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INFORMATION NOTE



REPUBLIC
OF MALI

Presentation of Sovereign issuers of West African Monetary Union

September 2020

Quality review by **Deloitte.**



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ACRONYMS

AGOA	: African Growth Opportunities Act (U.S. African Growth and Opportunity Development Act)
EPA(i)	: Economic Partnership Agreement (Interim)
AUT	: Agence UMOA-Titres (WAMU regional securities Agency)
DSA	: Debt Sustainability Analysis
BCEAO	: Central Bank of West African States
BOAD	: West African Development Bank
BRVM	: Regional Securities Exchange
CPW	: Construction and Public Works
CIF	: Cost, Insurance, Freight
CTC	: Council of Territorial Collectivities
CREPMF	: Regional Council for Public Savings and Financial Markets
CC/BS	: Central Custodian/Bank of Settlement
CPIA	: Country Policy and Institutional Assessment
CFAF	: Common Franc of the African Financial Community
IMF	: International Monetary Fund
FOB	: Free on board
GATT	: General Agreement on Tariffs and Trade
MDRI	: Multilateral Debt Relief Initiative
FDI	: Foreign Direct Investment
HICP	: Harmonized Index of Consumer Prices
NIS	: National Institute of Statistics
CPI	: Consumer Price Index
IPI	: Industrial Production Index
NPI	: Non-Profit Institution
RFM	: Regional Financial Market
NCD	: Non-Communicable Disease
SDO	: Sustainable Development Goals
WTO	: World Trade Organization
GMD	: Millennium Development Goals
WHO	: World Health Organization
CSGSP	: Convergence, Stability, Growth and Solidarity Pact
REP	: Regional Economic Programme
GDP	: Gross Domestic Product
RIP	: Regional Indicative Programme
LDC	: Least Developed Countries
NRDP	: National Rice Development Programme
NHDP	: National Health Development Plan
NAIP	: National Agricultural Investment Programme
UNDP	: United Nations Development Programme
PPP	: Public-Private Partnership
HIPC_s	: Highly Indebted Poor Countries
PSD – CMU	: Strategic Plan for the Development of Universal Health Insurance Coverage
MTDS	: Medium Term Debt Management Strategy
SFD	: Decentralized Financial Systems
MIC	: Management and Intermediation Companies
TLS	: Trade Liberalization Scheme
STS	: Specialists in Treasury Securities
CET	: Common External Tariff
ICT	: Information and Communication Technologies
EU	: European Union
WAEMU	: West African Economic and Monetary Union
WAMU	: West African Monetary Union

MINISTERE DE L'ECONOMIE
ET DES FINANCES

DIRECTION NATIONALE DU TRESOR
ET DE LA COMPTABILITE PUBLIQUE

REPUBLIQUE DU MALI
Un Peuple - Un But - Une Foi



Attestation de l'émetteur

Je soussigné, Sidi Almouctar OUMAR, Directeur National du Trésor et de la Comptabilité Publique, agissant au nom et pour le compte de l'État du Mali, atteste que les données et informations contenues dans la présente Note d'Information sont conformes à la réalité et n'ai connaissance d'aucune information de nature à en altérer la portée.

L'objectif visé à travers cette Note d'Information est de porter à l'attention des investisseurs sur les titres publics émis par l'État du Mali, toutes les informations utiles à la prise de décisions d'investissement.

Toutefois, je rappelle que les informations et analyses prospectives présentées dans ce document, sont basées sur des projections établies à partir d'hypothèses qui sont entachées d'incertitudes pouvant entraîner des différences entre les réalisations effectives et les performances économiques attendues.

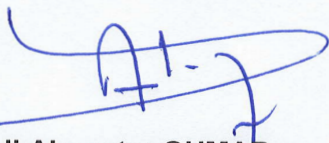
Cette note d'information publiée sera mise à jour chaque fois que nécessaire, afin de rendre compte :

- de l'évolution de la situation économique du Mali ;
- de la disponibilité ou de la mise à jour des données économiques ;
- de quelques changements intervenus.

11 AOUT 2020



LE DIRECTEUR NATIONAL


Sidi Almouctar OUMAR
Chevalier de l'Ordre National

Mali is a landlocked country in West Africa. It has an area of 1,241,238 km² and is crossed by two major rivers: Niger and Senegal. The second largest country in West Africa, it shares its borders with seven countries: Algeria, Mauritania, Niger, Burkina Faso, Côte Ivory Coast, Guinea and Senegal.

For 2019, the World Bank has estimated Mali's population at 19.7 million. Annual population growth was estimated at 3.6 per cent in 2018. Mali is characterized by the extreme youthfulness of its population, as nearly half (48.8 per cent) of the Malian population is under 15 years of age.

The Malian economy has been experiencing good economic growth since 2014. The real GDP growth rate increased from 3.2 per cent to 5 per cent between 2014 and 2019. Growth in the primary and secondary sectors slowed slightly between 2018 and 2019. Indeed, the growth rate of the primary sector declined from 4.7% to 4.5% between 2018 and 2019. The growth rate of the secondary sector increased from 5.8% to 5.9% between 2018 and 2019.

The shock of the health crisis linked to COVID-19, however, is hitting the Malian economy hard even though the country is already facing a difficult social and security situation. The economic perspectives have significantly deteriorated. According to the United Nations, the indirect effects of the crisis are potentially much more devastating than its direct effects. The global economic recession and its consequences on the national economy will lead to an anticipated drop in Gross Domestic Product growth of more than 80%. The projected GDP growth of 4.9% has been reduced to 0.9% by IMF staff.

Mali has drawn up a Three-Year Investment Programme (TIP) 2019-2021. The Special Investment Budget (SIB) 2019 constitutes the first annual installment. The SIB 2019 is balanced in terms of resources and uses at the sum of CFA Francs 604.638 billion against CFA Francs 543.567 billion in 2018, an increase of CFA Francs 61.071 billion corresponding to 11.24%. Overall, the SBI 2019 is dominated by the infrastructure sector with 33.88% of the total amount against 44.69% under the BSI 2018.

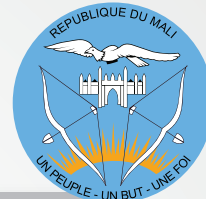
This programme made it possible to build the Kayo bridge linking Koulikoro to the national road leading to Ségou in 2019, the construction of social housing (5,928 social housing units of the first tranche of the 12,566 units launched in 2018) as part of the 50,000 social housing project, the implementation of the development of the access road to the 3rd bridge in Bamako, the construction of an interchange at the Missabougou cross-roads and the rehabilitation of the section of the Africa Tower in Bamako.

During the 2014-2019 period, Mali has met all the WAEMU's first-tier criteria except for the deficit in the overall balance, including grants, in 2016 and 2018. With regard to the second-tier criteria, Mali has never met the tax burden rate criteria. The criteria on the wage bill was not met in 2014 and 2018 in connection with the wage demands of the central union.

Moody's Investors Service ("Moody's") assigned the Government of the Republic of Mali a first issuer rating of B3 in local and foreign currency. Most of the debt to be repaid is long-term. The joint analysis of debt sustainability by the IMF and the World Bank in 2019 shows a moderate risk of public debt. Mali also presents a moderate risk of external debt overhang. Mali is in the category of countries at moderate risk of debt distress.



Republic of Mali



Surface
1241 248 km²



Population
19.078 million inhabitants

(Source : World Bank)



Political capital
Bamako



Political System
Presidential



Currency
CFAF



Official Language
French



GDP per capita in 2019

435 902 CFAF

(Source : National services, BCEAO)

- Economy based on **agriculture, extractive activities and trade**
- Main export product : **gold and cotton**
- Nominal GDP in 2019 (Source INSTAT) **10 420 Billions of CFAF**
- Proportion of the population under 15 years of age in 2018: **48.8 %**



1.1 Political system

Mali is a landlocked country in West Africa. The official language is French, but Mande, Songhaï, Dogon, Hassanya and Berber are also spoken. Known as French Sudan, the country joined Senegal to form the Federation of Mali one year after it joined the French Community in 1958. Disputes led to a break-up in 1960. French Sudan became the Republic of Mali and acceded to national sovereignty on 22 September 1960.

Mali is now in its third constitution, the last of which was adopted on 25 February 1992. This constitution was put in place with the advent of democracy and after the establishment of a multiparty system. A draft constitutional revision had given rise to a wave of protests in 2017 leading to its postponement. A new draft constitutional revision, whose adoption will be subject to a referendum, was transmitted to the President in April 2019. Politically, Mali is a republic with a single-chamber parliament and a presidential system in which the power of the President is strengthened.

1.1.1 Executive power

Executive power in Mali is exercised by the President of the Republic and the Government. The President of the Republic is the Head of State. He is the head of the armed forces and the President of the Higher Council of the Judiciary. He has the right to dissolve the National Assembly and the right to initiate referendums. Elected by direct universal suffrage for a term of five years (renewable once), he appoints the Prime Minister (and may dismiss him) and members of the Government, and chairs the Council of Ministers. The Prime Minister is the head of the government; he directs government action and ensures the enforcement of laws.

The electoral system is of the two-round ballot type. Women's right to vote was recognized in 1956. The President is elected for a five-year term, renewable once. He appoints the Prime Minister, Head of Government and ministers on the latter's proposal. The Government may initiate ordinances between

sessions of the National Assembly, promulgates laws passed by the National Assembly and ensures their implementation. In the event of a temporary vacancy, the functions of the President of the Republic shall be performed by the Prime Minister.

