentage of investment expenditures domestically financed (%)	r	22.5	25.8	22.5	23.5	24.4	22.5	22.5	22.5	DGB/DNTCP	Flow-of-Funds Table (TOFE)	Annual	DGB/DNTCP	DGB/DNTCP
Developing basic infrastructure and the productive sectors															
Rural development															
Grain production has increased	11. Total grain production (thousands of tons)	R	-	3,693	3,885	4815	5090 ¹	4,685	5,262	5,683	CPS SDR/ DNA	Agriculture market surveys	Annual	CPS SDR/ DNA	CPS SDR/ DNA
Access to irrigated farming has improved	12. Additional fully irrigated areas developed (hectares)	R	12,000	10,166	3,314	3414	4343	10,000	10,000	10,000	CPS SDR/ DNGR	PGA data and inventory of improved sites	Quarterly	DRGR, PGA Coordination	DRGR, PGA Coordination
Production of cotton (main export crop) has increased	13. Production of cotton seed (tons)	R	620,000	414,965	242,233	202,397	236,000	550,000	570,000	578,000	CPS SDR / CMDT	Inventory of areas and production estimate	Annual	CMDT (DPA)	DPA/CMDT
	14. Production of cotton fiber (tons)	R	266,600	175,797	100,941	85,654	85,171	231,000	239,400	242,800	CPS SDR / CMDT	Estimate based on agricultural production	Annual	CMDT (DPI)	DPI / CMDT
Livestock production has increased	15. Head of cattle														
	Cattle	R	10,233,913	7,843,442	8,141,000	8,385,700	8,896,300	8,570,741	8,827,863	9,092,699	DNPIA /Annual reports	Annual growth rates applied to data from 1991 national census	Annual	DRPIA	DSEI

¹ Initial estimate.

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
	Sheep (head)	R	13,761,422	8,870,735	9,761,000	10,249,600	11,300,200	10,268,985	10,782,434	11,321,556	"	"	"	"	"
	Goats (head)	R	19,620,368	12,647,464	13,593,000	14,272,700	15,735,600	14,641,021	15,373,072	16,141,725	"	"	"	"	"
Dairy and meat production are developed	Milk (T)	R	2,267,409	1,815,579	1,798,502	1,187,992	1,944,202	1,974,301	2,033,530	2,094,536	DNPIA /2006 Annual Report	Estimated production based on bio-economic parameters	Annual	DRPIA	DSEI
	Meat (T)	R	49,515	39,648	44,921	47,963	43,421	43,114	44,408	45,740	DNPIA /2006 Annual report	Statistics of controlled slaughter	Annual	DRPIA	DSEI
The leather and hide sectors are more competitive	Exports of hides (T)	R	1,806	1,446.00	1,421.00	986	1,301.92	1,572.41	1,619.58	1,668.17	DNPIA /Annual and monthly reports	Controlled exports of pelts	Weekly, monthly, and annual	DRPIA	DSEI
	Leather exports (T)	R	10,808	8,654.51	2,047.00	1579	2,133.71	944.11	9,693.44	9,984.25	DNPIA /Annual and monthly reports	Controlled exports of leather	Weekly, monthly, and annual	DRPIA	DSEI
Implementation of the national environmental protection policy has increased the number of forested areas	16. Size of forest areas (hectares)	R	-	7,530	9,079.37	10,390.0	16,335.1	10,000	10,000	12,000	Periodic and annual reports of the DNCN and DRCN	Document analysis grid, interview guide, questionnaire, interview guide for target area	Quarterly and annual	CPS SEEUD/ DNCN	CPS SEEUD/ DNCN
	17. Number of simplified management plans prepared and implemented	R	-	150	50	220	186	302	322	342	Available studies and dossiers, periodic and annual reports of the DNCN and DRCN	Document analysis grid, interview guide, questionnaire, interview guide for target area	Quarterly and annual	CPS SEEUD/ DNCN	CPS SEEUD/ DNCN