In the event of a permanent vacancy resulting from the inability of the President to perform his or her duties, they are performed by the Speaker of the National Assembly.

Modibo Kéïta was the Head of State of independent Mali in 1960. His presidential term lasted until 19 November 1968, when a military coup d'état brought the 1st Republic of Mali to an end. Moussa Traoré presided over the destiny of Mali from that date until 26 March 1991. The end of the reign of Moussa Traoré marked the advent of democracy and since then, Mali has had four (4) Presidents: Alpha Oumar Konaré for two terms from 1992 to 1997 and from 1998 to 2002, Amadou Toumani Touré for two terms from 2002 to 2007 and from 2008 to 2012. Amadou Toumani Touré resigned following a military coup towards the end of the mandate and Dionkounda was designated as President of the transition. Current President Ibrahim Boubacar Keita was elected in 2013 and re-elected in 2018.

1.1.2 Legislative power

Legislative power is vested in the National Assembly, which is the only chamber where the deputies elected by direct universal suffrage sit for a renewable term of five (5) years. As such, they enjoy parliamentary immunity in the exercise of their functions.

The President elected by his or her peers is from the party or group of parties having the majority in the Assembly. The Bureau of the Assembly is renewed every year. The deputies meet in ordinary and extraordinary sessions.

Parliament initiates, passes laws and oversees government action. It questions the Government and may vote a motion of censure against it. The National Assembly ensures national representation. The le-

legislative procedure begins with the tabling of the law on the table of the National Assembly on the initiative either of the Government or of a deputy.

It is at the end of the discussions on the committee's report that the National Assembly votes the laws. Once the laws have been passed, the government is responsible for their promulgation.

Initially scheduled for 28 October and 18 November 2018, the legislative elections were postponed several times before finally taking place on 29 March and 19 April 2020 for the two rounds to renew the 147 members of the National Assembly of Mali. In a context marked by the health crisis related to COVID 19, the dates of the two rounds were respected but

with a low participation rate estimated at 35.73% and 35.25% respectively for the first round and the second round.

According to the final results published on 30 April 2020, the Rassemblement pour le Mali (RPM), which is the presidential party, came out on top with 51 deputies. The Alliance for Democracy in Mali (ADEMA) came second with 23 deputies. The Union for the Republic and Democracy (URD) sits with 19 deputies, the main opposition party, whose leader Soumaïla Cissé was kidnapped in northern Mali shortly before the date of the first round.

Table 1: Distribution of Members of the Legislature 2020-2025 by Political Party

Political party	Number of MPs
Rassemblement Pour le Mali (RPM)	51
Alliance for Democracy in Mali (ADEMA)	23
Union for the Republic and Democracy (URD)	19
Movement for Mali (MPM)	10
Democratic Alliance for Peace-Maliba (ADP-MALIBA)	6
Alliance for Solidarity in Mali (ASMA)	5
Convergence for the Development of Mali (CODEM)	5
Union for Democracy and Development (UDD)	4
Mali Qui Bouge (MQB)	4
YELEMA	3
African Solidarity for Democracy and Independence (SADI)	3
Party for the National Renaissance (PARENA)	2
Ansongo Hope	2
Social Democratic Convention (CDS-Mogotiguiya)	2
Party for the Restoration of the Values of Mali (PRVM-Fasoko)	1
Malian Union of the African Democratic Regroupement (UM-RDA)	1
Patriotic Movement for Renewal (MPR)	1
Party for Economic Development and Solidarity (PDES)	1
Union of Democratic Forces for Progress (UFDP)	1
Yelenkoura Socialist Party (PS-YELENKOURA)	1
Mali Kanu Party (PMK)	1
Alliance for the Republic (APR)	1
Total	147

Source : Constitutional Court

1.1.3 Judicial power

The judicial power is independent. This independence is guaranteed by the Basic Law of 25 February 1992. Justice is dispensed by a Supreme Court, a Constitu-

tional Court, Assize Courts, Courts of Appeal, Courts of First Instance and their detached divisions, Justices of the Peace with extended jurisdiction, labour courts, commercial courts, administrative courts and juvenile courts.

The administration of justice is the responsibility of the Ministry of Justice. The Supreme Court is the highest court in the State. It comprises an administrative chamber, a judicial chamber and an audit chamber. It has powers against judgements of the Court of Appeal and courts of the same level and also against judgements handed down at first and last instance by the basic courts. The Supreme Court is presided over by a Magistrate of the judiciary appointed by the President of the Republic on the proposal of the Supreme Council of the Judiciary. The Court of Appeal is the court of appeal of the basic courts, with the exception of the Administrative Court.

Since 1998, there have been three Courts of Appeal in Mali: Bamako, Kayes and Mopti. The Court of Appeal comprises five chambers: a civil and commer-

cial chamber, a correctional chamber, an indictment chamber, a social chamber and a juvenile chamber. The Court of First Instance is competent to hear, in the first and last instance, civil, commercial and customary actions involving interests worth up to CFA francs 50,000.

With regard to the enforcement of authentic instruments and foreign judicial decisions, Mali signed a cooperation agreement on justice with France on 9 March 1962. According to this agreement, contentious and ex gratia decisions in civil and commercial matters rendered by courts sitting on the territory of one of the States must, in order to have the force of res judicata on the territory of the other State, meet the conditions laid down by the legislation of the latter.

1.2 Administrative Organization

Mali is organized into administrative districts, which are :

- The region;
- The circle;
- The commune.

These three levels of centralization were created following a vast decentralization project whose process dates back to the 1990s. Mali is divided into ten (10) administrative regions. Bamako, the capital, is the region with special status. The district of Bamako comprises 6 communes. The regions are managed by a regional council. The regional councillors are elected

by the communal councillors.

The cercle is a territorial collectivity grouping several communes, with legal personality and financial autonomy. There are 49 circles in Mali. Mali has 703 communes. The communes are managed by a communal council elected by direct universal suffrage. The mayor and deputies, who form the communal office, are elected by the communal councillors.

1.3 Geographic Situation

Mali is a landlocked country in West Africa located between 10° and 25° degrees north latitude and between 4° degrees east longitude and 12° degrees west longitude. It has an area of 1,241,238 km² and is crossed by two major rivers: Niger and Senegal. The second largest country in West Africa, it shares its borders with seven countries: Algeria, Mauritania, Niger, Burkina Faso, Ivory Coast, Guinea and Senegal.

Mali's climate is characterized by three seasons: a

dry season from March to June, a rainy season, or wintering, from June to September and an off-season or cold season from October to February with a drying Saharan wind called the harmattan. The temperature varies between 24°C in January and 35°C in May.

Having vast alluvial plains dominated by limestone and sandstone plateaus, Mali is divided into three (03) climatic zones. The desert north, which covers

two thirds of the territory, belongs to the southern Sahara, whose rainfall does not exceed an annual average of 130 mm. The central Sahelian zone has a relatively dry climate, with an average annual rainfall of between 200 mm and 500 mm, and whose vege-

tation cover varies from steppe in its northern part to savannah in its southern part. The southern Sudan, which is covered by wooded savannah in the north and forests in the south, has an average annual rainfall of 1,400 mm.

1.4 Population

The last general population and housing survey in 2009 estimated Mali's population at 14,528,662. Women accounted for 50.4 per cent of this population. In 2018, Mali's population is estimated at 19,269,836 according to projections by the National Population Directorate. For 2019, the World Bank has estimated the population at 19.7 million. Mali is planning its fifth general population and housing census (5th RGPH) in 2020, in accordance with Decree No. 98-099/P-RM of 27 March 1998 establishing the periodicity of conducting the census every 10 years. Census mapping began in 2019.

Annual population growth was estimated at 3.6 per cent in 2018. Mali is characterized by the extreme youthfulness of its population, since nearly half (48.8 per cent) of the Malian population is under 15 years of age. Gender analysis reveals that women are slightly more represented than men in the population,

with 50.4 per cent and 49.6 per cent respectively. The ratio of urban to rural population is on an increasing trend. This ratio increased from 28.20 per cent in 2010 to 35.13 per cent in 2018 according to INSTAT estimates. According to DNP projections, this ratio would be 44 per cent in 2025.

Mali is a secular country where freedom of worship is enshrined in the fundamental law. Three religions are practiced there: Islam, Christianity and traditional religions. Sunni Islam is the religion of nearly 95 per cent of the Malian population. Christianity (Catholic and Protestant) is practised by 2.5 per cent of the population. The number of Malians practising indigenous religious beliefs is estimated at 2.5 per cent.

Table 2: Statistics on the population of Mali

Wording	Indicator
Population in 2018	19 269 836 inhabitants
Man	49.6 %
Woman	50.4 %
Average annual population growth rate in 2018	3.6 %
Population growth rate in 2018	2.6 %
Population by age group in 2018	
0-14	48.8 %
15-64	47.9 %
65 and more	3.3 %
Ratio between urban and rural population 2010-2018 according to INSAT (%)	
2010	28.20
2011	28.86
2012	32.36
2013	35.86
2014	32.45
2015	32.62
2016	34.048
2017	33.68
2018	35.13

Source : INSTAT

Projections of urban-rural population ratio by PND (%)	
2020	40.8
2025	44
Religion	
Islam	95 %
Christianity	2.5 %
Traditional religion	2.5 %

Source : INSTAT

1.5 Education

1.5.1 Organization of school cycles

Mali's formal education system is organized around four levels: pre-school education, basic education, secondary education and higher education.

Pre-school education covers children from 3 to 5 years of age for a period of 3 years. It provides a framework for children to facilitate their integration into school. Pre-school education is provided by specific institutions or early childhood development centres (kindergartens, nurseries, day nurseries). Pre-school education is poorly developed in Mali.

Since 2010, basic education has consisted of a single 9-year cycle. It is subdivided into fundamental 1, which runs from the first to the sixth year, and fundamental 2 from the seventh to the ninth year, with the passage of the certificate of completion of the first cycle of basic education, giving access to the second cycle.

Secondary education is divided between general secondary education in high schools from the 10th to the 12th grade, characterized by the baccalaureate, and technical secondary education, characterized by a technical baccalaureate.

Higher education welcomes holders of the baccalaureate. It is provided by universities, grandes écoles and public and private institutes. Higher education was redesigned to introduce the Bachelor, Master and Doctorate (LMD) system, experimentally in 2007, then generalized between 2007 and 2011. The diplomas awarded are mainly the Licence at the end of the 1st cycle, the Master at the end of the 2nd cycle and the Doctorate at the end of the 3rd cycle.

1.5.2 Education Development Plan

In the area of education, the Government is committed to reforming its education system and has

adopted a ten-year education development program (PRODEC) since 1998. For the period 2001-2010, this program aimed, among other things, to expand access to the second cycle of basic education and to non-formal education, improve the quality of education and training, and strengthen the capacity of decentralized education services.

To achieve the objectives of PRODEC, an Education Sector Investment Program (ESIP) has been developed for the period 2001-2010 by the Government with the support of development partners. The main quantitative objectives of the ESIP were to increase: (i) the gross enrollment rate in the first cycle of basic education from 64.4% in 2002 to 89% in 2010, (ii) the gross enrollment rate in the second cycle of basic education from 28% in 2002 to 66% in 2010, and (iii) the adult literacy rate from about 30% in 2000 to 55% in 2010, including 45% for women.

While the implementation of this program has been essential to Mali's performance, the multifaceted crisis that the country went through in 2012 has not made it possible to implement the reforms relating to improving quality and strengthening decentralized management of basic education. In fact, achieving quality education for all is still a major concern. Logistical inputs are unavailable and/or insufficient in a significant proportion of schools and pedagogical inputs are equally insufficient.

The new ten-year development program for the education and vocational training sector called PRODEC 2 has been launched for the period 2019-2028. It is structured around five major reforms. These areas of reform are: improving the internal and external efficiency of the education system, improving the training and management of teachers, promoting equi-

table and inclusive access to quality basic education for all, strengthening the governance of the sector and building the sector's resilience.

The new ten-year program (PRODEC2) aims to ensure the right of citizens to quality education and training through a better adapted, coherent and functional inclusive education system. It plans to raise the average effective hourly workload of teachers to 17 hours per week and to move closer to the statutory 18 hours for an incumbent and 16 hours for a principal. Raising the amount of the grant for teaching materials and subjects from CFA francs 50,000 to CFA francs 75,000 per student would reduce the proportion of private students receiving half scholarships. The objective is also to recruit teaching staff only at the community level: eventually 100% of teachers will be community civil servants. As far as normal secondary education is concerned, PRODEC2 plans to increase the duration of training for the BAC level from 2 to 3 years and to subject all pre-school and fundamental teachers to initial training. It also plans to provide in-service training each year to 20% of teachers already in post.

1.5.3 Statistics by cycle

According to the INSTAT report in 2019, the gross enrollment rate in the first cycle of basic education was estimated at 72.2%. Boys are more enrolled than girls (73.8% versus 70.5%). The number of students per teacher was about 44 in 2018 in Basic 1. Voluntary dropout, at 29.0 percent, was the main reason for students leaving school, followed by the security crisis (18.0 percent) and lack of resources (10.8 percent). The repetition rate in the first cycle increased from 20.1% in 2014 to 18.3% in 2018.

The gross enrollment rate in the second cycle of basic education was 52.8% in 2018. Boys are less enrolled than girls (52.1 percent versus 53.7 percent). The number of students per teacher was about 23 in 2018 in Basic 2. At this level, voluntary dropout, with 61.0%, is the main reason for students leaving school, followed by academic failure with 15.7%.

At the level of general secondary education and technical and vocational training, enrolments have generally increased before declining in 2017. Between 2014 and 2017 the increase is approximately 37,711 students. In technical and vocational education, the

same trend is observed. The pupil/teacher ratio increased from 24.72 in 2011 to 17.3 in 2017. The transition rate to secondary education was 39.2 percent in 2016.

Higher education includes universities (the universities of Bamako and Ségou) and the grandes écoles. In 2016, the country's five universities (four in Bamako and one in Ségou) had a combined enrollment of 42,298 students, 29 percent of whom were girls and 71 percent boys. The three large public schools had a combined enrollment of 1,727 students in 2016, less than 14 percent of whom were girls. This represented 4 percent of the total number of universities in the country. Male enrollment exceeded female enrollment in all faculties and major schools, with some differences in some faculties and major schools. The transition rate to higher education was 16.4 percent in 2016.

Nationally, university enrollment declined between 2014 and 2015 by about 15,370 students. A significant increase of about 53,450 students was observed between 2015 and 2016. From that year until 2018, the increase was almost constant.

Table 3: Evolution of School Enrolment and Literacy Rates

	EMOP 2011	EMOP 2013	EMOP 2014	EMOP 2015	EMOP 2016	EMOP 2017	EMOP 2018	EMOP 2019
Gross enrolment rate (%) in primary school I	79.8	74.0	72.3	74.1	77.1	76.1	74.6	72.2
Girls(%)	77.0	71.4	70.4	71.1	75.0	74.8	73.4	70.5
Boys(%)	82.3	76.3	74.1	76.8	78.8	77.2	75.7	73.8
Net enrolment rate (%) in primary school I	57.5	54.0	55.4	57.3	60.2	60.9	57.7	58.6
Girls (%)	55.2	52.7	53.6	55.2	58.9	60.4	57.5	57.8
Boys (%)	59.5	55.1	57.0	59.2	61.4	61.4	57.9	59.4
Gross enrolment rate (%) in primary school II	56.7	49.1	52.8	55.4	53.9	54.6	53.9	52.8
Girls (%)	48.7	43.6	47.5	49.8	53.2	55.3	53.7	53.7
Boys (%)	65.2	54.2	57.5	60.3	54.6	53.9	54.0	52.1
Net Enrollment Rate (%) in Primary II	26.3	23.2	28.0	31.1	31.9	29.5	27.6	32.9
Girls(%)	23.4	20.6	25.5	28.3	32.3	30.7	27.9	32.6
Boys(%)	29.4	25.6	30.2	33.5	31.5	28.4	27.3	33.1
Population 6 years or older with no education (%)	58.0	62.5	62.7	61.5	62.0	62.0	60.2	61.1
Literacy rate of 15 years and older (%)	33.4	35.2	31.0	33.1	31.0	34.3	35.5	33.8
Women(%)	24.6	24.1	21.5	22.2	21.6	24.6	25.7	24.5
Men (%)	43.1	47.5	41.5	45.1	41.4	44.8	46.2	43.9

Source : INSTAT

The literacy rate for adults aged 15 years or older was estimated at 33.8% in 2019. It was higher in urban than in rural areas (58.8% versus 23.9%). On average, 61.1 per cent have no education, of which 56.6 per cent are men and 65.6 per cent are women. Only 1.3 percent of the population has attained a higher level of education. With the security crisis since 2012, gross school enrollment rates declined between 2011 and 2019 (Table 3).

According to World Bank data, average spending on education accounted for about 17 percent of government spending and 3.5 percent of GDP between

2011 and 2016. In 2017, public spending on education was 3.8 percent of GDP compared with 3.1 percent in 2016. The first cycle of basic education, with 37.4% of this budget, receives the largest share of current education spending, followed by higher education (21.5%), the second cycle of basic education (18.1%), general secondary education (11.6%), vocational training (6.2%), teacher training (3.4%), preschool (1.1%), technical secondary education (0.6%) and, finally, non-formal education (0.3%).

1.6 Health

1.6.1 Health System Architecture

The health system is made up of all the public (State and local authorities), private, community (associations and mutual insurance companies, foundations) and faith-based structures and organizations, as well as the professional health orders whose actions contribute to the implementation of the national health policy. The objectives of the policy are to improve the

health of the population, extend health coverage and seek greater sustainability and performance of the health system.

Mali's health pyramid operates on three levels. At the primary level are the community health centers (CHCs). At the secondary level, there are referral health centers (RHCs) and at the tertiary level there are hospitals. The hospitals are at the regional and district levels in Bamako. The RHCs are located in

the districts and communes of the Bamako district. The CHCs are at the commune level. The RHCs are linked to the regional health directorates and their role is to act as a link between the CHCs and the hospitals.

In addition to conventional medicine, there is traditional medicine, whose practitioners work closely with modern medicine, particularly in the manufacture of certain medicines using plants. In 2019, the proportion of the population having consulted a healer or marabout is estimated at 13.5%. This rate is 8.6% in urban areas compared to 16.0% in rural areas. By gender, the rate is higher among men (14.1%) than among women (13.0%).