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
Purification or decontamination stations are established in principal cities to treat liquid, solid, and gaseous waste from industrial and artisanal production units	18. Percentage of the population with adequate access to sanitation systems (%)	R	50	19	21	23	24	29	33	35	DNACPN, Municipalities, Projects	Census	Annual	CPS SEEUD/DNACPN	CPS SEEUD/DNACPN
	19. Reduction of watercourse infestation by proliferating aquatic plants (%)	R	100	-	-	-	-	20	30	40	ABFN, IER, ON documents, drafts	Reporting	Annual	Regional branch	ABFN
Transportation infrastructure															
The road network size and quality of management have improved road transportation	20.a. Kilometers of paved roads maintained	A	7,301	3,773	3,773	3,569	3,619	3,829	4,376	4,601	CPS/MET-DNR-SDR	Reporting (Administrative data collection method)	Annual	CPS/MET-DNR-SDR	CPS/MET-DNR-SDR
	20.b. Kilometers of dirt roads maintained	A	9,420	5,825	8,700	8,941	5,772	6,277	6,277	6,960	CPS/MET-DNR-SDR	Reporting (Administrative data collection method)	Annual	CPS/MET-DNR-SDR	CPS/MET-DNR-SDR
	21.a. Kilometers of paved roads in good condition	A	4,413	1,675	2,793	2,880	3,619	2,348	2,555	2,781	CPS/MET	Reporting (Administrative data collection method)	Annual	CPS/MET-DNR-SDR	CPS/MET-DNR-SDR
	21.b. Kilometers of dirt roads in good condition	A	3,769	1,675	5,220	3,595	5,772	1,815	2,096	2,425	CPS/MET	Reporting (Administrative data collection method)	Annual	CPS/MET-DNR-SDR	CPS/MET-DNR-SDR

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
	22. Kilometers of lanes constructed	A	1,800	-	263 0.38	76	718.9	45			CPS/MET-DNR-SDR	Reporting (Administrative data collection method)	Annual	CPS/MET-DNR-SDR	CPS/MET-DNR-SDR
Communication infrastructure															
Citizens have increased access to telephone service	23. Percentage of communes with telephone service (fixed and mobile)	R	70	-	45	53	65	40	45	50	CPS-MET/CRT, SOTELMA, ORANGE	Reporting (Administrative data collection method)	Annual	CPS-MET/CRT, SOTELMA, ORANGE	CPS-MET/CRT, SOTELMA, ORANGE
Energy and Mines															
Citizens have improved access to electricity	24. Rate of access to electricity by category:	R	National: 64,6% Urban: 86.90% Rural: 55.00%	National : 16,9% Urban: 52.90% Rural: 1.30%	National: 22,53% Urban: 55.58% Rural: 8.23%	National: 25.41% Urban: 58.19% % rural: 11.23%	National: 25,27% Urban: 53.00% Rural%	National: 25,80% Urban: 62.40% Rural: 10.00%	National: 28,30% Urban: 65.90% Rural: 12.00%	National: 31,50% Urban: 69.70% Rural: 15.00%	CPS/MEME compilation of statistics	Reporting (Administrative data collection method)	Annual	CPS/ME	CPS/ME
The mining sector has improved and gold production is maintained at a satisfactory level	25. Industrial gold exports (tons)	R	47	62.024	56.7	52.8	53.726	55.2	47.9	47.9	CPS/ME compilation of statistics	Reporting (Administrative data collection method)	Annual	CPS/ME	CPS/ME
Industry and Commerce															
The business environment has improved	26. Number of procedures required to create a company	R	-	13	11	11	7	11			"Doing Business" report	Surveys and polls	Annual	Doing Business team (World Bank Group)	Doing Business team (World Bank Group)