The proportion of the population living within one kilometer of a health facility is 41.0%, with 35.9% in urban areas compared to 44.9% in rural areas. The proportion of the population living more than 15 km from a health facility was 7.9%. This rate is lower in urban areas (1.9%) than in rural areas (10.3%).

1.6.2 General statistics indicating the health status of populations

The maternal mortality rate in Mali has generally declined from 2000 to 2018. Life expectancy at birth followed an upward trend from 2000 to 2018. Statistics indicate a higher level among women than among men over the entire period. As for infant mortality, it declined substantially, due in particular to the efforts of the government and partners to make certain drugs free of charge.

Table 4 : General statistics on the health status of the population in Mali

Year	Life expectancy at birth (years)			Maternal mortality rate	Child Mortality rate
	Man	Woman	Global		
2000	47.38	48.75	48.06	318.65	101.8
2001	48.09	49.42	48.75	314.325	99.2
2002	48.88	50.19	49.54	310	96.4
2003	49.73	51.01	50.37	304.4	93.7
2004	50.59	51.85	51.22	298.8	91.1
2005	51.42	52.68	52.05	293.2	88.6
2006	52.21	53.46	52.83	287.6	86.2
2007	52.92	54.17	53.55	282	83.9
2008	53.56	54.81	54.19	280	81.6
2009	54.12	55.37	54.75	278	79.4
2010	54.62	55.87	55.25	276	77.2
2011	55.06	56.32	55.70	274	75.1
2012	55.49	56.76	56.13	272	73
2013	55.92	57.22	56.57	267.352	71
2014	56.36	57.7	57.03	262.705	69.1
2015	56.81	58.19	57.50	258.057	67.2
2016	57.27	58.69	57.98	253.409	65.4
2017	57.71	59.18	58.45	248.762	63.6
2018	58.13	59.64	58.89	244.756	62

Source : World Bank

1.6.3 Prevalence of diseases

Overall, the INSTAT report indicates that 24.1% of the population had an illness or injury in the three months prior to the EMOP 2019 survey. The indicators show that malaria or fever was the main pathology suffered by the Malian population with 14.0%. Overall, women are slightly more affected (25.3%) than men (22.9%) by the morbidity phenomenon. According to World Bank data, the incidence of malaria increased from 382.5 (per 1000 inhabitants at risk) in 2010, to 391.18 in 2015 and 386.77 in 2018.

Regarding HIV/AIDS, questions were asked to respondents to assess their knowledge of prevention methods during the DHS-VI. The results show that 62 percent of women and 76 percent of men aged 15-49 said that the risk of contracting HIV could be avoided by using condoms. In addition, 69 percent of women and 79 percent of men responded positively to the question of whether limiting sex to one uninfected sexual partner, who has no other sexual partner, avoids the risk of contracting HIV.

Overall, 57 percent of women and 70 percent of men were aware of both of these means of HIV prevention. The percentage of men aware of both means of HIV prevention is higher in urban areas than in rural areas (79 percent versus 67 percent). The HIV/AIDS prevalence rate is estimated at 1.4 percent in 2018, the same level as in 2010.

The WHO indicated in 2018 that Mali was beginning an epidemiological transition with the emergence of diseases related to urbanization, sedentary life and

changes in diet. This is the case, for example, of hypertension, which affects 15% of the population, and the prevalence of diabetes estimated at 9.3%. Mali had 8 cases of Ebola virus-related diseases in 2014, 6 of which resulted in 6 reported deaths. However, actions taken by the authorities have made it possible to quickly contain them.

Like the rest of the world, Mali has been hit by the COVID-19 pandemic. The first cases were recorded in Mali on March 25, 2020. On June 27, 2020, the country had 2,147 confirmed cases of COVID-19, including 1,432 cured and 114 deaths. At an estimated cost of 3.322.417.000 FCFA, an action plan based on prevention and treatment was formulated by the Malian government in early March 2020.

For a total of CFA francs 2.367,000 , prevention activities are essentially based on epidemiological surveillance, human resources, patient transfer, strengthening of hygiene measures, communication, social mobilization, and coordination and monitoring of activities. With regard to management, we note the provision of medical equipment, the care of on-call personnel and the medical management of confirmed cases. The total amount of this care is CFA francs 885.900.000 .

1.7 Employment

1.7.1 Labour force

The INSTAT has estimated the working age population (15 years and older) at 10,268,770 in 2019, or 51.4% of the population. This population category is divided into employed (6688,586), unemployed (383,440) and inactive (3196,744). These figures show that 68.9% of people aged 15 years and over were either employed or actively seeking employment in the labour market. This rate was the same in 2018.

Looking at the results by gender, it can be seen that women are less active than men (56.6% compared

to 82.2% in 2019). According to place of residence, the activity rate is higher in rural areas (72.5%) than in urban areas (59.7%).

Comparing 2018 and 2010 data, the trends are similar. In fact, it can be seen that women were less active than men (55.4% versus 84.3%) and that the activity rate was 63.3% in urban areas versus 71.1% in rural areas in 2018. In 2010, the activity rate for women was estimated at 60.1% compared to 80.4% for men. This rate was 72 per cent in rural areas compared to 64.5 per cent in urban areas. According to the INSTAT, the proportion of the population aged 15 years or older in employment increased from 68.9% in 2011 to 65.1% in 2019..

1.7.2 Unemployment rate

The unemployment rate has declined in the recent period. It fell from about 10.5% over the 2011-2016 period to 5.4% in 2019 according to INSTAT estimates. According to gender, women are more affected by the phenomenon than men (6.1% against

4.9% respectively in 2019). The unemployment rate is also higher in urban than in rural areas (8.7% and 4.3% respectively in 2019).

Table 5: Evolution of the unemployment rate

	EMOP 2011	EMOP 2013	EMOP 2014	EMOP 2015	EMOP 2016	EMOP 2017	EMOP 2018	EMOP 2019
Unemployment rate (%) of 15-64 year olds	10.5	10.8	10.3	10.6	10.6	9.3	8.4	5.4
Urban area (%)	15.5	12.3	13.5	13.2	13.0	11.4	12.2	8.7
Rural area (%)	9.1	10.3	9.3	9.4	9.8	8.6	7.1	4.3
Women (%)	15.9	15.1	15.8	13.6	12.1	10.6	9.7	6.1
Men (%)	5.3	7.2	5.4	7.5	9.4	8.3	7.5	4.9
Population 15 years or older employed (%)	68.9	64.4	65.2	64.9	64.8	61.6	54.0	65.1

Source : INSTAT

1.7.3 Underemployment rate

The (visible) underemployment rate was estimated by the ILO at 17.3% in 2019. This rate was lower among men (16.4%) than among women (18.6%). Depending on the area of residence, the rate was 17.5% in rural areas compared to about 16.8% in urban areas. According to age group, the underemployment rate was 25.6% among workers aged 15 to 24 and 13.5% among workers aged over 25.

The results of the 2017 integrated regional survey on jobs in the informal sector (ERI - ESI) in Mali show that the rate of underemployment linked to working time (SU2) was 18.4 per cent, of which 15.3 per cent was among men and 23.1 per cent among women. The combined rate of unemployment and potential labour force (SU3) was 27.0 per cent and the composite measure of labour underutilization was 37.6 per cent.

The distribution of the underemployment rate by level of education in 2017 shows that the rate was 26.4% for those with higher education, 25.1% for those with secondary education and 17.2% for those with primary education. The rate was 16% among workers with no education at all.

1.7.4 Formal and informal employment

The results of EMOP 2019 show that the primary sector employs just over two out of three (67.8%) of the working population. It is followed by the service sector (14.2%), trade (11.0%) and industry (7.0%). More than 80% of rural workers work in the primary sector. Commercial and service activities are less developed in rural areas. It is also noticeable that three out of four workers without an educational level work in the primary sector, compared with only 5.7% of those with a higher level.

In urban areas, almost two out of three employed persons work in trade or services (31.1% for trade and 35.4% for services), while less than one out of five (18.5%) work in primary education. In 2018, according to ILO estimates, the informal sector alone accounted for more than 93.4% of employment.

Table 6 : Distribution of employed labour force by background, gender, education level by industry in 2019 (%)

	Primary	Industry	Trade	Service
Urban	18.5	15.1	31.1	35.4
Bamako	1.9	17.8	35.3	45.1
Other Cities	36.0	12.2	26.8	25.1
Rural	82.0	4.7	5.2	8.1
Sex				
Male	67.6	8.3	9.3	14.7
Female	68.1	5.2	13.3	13.4
Level of education				
No level	75.5	5.4	9.1	10.0
Basic I	64.4	9.5	13.2	12.9
Basic II	41.8	12.8	21.4	23.9
Secondary	13.6	15.6	13.8	57.1
Superior	5.7	7.1	11.7	75.5
Overall	67.8	7.0	11.0	14.2

Source : INSTAT

1.7.5 Employment policy

The government has adopted a National Employment Policy (NEP) and an action plan for 2015-2017, the aim of which is to increase opportunities for decent employment. In 2015, the formal sector recorded the creation of 58,967 jobs out of a target of 200,000 new jobs by 2018, according to the Government's Action Programme (GAP) 2013-2018.

Numerous initiatives have been taken by the government to address employment issues over the past two decades. These include the creation of the National Employment Directorate (NED) and the National Directorate for Vocational Training (NDVT).