Results	Indicators															
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)		
					2006	2007	2008	2009	2009	2010				2011	Collection	Analysis
	27. Number of days required to create a company	r	-	42	26	26	3	26				"Doing Business" report	Surveys and polls	Annual	Doing Business team (World Bank Group)	Doing Business team (World Bank Group)
Culture, Artisanal Trades, Tourism																
Develop small and medium-size enterprises and industries in the Culture, Artisanal Trades, and Tourism sectors	28. Number of hotel arrivals	R	-	200,003	221,328	234,490	204,006	235,000	300,000	321,000	OMATHO	Monitoring of hotel and accommodation statistics	Month	OMATHO	OMATHO	
	29. Value of artisanal product exports (CFAF thousands)	R	-	506,970	1,168,352	860,315	3,733,886	538,001	548,761	559,736	CNPA	Statistical monitoring of certificates of origin/participant records from conferences, forums, and festivals	Month	CNPA	CNPA	
Institutional Development, Governance, and Participation																
Central Government involvement in decentralization	30. Percentage of national budget effectively transferred to local governments in proportion to budgeted amount (%)	A	-	-	100	100	100	100	100	100	DGB/DNCT/CA DB	Reporting	Annual	CDI/UE	CDI/UE	
Local governance	31. Percentage of minutes of ordinary sessions	A	-	60	99.15	89.08	99.49%	80			OISE/DNCT/CDI/HC CT database	Reporting	Annual	DNCT	DNCT	

Results	Indicators																
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)			
					2006	2007	2008	2009	2009	2010				2011	Collection	Analysis	
	prepared and transmitted to oversight agencies (%)																
Mobilization of local government resources	32. Amount of local government resources per capita (CFAF)	A	-	892	765.58	1012	1083	984					OISE/ DNCT/HCCT database	Reporting	Annual	DNCTP/DNP/ DNCT/CDI	DNCTP/DN P/DNCT/CD I
Technical support to local governments	33. Percentage of local governments receiving assistance (%)	A	-	100	100 (59.11 OISE base)	100		100	100	100			OISE/ DNCT/HCCT database	Reporting	Annual	DNCT/CDI/ ANICT/CNN	DNCT/CDI/ ANICT
Improved operations of central administration main and regional offices	34. New revenue – collection centers implemented	A	-	11	11	9		9					CDI/DNCTP	Reporting	Annual	DNCTP	CDI/DNCTP
	35. Number of operational units automated and connected via intranet	A	-	24	30	36	43	36					AGETIC/CDI	Reporting	Annual	AGETIC/CDI	AGETIC/ CDI
	36. Change in average time to sign DGMP contracts (days)	R	-	129	119	109.68	98.50	110					DGMP	Reporting	Annual	DGMP/CDI	DGMP/CDI
Capacity building for civil society	37. Number of alternative PRGSP monitoring and evaluation reports produced by civil society	A	-	2	4	5	7	1	1	1			Alternative reports produced by civil society: CNSC CONACIPAL, FOSCAO, GSB and AMDH	Surveys, document reviews	Annual	CNSC	CNSC

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
	38. Number of civil society strengthening programs implemented and receiving technical and financial support from the government	A	-	4	4	3	2	1	1	1	CNSC and other civil society organizations	Survey of civil society organizations, ministries, and TFPs	Annual	CNSC	CNSC
	39. Number of civil society proposals and/or opinions considered by the government in the context of policies or issues of national interest	A	-	2	2	3	3	1	1	1	CNSC and other civil society organizations	Survey of civil society organizations and ministries	Annual	CNSC	CNSC
	40. Percentage of NGO and association signatories of framework agreements with the government that have filed annual reports	A	-	19%	39.37%	19.00%	49.22%	22%	23%	24%	CADB/MATCL	Reporting	Annual	CADB	CADB/MATCL
Justice	41. Number of judges per capita	R	-	1/30,000	1/25,000	1/27203	1/33642	1/23689	1/22318	1/21174	National Directorate of Judicial Administration	Reporting	Annual	National Directorate of Judicial Administration	National Directorate of Judicial Administration
	42. Number of judiciary buildings built or	A		25	12	5	5	9	5	7	Ministry of Justice, DAF	Reporting	Annual	Ministry of Justice, DAF	Ministry of Justice, DAF