Through the various structures created to support job creation, the authorities have focused on the development of promising sectors in collaboration with training centres in order to reconcile theory with practice. The youth employment agency has initiated a programme of professional internships for young graduates to increase their chances of employability and to familiarise them with the professional environment. A tax facility is also granted to young entrepreneurs who are exempted from paying taxes for three years after setting up their businesses.

All in all, the employment policy actions are :

- Training courses;

- The promotion of entrepreneurship;
- Institutional support;
- Promotion of voluntary work;
- The collection and dissemination of information on employment.

1.7.6 Employment Dynamics

In view of the population growth estimate of the last census (3.6 % on average between 1998 and 2009), a labour force growth rate of 3 % per year seems reasonable according to the ILO. In such a scenario, labour force growth would reach 120,000 persons per year in 2020.

The number of people entering the labour market is of course much higher than the increase in the labour force alone. A study by Beaujeu et al (2011) estimated these arrivals at 278,000 in 2010. The same study estimated the number of arrivals on the Malian labour market at no less than 434,000 by 2030. These data on the annual number of arrivals gave a good order of magnitude to the challenge of integrating young people into the world of work in Mali.

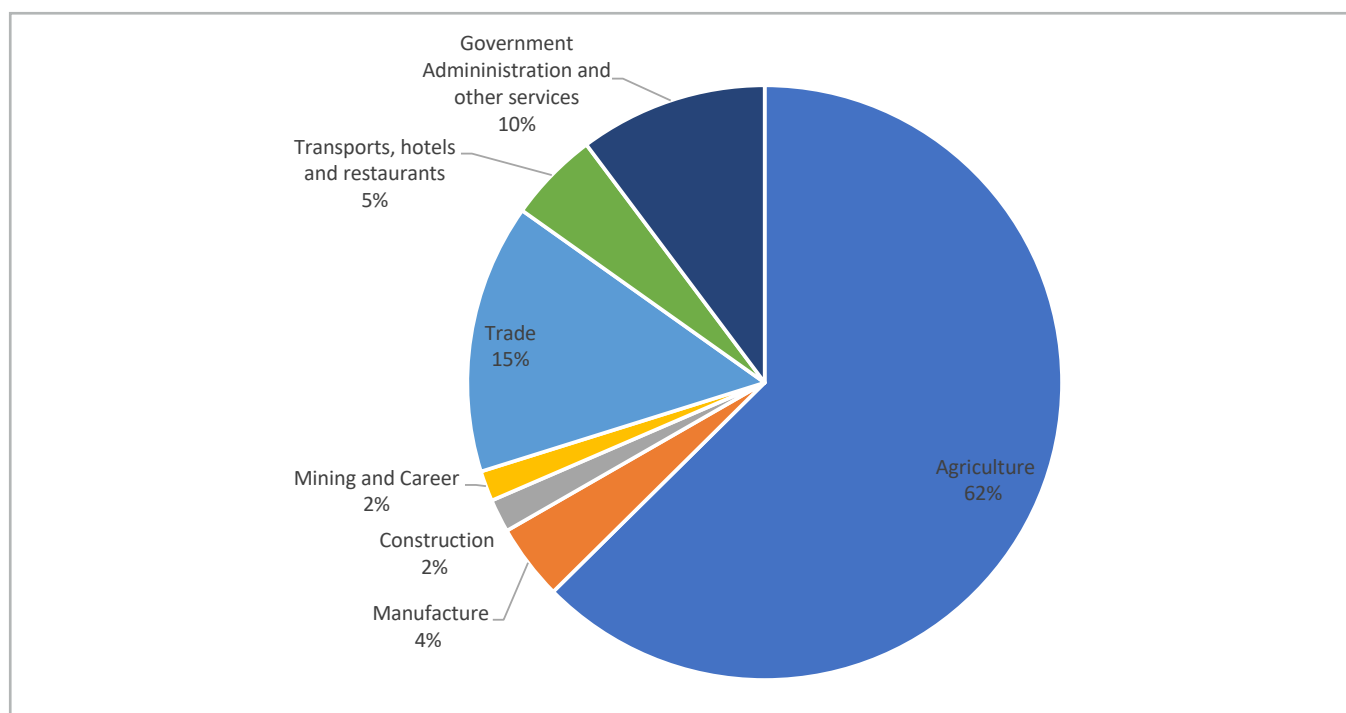
According to ILO estimations, the primary sector employed 62.6 % of the employed labour force in 2019.

It is the main employment sector, followed by the tertiary sector, which accounts for 29.8 % of employment. The remaining jobs are in the secondary sector, which accounts for 7.6 per cent of employment in Mali. The informal private sector accounts for more than 70% of total employment.

The figure below shows that agriculture accounted for 62% of employment in 2019. Trade was in second place with 15% of employment. Public administration and other social services were in third place with 10%

of employment. They were followed by the transport, hotel and restaurant sector with 5% of jobs. Manufacturing, mining and quarrying, and construction accounted for the remaining 4%, 2% and 2% of jobs in 2019, respectively.

Figure 1: Distribution of employment in Mali in 2019



Source : ILO, 2019

1.8 Reminder of the main aggregates

1.8.1 Level of development

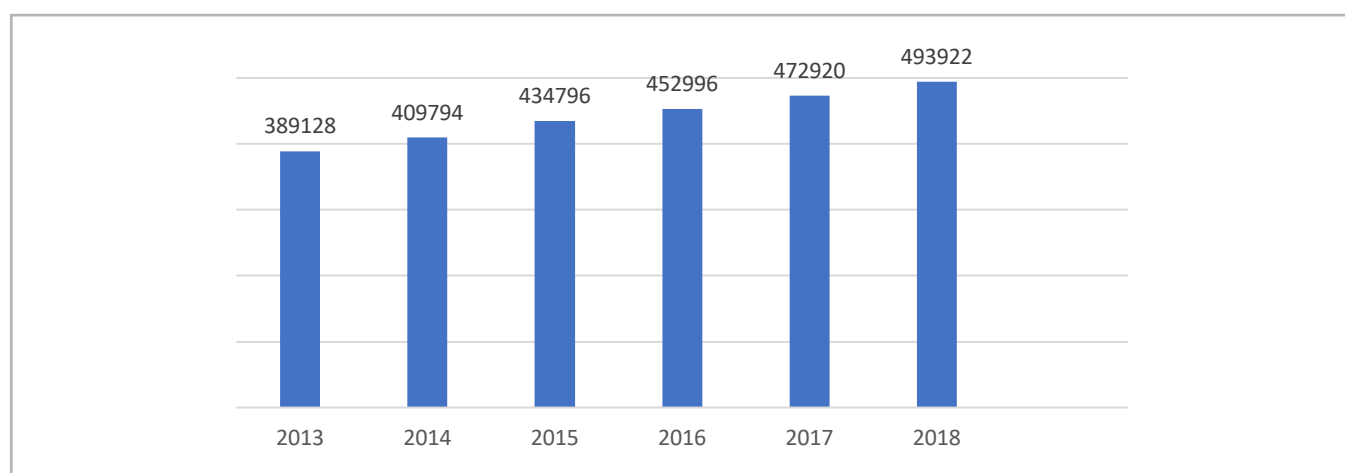
In 2019, Mali was classified as a low human development country with a Human Development Index (HDI) of 0.427 and ranked 184th out of 189 countries. Mali ranked 48th on the African continent, down from the previous year. In 2018, the country was ranked 46th in Africa and 182nd globally.

Mali's HDI is below the average for countries in the low human development group (0.50) and below the average of 0.541 for sub-Saharan African countries.

Poverty is more accentuated in rural than in urban areas.

GDP per capita is low but increasing. It reached CFA francs 493,922 in 2018. Over the period 2013-2018, it increased by an average of 4.9% per year.

Figure 2: Evolution of GDP per capita (CFA francs)



Source : INSTAT, economic accounts 2018.

1.8.2 Summary table

Table 7 presents the main economic aggregates observed over the past five years. It is expressed in billions of CFA francs, unless otherwise indicated.

Table 7: Evolution of the main macroeconomic indicators between 2013 and 2019.

Billion CFA francs	2013	2014	2015	2016	2017	2018	2019 (EST)
National economy							
Nominal GDP	6 540.6	7 092.8	7 747.7	8 311.9	8 922.2	9 538.0	10 256.4
Real GDP growth (%)	2.3	7.1	6.2	5.9	5.3	4.7	5.9
Investment rate (% of GDP)	19.3	20.2	20.8	24.0	21.6	20.3	23.1
Inflation rate (in %)	-2.4	2.7	1.4	-2.6	2.2	3.0	-1.2
Balance of payments							
CIF Exports	1419.5	1374.4	1606.8	1675.9	1692.2	1847.0	1769.43
CIF Imports	1546.1	1935.081	2247.725	2402.330	2494.586	2 623.80	2 681.57
Balance	-126.5	-560.681	-640.925	-726.43	-802.386	-776.85	-912.14
Current account balance	-188.8	-334. 143	-412.492	-601. 991	-644. 099	-464. 495	-561.7
Government finances							
Revenue and grants	1137.2	1215.1	1481.1	1522.2	1789.7	1 475.90	2 320.40
Expenditures	1292.4	1419.9	1622.3	1850.1	2045.1	1 925.5	2 571.2
Balance	-155.1	-204.7	-141.1	-327.9	-255.3	-449.6	-250.9
Public debt	1698.5	1 908	2 376	2 994	3 211	3 556	3820.04
Domestic debt	253.5	445	622	913	983	1 209	1215.47
External debt	1445.0	1 463	1 754	2 081	2 228	2 347	2604.57
Domestic debt as % of nominal GDP	3.9	6.3	8.0	11.0	11,0	12,7	11.9
Budget deficit (basic primary balance)							
In value	157	205.7	139.47	323.78	258.912	314.76	241.37
Percent of nominal GDP (%)	-2.4	-2.9	-1.8	-3.9	-2.9	-3.3	-2.4

Source : INSTAT, DNTCP, BCEAO, DGDP, IMF

2.1. Evaluation of the gross domestic product

2.1.1 In terms of GDP

Mali's gross domestic product rose from CFA francs 7,748 billion in 2015 to CFA francs 10,227 billion in 2019, representing a wealth creation of CFA francs 2,479 billion over the period. According to the AfDB, this growth is driven by good gold and cotton production and this dynamic should continue in 2019 to

reach a GDP level of CFA francs 10,227 billion. With the health crisis linked to Covid-19, the initially estimated value for 2020 of CFA francs 10,956 billion has been reduced to CFA francs 10,420 billion according to IMF projections of May 2020. After 2020, upward trends should be respected until 2025 when GDP is estimated at CFA francs 14,54 billion.