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
	rehabilitated														
	43. Mali's ranking in the Corruption Perceptions Index	R	-	2.8	2.7	3.1	2.8	3.9	4.2	4.6	TI/ODHD	Transparency International report	Annual	TI/ODHD	TI/ODHD
Strengthening of the social sector															
Education															
The primary school disparity between girls and boys is eliminated	44. Gross primary school intake rate (all schools)	R									Annual Statistical Report CPS/Education	Reporting	Annual	CPS Education	CPS Education
	a. Overall gross enrollment rate (GER)		91%	75.0 % (G=65.1%) (B=85.1%)	77.6% (G=68%) (B=87.8%)	80% (G=70.7%) (B=89.5%)	82% (G=73%) (B=91.2%)	82.10%	84.60%	87.20%					
	b. Boy/Girl GER parity index			0.76	0.77	0.79	0.80	b. Reduction of disparities	b. Reduction of disparities	b. Reduction of disparities					
	45. Gross primary school enrollment rate (all schools)	R									Annual Statistical Report CPS/Education	Reporting	Annual	CPS Education	CPS Education
	21.a. GER		90%	74.20% (G=67.0%) (B=81.5%)	75.8% (G=68.9%) (B=82.9%)	79.4% (G=72.3%) (B=86.8%)	77.7% (G=70.4%) (B=85.2%)	86.10%	90.00%	90.00%					
	b. Boy/Girl GER parity index				0.82	0.83	0.83	0.82	b. Reduction of disparities	b. Reduction of disparities	b. Reduction of disparities				

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
The quality of teaching in primary school has improved	46. Primary school completion rate (all schools)	R									Annual Statistical Report CPS/Education	Reporting	Annual	CPS Education	CPS Education
	a. Completion rate		82.50%	48.50% (G=38.4%) (B=58.7%)	53.2% (G=42.9%) (B=63.9%)	54% (G=44.8%) (B=63.5%)	55.7% (G=47.2%) (B=64.4%)	60.20%	63.90%	67.60%					
	b. TA F/G parity index			0.65	0.67	0.70	0.73	b. Reduction of disparities	b. Reduction of disparities	b. Reduction of disparities					
	47. Primary school pupil-teacher ratio (public and community schools)	R	50	56	55	55	53	57	56	55	Annual Statistical Report CPS/Education	Reporting	Annual	CPS Education	CPS Education
Health and combating HIV/AIDS															
Citizens' access to health services has improved	48. Percentage of the population living within 5 kilometers of an operational health center	R	58%	51%	58%	58%	57%	60%	62%	64%	Annual Statistical Report (SLIS) CPS / Health	Reporting	Annual	CPS / Health	CPS / Health
All children under age 1 are vaccinated	49.a. DTCP3 (Penta 3) vaccination rate for children under age 1	R	94%	92%	94%	94%	101%	≥90%	≥90%	≥90%	Annual Statistical Report (SLIS) CPS / Health	Reporting	Annual	CPS / Health	CPS / Health
	49.b. Measles vaccination rate in children under age 1	R	-	82%	89%	91%	97%	92%	94%	96%	Annual Statistical Report (SLIS) CPS / Health	Reporting	Annual	CPS / Health	CPS / Health
Women are guaranteed qualified	50. Rate of assisted births (including by	R	65%	55%	58%	61%	64%	60%	63%	65%	Annual Statistical Report (SLIS)	Reporting	Annual	CPS / Health	CPS / Health