Table 8. Evolution of GDP level between 2013 and 2025

Years	2013	2014	2015	2016	2017	2018	2019(p)	2020(p)	2021(p)	2022(p)	2023(p)	2024(p)	2025(p)
Nominal GDP (Billion CFA francs)	6 541	7 093	7 748	8 302	8 928	9 561	10 227	10 420	11 030	11 929	12 776	13 683	14 654

Source : INSTAT, IMF (projections 2020-2025)

2.1.2 Real GDP growth

The Malian economy has been experiencing a good dynamic of economic growth since 2014. The real GDP growth rate rose from 3.2% to 5% between 2014 and 2019. Growth in the primary and secondary sectors overall experienced a slight slowdown between 2018 and 2019. The primary sector growth rate falls from 4.7% to 4.5% between 2018 and 2019.

The growth rate in the secondary sector declines from 5.8% to 5.9% between 2018 and 2019. According to forecasts made before the Covid-19 health crisis, growth in both sectors is expected to slow further in 2020 to around 4.3% and 5.4% for the primary and secondary sectors, respectively.

In contrast to the primary and secondary sectors, growth in the tertiary sector accelerated between 2018 and 2019 from 3.9% to 4.8% and should consolidate in 2020 at around 4.9%.

The COVID-19 shock is hitting the Malian economy hard even though the country is already facing a dif-

ficult social and security situation. The economic outlook has deteriorated significantly. The performance of the various sectors in 2020 would fall short of the projections made before the COVID-19-related health crisis (table 9). According to the UN report of May 2020, the indirect effects of the crisis are potentially much more devastating than its direct effects. The global economic recession and its consequences on the national economy will lead to an anticipated drop in Gross Domestic Product growth of more than 80%. The projected GDP growth of 4.9 % is reduced to 0.9 % according to IMF estimates of May 2020. For the first time in six years, GDP growth will be well below population growth. This fall is expected to push 800,000 Malians into poverty according to the UN report.

Table 9. Evolution of real GDP growth by sector (%)

Mali	2014	2015	2016	2017	2018	2019	2020
Total GDP	3.2	-0.8	2.3	7.1	6.2	5.0	4.9
Primary sector	10.1	6.4	7.5	5.0	4.7	4.5	4.3
Secondary sector	8.1	-0.4	0.3	6.6	5.8	5.6	5.4
Tertiary sector	5.4	6.9	6.8	5.3	3.9	4.8	4.9
Of which non-market GDP	7.6	5.1	5.7	5.5	5.2	4.9	4.8
Duties and taxes	2.3	16.6	6.0	4.7	2.8	4.2	5.0

Source: INSTAT, framing november 2018; IMF

Table 10. Breakdown of GDP by structure (expressed in %)

Mali	2014	2015	2016	2017	2018	2019	2020
Total GDP	100	100	100	100	100	100	100
Primary sector	38.1	37.8	38.5	38.3	38.3	38.4	38.4
Secondary sector	16.8	17.2	16.5	17.4	18.3	18.8	19.2
Tertiary sector	37.7	37.5	37.6	37.7	37.5	37.2	37
Of which non-market GDP	92.5	92.5	92.6	93.4	94.0	94.4	94.5
Duties and taxes	7.5	7.5	7.4	6.6	6.0	5.6	5.5

Source : INSTAT, framing november 2018

2.2 Gross domestic product details

A detailed analysis of the different sectors of the Malian economy shows that the added value of the primary sector was CFA francs 3,935.1 billion in 2019 against CFA francs 2,922.7 billion in 2015. Agriculture is the first source of wealth creation in the primary sector with more than half of the wealth created (CFA Franc 1,953.3 billion in 2019). Livestock breeding and hunting occupy second place in terms of wealth creation with CFA francs 1,490.3 billion in 2019. Fishing comes in third place with a wealth creation of CFA francs 239 billion. The forestry branch and extractive activities close the gap with a wealth creation in the primary sector estimated at CFA francs 199.3 and 53.2 billion respectively in 2019.

Wealth creation in the secondary sector is estimated

at CFA francs 1,953 billion in 2019 against CFA francs 1,363 billion in 2015. This sector is dominated by the foundry with CFA francs 698.6 billion of wealth created in 2019 against

CFA francs 506.2 billion in 2015. The construction branch comes in second place in the creation of wealth in the sector with an amount of 550.1 billion in 2019 against 334.4 billion in 2015. The agro-food industry occupies the third position with a wealth creation estimated at 363.6 billion in 2019. The chemicals branch and manufacturing industry occupy respectively the fourth and fifth place with CFA francs 182.4 billion and 122.2 billion francs of wealth created in 2019. The construction industry closes the gap in the secondary sector with a wealth creation of CFA

francs 36.2 billion in 2019.

The added value of the tertiary sector increased from CFA francs 2,887.3 billion in 2015 to CFA francs 3,793.9 billion in 2019. This sector is driven by trade, whose added value was estimated at CFA francs 1 206.8 billion in 2019 against CFA francs 927.1 billion in 2015. Administrative activities occupy the second place in this sector with an added value of CFA francs 1,063.6 billion in 2019 against CFA francs 786.4 billion in 2015. Other services come in third place with a wealth creation estimated at 860.1 billion in 2019

against 653.1 billion in 2015. The transport and telecommunications branch occupies fourth place with an estimated added value of CFA francs 537 billion in 2019 against CFA francs 423.9 billion in 2015. The financial activities and the hotel branch generated respectively an added value of 190.9 billion and 44.5 billion CFA francs in 2019.

Table 11. GDP by value, sector detail

Mali (in billions of CFA francs)	2014	2015	2016	2017	2018	2019
Primary sector	2656.7	2922.7	3187.8	3422.9	3681.8	3935.1
Agriculture	1219.8	1401.3	1574.3	1698.1	1835.4	1953.3
Breeding and hunting	1078.1	1136.2	1203.4	1286.0	1380.9	1490.3
Forests	140.1	152.2	164.9	179.3	190.2	199.3
Fishing	183.1	194.9	203.8	214.2	225.8	239.0
Extractive activity	35.7	38.1	41.4	45.4	49.4	53.2
Secondary sector	1304	1363	1427	1617	1792	1953
Foundry	483.9	506.2	532.2	589.9	648.6	698.6
Agri-food	315.4	302.0	270.6	308.4	336.7	363.6
Chemical product	93.7	113.2	126.0	144.8	163.4	182.4
Energy	22.5	25.0	27.6	29.6	32.6	36.2
Construction	302.5	334.4	381.7	440.6	497.0	550.1
Manufacturing industry	86.0	82.7	88.4	104.0	113.8	122.2
Tertiary sector	2646.4	2887.3	3140.5	3352.0	3581.4	3793.9
Transport & Telecom	375.2	423.9	478.1	491.9	511.6	537.0
Hotel	36.4	37.3	38.7	40.3	42.2	44.5
Financial Activity	132.6	139.2	150.5	161.2	174.6	190.9
Trade	865.5	927.1	996.8	1058.1	1130.0	1206.8
Other services	609.9	653.1	698.5	751.4	805.4	860.1
Administrative Activity	712.3	786.4	864.0	940.9	1017.2	1063.6
Imputed production	-85.3	-79.9	-86.0	-91.9	-99.6	-108.9
Non-market GDP						
Market GDP	6607.14	7173.38	7754.95	8392.20	9055.26	9682.08
Public administration						
Duties and taxes	485.7	574.3	553.6	533.8	535.8	555.9
Total GDP	7092.8	7747.7	8308.5	8926.0	9591.0	10238.0

Source : INSTAT, National Accounts, November 2018

2.2.2 GDP in composition

The analysis of the share of the components of the different sectors of the economy in the market GDP shows that agriculture comes in first place with a contribution of 19% to the formation of GDP in 2019. Breeding and hunting occupy second place with a 15% contribution to GDP in 2019. Trade comes in

third place with a 12% contribution to GDP formation in 2019. Administrative activities account for 10% of GDP in 2019. The other components each contribute less than 10% to the formation of the Malian economy's GDP.