Results	Indicators														
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)	
					2006	2007	2008	2009	2009	2010				2011	Collection
attendants at childbirth	ATR)														
The level of prenatal consultation (PNC) has increased	51. PNC rate	R	80%	75%	78%	82%	90%	80%	83%	86%	Annual Statistical Report (SLIS) CPS / Health	Reporting	Annual	CPS / Health	CPS / Health
Utilization of health services has increased	52. Utilization rate for curative consultations	R	-	0.26	0.29	0.29	0.33	0.33	0.35	0.36	Annual Statistical Report (SLIS and SIH) CPS / Health	Reporting	Annual	CPS / Health	CPS / Health
Efforts against HIV/AIDS are intensified	53. Prevalence of HIV/AIDS among pregnant women	I	1.75%	3.50%	2.80%	-	2.70%	1.80%	-	1.20%	CPS / Health, sentinel surveillance report	Reporting	Annual	CPS / Health	CPS / Health
Social development and solidarity															
The proportion of the population covered by social health insurance has increased	54a. Percentage of the population covered by mutual associations	R	-	1.70%	2.4%	2.60%	3.50%	4.60%	4.70%	4.80%	SISo report	Reporting	Annual	CDS/DNPSES	CDS/ DNPSES
	54b. Percentage of the population covered by mutual health associations	R	-	1.50%	1.7	1.90%	3.00%	3.00%	3.50%	4.00%	SISo report	Reporting	Annual	CDS/DNPSES	CDS/ DNPSES
Coverage for the poor has improved	55. Percentage of poor individuals with health coverage	R	-	35.4%	48%	53%	56.70%	50%	50%	50%	SISo report	Reporting	Annual	CDS/DNDS	CDS/DNDS
Housing															
Low-income persons are provided	56. Number of social housing units	R	12,000	880	1,087	1027	1700	875	875	875	MLAFU-DAF report	Reporting	Annual	DAF/MLAFU	DAF/MLAFU

Results	Indicators															
	Indicators	Type	2015 MDG target	Reference value	Execution			Quantified PRGSP Objective			Means of verification	Data collection method	Frequency	Responsible unit(s)		
					2006	2007	2008	2009	2009	2010				2011	Collection	Analysis
access to housing	constructed for low-income persons															
Jobs																
Creation and promotion of sustainable employment	57. Number of new jobs created	R	-	23,019	17,277	28,764	33,623	10,000	10,000	10,000	Annual report	Collection of data by Administrative records	Annual	DNE/ANPE/DOEF	DNE/ANPE/DOEF	
Gender and equity																
Promotion of gender equality and equity in the population	58. Percentage of elected positions held by women	R	30	6.4	6.4	6.4	8	19	24	28	Data collection report/CNDIFE database on women and children	Data collection forms	Annual	CNDIFE/MATCL/Consular chambers	CNDIFE/MATCL/Consular chambers	
	59. Percentage of female agricultural operators	R	30	3.1	18.5	20	20	15	20	25	CPS Rural Development/CNDIFE	Census	3 years	CPS SDR/CNDIFE	CPS SDR/CNDIFE	
Drinking water																
Citizens have improved access to drinking water	60. Proportion of the population with sustainable access to improved source of water, by category:	R	National: 80.4% Semi-urban and urban: 90.7% Rural: 75.9%	National: 67.4% Semi-urban and urban: 76.6% Rural: 63.7%	National: 70.1% Semi-urban and urban: 75.9% Rural: 67.6%	National: 71.7% Semi-urban and urban: 76.3% Rural: 69.9%	National: 73.1% Semi-urban and urban: 77.4% Rural: 71.4%	National: 72.3% Semi-urban and urban: 76.3% Rural: 71.2%	National: 80.4% Semi-urban and urban: 76.3% Rural: 76.3%	National: 73.9% Semi-urban and urban: 76.5% Rural: 76.3%	National: 75.4% Semi-urban and urban: 77.8% Rural: 73.8%	CPS/SEEUDME compilation of statistics	Reporting (Administrative data collection method)	Annual	CPS/ SEEUD	CPS/ SEEUD