Table 12. Changes in the components of the various sectors from 2013 to 2019

Mali	2014	2015	2016	2017	2018	2019
Primary sector	37%	38%	38%	38%	38%	38%
Agriculture	17%	18%	19%	19%	19%	19%
Breeding and hunting	15%	15%	14%	14%	14%	15%
Forests	2%	2%	2%	2%	2%	2%
Fishing	3%	3%	2%	2%	2%	2%
Extractive activity	1%	0%	0%	1%	1%	1%
Secondary sector	18%	18%	17%	18%	19%	19%
Foundry	7%	7%	6%	7%	7%	7%
Agri-food	4%	4%	3%	3%	4%	4%
Chemical products	1%	1%	2%	2%	2%	2%
Energy	0%	0%	0%	0%	0%	0%
Construction	4%	4%	5%	5%	5%	5%
Manufacturing industry	1%	1%	1%	1%	1%	1%
Tertiary sector	37%	37%	38%	38%	37%	37%
Transport & Telecoms	5%	5%	6%	6%	5%	5%
Hotel	1%	0%	0%	0%	0%	0%
Financial Activity	2%	2%	2%	2%	2%	2%
Trade	12%	12%	12%	12%	12%	12%
Other services	9%	8%	8%	8%	8%	8%
Administrative activity	10%	10%	10%	11%	11%	10%
Imputed production	-1%	-1%	-1%	-1%	-1%	-1%
Non-market GDP						
Market GDP	93%	93%	93%	94%	94%	95%
Public Administration						
Duties and taxes	7%	7%	7%	6%	6%	5%
Total GDP	100%	100%	100%	100%	100%	100%

Source : INSTAT, National Accounts, November 2018

2.2.2 GDP by component

On the demand side, economic growth is sustained mainly by domestic demand which was estimated at CFA francs 11,565.4 billion in 2019 against CFA francs 8,766.3 billion in 2015. Total external demand was estimated at CFA francs 5,773.9 billion in 2019 against CFA francs 4,930.6 billion in 2015.

An analysis of the components of domestic demand shows that it is essentially driven by final consumption, which was estimated at CFA francs 8 876.6 billion in 2019 against CFA francs 1 173.2 billion for investment. Between 2018 and 2019, although investment recorded a very slight drop (-12.8%), domestic demand increased by 5.3% thanks to the dynamism of consumption (+6.1%).

Table 13. Evolution of the Malian GDP by component (billions of CFA francs)

	2014	2015	2016	2017	2018 (estimations)	2019 (projections)	2020* (projections)
1. Internal demand	8034.5	8766.3	9424.9	10181.2	10983.7	11565.4	12429.4
Total consumption	6764.2	7344.1	7818.7	8349.5	8876.6	9417.7	9993.8
Private	5611.1	6075.7	6432.7	6840.7	7255.3	7649.6	8065.2
Public	1153.0	1268.4	1386.0	1508.9	1621.3	1768.1	1928.6
Total investments	1463.2	1458.8	1620.4	1480.2	1347.5	1173.2	998.5
Private	703.0	786.1	846.3	969.2	1119.6	1144.9	1304.9
Public	567.3	636.0	759.9	862.5	987.5	1002.7	1130.7
2. Total external demand	4301.0	4930.6	5300.0	5517.1	5809.8	5773.9	5797.7
3. Change in stocks	159.6	186.4	286.7	138.4	62.9	126.2	2.8

Source : INSTAT, National Accounts, November 2018

*projections before the Covid -19 crisis

The reference document for the development policies in force in Mali is the strategic framework for economic recovery and sustainable development (SERSD 2019-2023). Unlike the previous "SERSD 2016-2018" based on the Mali 2025 vision, it is based on a new long-term vision, Mali 2040. The development of the SERSD 2019-2023 is in line with the objective of capitalizing on the results of the SERSD 2016-2018 for a proactive strategy of economic and social transformation in Mali.

The Theory of Change for SERSD 2019-2023 is based on the assumption that good democratic, judicial and security governance will reduce multidimensional poverty, gender inequalities and economic disparities, including the adverse effects of climate change. This will break the cycle of endemic poverty, build resilience and improve security.

3.1 Recent Achievements and Accomplishments

The SERSD is first presented before indicating the main recent structural reforms undertaken in the framework of this plan.

3.1.1 Presentation of the SERSD

The SERSD 2019-2023 is a strong response to development issues. Its vision is "A well-governed Mali, where harmonious living together of the different components of society is restored, peace consolidated and collective and individual security ensured in unity, cohesion and diversity, where the process of wealth creation is inclusive and respectful of the environment and where human capital is valued for the benefit of young people and women in particular".

The objective is to promote inclusive and sustainable development to reduce poverty and inequality in a united and peaceful Mali, based on potential and resilience capacities in order to achieve the Sustainable Development Goals (SDGs) by 2030.

To achieve this objective, CEED is structured around the following five axes: (i) consolidating democracy and improving governance, (ii) restoring peace, security and strengthening living together, (iii) inclusive growth and structural transformation of the economy, (iv) protecting the environment and strengthening resilience to climate change, and (v) developing human capital.

The first axis aims at reforming political institutions, adopting better democratic practices and improving administrative, economic, social and security governance. The second axis will pay particular attention

to the consensual implementation of the Agreement for Peace and Reconciliation in Mali resulting from the Algiers Process and to efforts to combat terrorism and violent extremism.

Axis 3 aims at sustained growth through a structural transformation of the economy driven by a stronger industrialization through the development of the most competitive value chains, the development and modernization of infrastructures, the promotion of cultural values and infrastructures that create wealth, a better overall productivity of factors, a more efficient system of financing the economy and a judicious exploitation of mining resources and information and communication technologies.

The fourth axis aims to design the development process with a view to preserving the environment and developing the resilience of populations to the effects of climate change. Finally, the aim of axis 5 is to transform the significant demographic bonus available to Mali into a real demographic dividend and also to turn urbanization and migration into opportunities for Mali's development.

Mali's Multiannual Convergence Programme for the period 2020-2024 is part of the implementation of the measures contained in the SERSD. This programme targets an average annual growth rate of 4.9% over the period 2020-2024, a gain of nearly 5 percentage points in the tax burden rate, from 15.8% in 2020 to 20.0% in 2024, an overall budget deficit maintained at 3% over the entire period of the Programme and a gradually declining debt ratio: from 37.0% in 2020 to 30.6% in 2024.

Two economic growth scenarios have been elaborated in the SERSD macro-economic framework: a trend growth level, known as basic, and an optimistic growth level. The average annual average growth rate of the baseline scenario, in line with the objectives defined in the programme agreed with the IMF, is 4.9% over the period 2019-2023, compared with 6.5% for the optimistic scenario.

The overall cost of implementing the SERSD would amount to CFA francs 13,876 billion over the period 2019-2023, excluding public debt servicing, for the trend scenario, i.e. an annual average of CFA francs 2,775.2 billion. This amount would rise over the same period for the optimistic scenario to CFA francs 14 320.4 billion, excluding the service of the public debt, i.e. an annual average cost of CFA francs 2 864.1 billion. This scenario provides for an additional mobilization of resources, excluding the servicing of the public debt, of CFA francs 88.9 billion on average per year. This effort would be sought at the level of the mobilization of domestic resources, especially fiscal resources.

For the financing of the development plan, Mali is accompanied by technical and financial partners. Some projects related to governance and the environment (notably the fight against corruption, new and renewable energies, etc.) are financed in the form of budgetary support, while others are financed in the form of project support (humanitarian, health, education, etc.). The financing mechanism involves the establishment of a counterpart from the State. The partners coordinate interventions within the framework of sector budget support according to the zones and areas of intervention of the projects.

For monitoring-evaluation, the steering and monitoring mechanism of the SERSD and SDGs set up by Decree n°2018-0623 /PM-RM of 8 August 2018 should constitute the single framework around which all stakeholders will be mobilized to measure the achievement of results and the attainment of the set objectives. The SERSD's monitoring-evaluation mechanism is structured around two levels of governance: the National Strategic Orientation Committee chaired by the Prime Minister and the Steering Committee, chaired by the Minister of Economy and Finance. These structures will provide strategic supervision of the implementation of the SERSD and will take readjustment measures according to the

progress made or the underperformance recorded. The Mali-Partners Joint Commission will provide the framework for dialogue between the Government, represented by the Minister of Economy and Finance, and the Technical and Financial Partners.

3.1.2 Recent structural reforms related to the SERSD

Some recent reforms related to the SERSD fall within the framework of the 2016-2018 programme, which has achieved several results, particularly in terms of improving the business climate and improving and modernizing public administration.

The administrative reforms undertaken for the organization of the services of the chain of expenditure and human resources have made it possible to improve efficiency in the management of the State's human and financial resources. Indeed, the administrative and financial directorates of ministerial departments have been split into human resources directorates and finance and material directorates.

With regard to public finance management reforms, several actions have been carried out, in particular the computerization of the tax base and expenditure departments, the strengthening of the control chain, the implementation of the programme budget, etc. The reforms have also led to the creation of a new public finance department. These reforms would enable the State to control expenditure and mobilize tax resources with a view to freeing up budgetary space. Judicial reforms aim to bring justice closer to the litigants in order not only to balance the powers of the judge but also to guarantee the quality of justice delivered. The implementation of these reforms is gradually being implemented according to a five-year plan.

Mali has drawn up a Three-Year Investment Programme (TIP) 2019-2021. The Special Investment Budget (SIB) 2019 constitutes the first annual instalment. The SIB 2019 is balanced in terms of resources and uses at the sum of CFA francs 604.638 billion against CFA francs 543.567 billion in 2018, an increase of

CFA francs 61.071 billion corresponding to 11.24%. Overall, the SIB 2019 is dominated by the infrastruc-

ture sector with 33.88% of the total amount against 44.69% under the SIB 2018.

This programme enabled the construction of the Kayo bridge linking Koulikoro to the national road leading to Ségou in 2019, the construction of social housing (5,928 social housing units of the first tranche of the 12,566 units launched in 2018) as part of the 50,000 social housing project, the implementation of the development of the access road to the 3rd bridge in Bamako, the construction of an interchange at the Missabougou crossroads and the rehabilitation of the section of the Africa Tower in Bamako.

3.2. Future projects

In order to achieve the objectives of the SERSD, the Malian government is undertaking several projects and reforms, the main ones being:

- the continuation of the implementation of the Agricultural Orientation Law in order to improve the productivity and competitiveness of the agricultural sector, particularly the rice and cotton sectors;

- the implementation of major transport and hospital infrastructure projects. These include, among others, the construction of the fourth bridge in Bamako, the construction of the trans-Saharan road, section Bourém-Kidal-Algeria border, the continuation of the construction of the Zantiébougou-Kolondiéba-Ivory Coast border road, the extension and equipment

of the Mali hospital, the improvement of the Markala-Koutiala-Koulikro health technical platform and the completion of the extension and modernisation programme of the Modibo KEITA Senou International Airport;

- the resumption of construction work on the Taoussa dam, the construction of solar power plants, interconnection with the electricity grids of certain neighbouring states (Ghana, Burkina Faso, Ivory Coast) as well as the development of the digital economy with the laying of 4,500 km of fibre optic cables for the connection of eight regional capitals and interconnection with neighbouring countries.

- increasing mining production by strengthening mapping and mining research programmes ;

- improving revenue collection by gradually reducing exemptions, modernizing and improving tax and customs administration, sustainably improving the operation and efficiency of VAT, as well as deploying teleservices and introducing standardized invoicing ;

- controlling public expenditure by improving the management of public investment through capacity building in terms of evaluating investment projects, continuing the implementation of the Single Treasury Account and strengthening internal and external control of public expenditure;

- improving the monitoring of payment deadlines in order to avoid the build-up of debt arrears.



4.1. Structural elements

4.1.1. Description of the Franc zone

The Franc zone is characterized by four (4) founding principles. These principles were set out in the monetary cooperation agreement between the Member States of the Bank of Central African States' issuing zone and France of 23 November 1972, as well as in the cooperation agreement between the Member States of the West African Monetary Union and France of 4 December 1973.

The 4 main principles of the Franc zone are:

- **A guarantee from the French Treasury for the unlimited convertibility of the Central Bank currency:** currencies issued by issuing institutions in the Franc zone have unlimited convertibility guaranteed by the French Treasury. To ensure the free convertibility of each of the sub-areas, an operations account is opened with the French Treasury by each Central Bank of the zone and on which the Central Banks have an unlimited drawing right in case of exhaustion of their foreign currency reserves;
- **A fixed parity with the Euro of 1 Euro for 655.957 CFAF:** the parity of the zone's currency with the Euro is fixed and defined for each subzone. The currencies of the zone are convertible between them, at fixed parities, without limitation of amounts. The changeover to the euro resulted in a simple substitution of the peg to the French franc by the peg to the euro, at an equivalent parity, i.e. $655.957 \text{ CFAF} = 1 \text{ euro}$ (the parity being identical for the West and Central African sub-areas)
- **Free and unlimited transfer of reserves:** transfers are, in principle, free within the Zone.
- **Centralization of reserves:** The States centralize their foreign exchange reserves in their Central Banks, while in return for the unlimited convertibility guaranteed by France, the Central Banks of the franc zone are required to deposit a share of their net foreign assets (foreign exchange re-

serves) with the French Treasury in the operations account opened in the name of each of them. Since the reform of September 2005, BCEAO has been required to deposit 50% of its foreign assets on its operations account.

A new monetary agreement was signed in December 2019 by WAEMU member states and France to reform the CFAF. It lays the foundations for the accession of member countries to the ECO, the single currency project of ECOWAS. In order to enable WAEMU economies to prepare for the ECO, the monetary cooperation agreements linking member states of the zone to France have been profoundly revised. Three decisions were taken:

- e The change of the name of the currency from CFA Franc to ECO, when the WAEMU countries join the new ECOWAS ECO zone;
- e The end of the centralization of foreign exchange reserves at the French Treasury, the closure of the operations account and the transfer to BCEAO of the resources available in the account;
- e The withdrawal of all French representatives in the decision-making and management organs of WAMU (BCEAO Board of Directors, Banking Commission and Monetary Policy Committee).

Two key elements of monetary stability have been retained:

- e Maintaining the fixed exchange rate against the euro (which ensures the current parity).
- e The guarantee of unlimited convertibility of the currency by France.

In May 2020, the bill ratifying the end of the CFA franc was adopted by France in the Council of Ministers. It validates the transformation of the CFA franc, which will become the ECO, by maintaining a fixed parity with the Euro and the end of the centralization of foreign exchange reserves of West African states with the French Treasury.

4.1.2. Description of BCEAO

WAEMU Treaty Article 41 designates the Central Bank of West African States (BCEAO) as an autonomous specialized institution of the Union. In complete independence, BCEAO contributes to the achievement of the objectives of the Treaty.

Members

The eight (8) Member States of WAEMU are members of BCEAO. They are Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo.

Organes

The organs of the Central Bank are: The Governor, the Monetary Policy Committee, the Board of Directors, the Audit Committee, the National Credit Councils, with one Council in each of the WAMU Member States

Functioning

The Central Bank, its organs, any member of its organs or its staff may not seek or receive instructions or directives from Community institutions or organs, from the governments of WAEMU Member States, from any other body or from any other person. Community institutions and bodies and the governments of WAEMU member states undertake to respect this principle.

The main objective of the Central Bank's monetary policy is to ensure price stability. Without prejudice to this objective, the Central Bank supports the economic policies of the West African Economic and Monetary Union (WAEMU) with a view to achieving sound and sustainable growth.

Roles

The Central Bank is entrusted with the following fundamental tasks:

- ✓ Defining and implementing monetary policy within WAEMU;
- ✓ Ensure the stability of the WAEMU banking and financial system;
- ✓ Promote the smooth functioning and ensure the supervision and security of payment systems in WAMU;

- ✓ Implement WAEMU's exchange rate policy in accordance with the conditions laid down by the Council of Ministers;
- ✓ Manage the official foreign exchange reserves of WAEMU member states.

The Central Bank may carry out, while respecting the monetary balance, specific missions or projects that contribute to improving the monetary policy environment, diversifying and strengthening the WAEMU financial system and technical and professional capacities in the banking and financial sector.

The main objective of the Central Bank's monetary policy is to ensure price stability. To this end, it defines the monetary policy that makes it possible to maintain the external coverage rate of the currency at a satisfactory level and to support the economic activity of the member countries without inflationary pressure¹.

BCEAO oversees the monetary policy of each member country through the elaboration of money supply and credit targets set on an annual basis. Statutory advances to the national treasuries of member states were suspended in 2001 and abolished as from 2010.

For the management of the common monetary policy, BCEAO relies on market mechanisms and indirect instruments for regulating liquidity, in particular the steering of interest rates and the system of compulsory reserves.

4.1.3. Monetary policy

BCEAO benefits from the exclusive privilege to issue money in all member states of the West African Monetary Union. It issues monetary signs, banknotes and coins, which are legal tender and have the power of discharge in all member states of the Union. The creation, issue and cancellation of monetary signs are decided by the Council of Ministers.

The management of the monetary policy of the Member States of the Union by the Central Bank consists of adjusting the overall liquidity of the economy in accordance with the evolution of the economic situation in order to ensure price stability on the

¹ The Monetary Policy Committee of BCEAO, at its first meeting held on 14 September 2010 in Dakar, defined the operational objective of price stability as an annual inflation rate in the Union within a margin of \pm one percentage point (1%) around 2%, with a horizon of twenty-four (24) months.

one hand and to promote economic growth on the other.

The current money and credit management system relies on market mechanisms and indirect instruments to regulate liquidity, including interest rates and the reserve requirement system.

The functioning of BCEAO is based on:

Open market operations: seven-day and twenty-eight-day refinancing (respectively every week and every month for banks subject to compulsory reserves) allocated at variable rates; the minimum bid rate considered by BCEAO as its key rate (currently 2.0%). Planned auctions are generally calibrated according to BCEAO's forecasts of liquidity needs over the maturity of the operations;

Permanent lending windows: refinancing for 1 to 7 days or 90 to 360 days against government securities and credit applications with maturities ranging from

5 to 20 years, at the request of banks (marginal lending window). The rates of these windows are above the key rate of 200 basis points. As of June 2017, recourse to the lending window has been capped at twice the counterparty's own funds.

The minimum interest rate for bidding in open market operations (tenders) and the interest rate applicable on the marginal lending window (repo rate), the levels of which are set by the Monetary Policy Committee, are 2.00% and 4.00% respectively, and constitute the two main key rates of BCEAO.

Money supply

The money supply in Mali consolidated between 2014 and 2019, increasing from CFA francs 1,883.7 billion to CFA francs 2,991.8 billion (Table 14). In 2019, Mali's money supply consisted of CFA francs 577.7 billion in net foreign assets and CFA francs 2,991.2 billion in domestic assets.

Table 14. Composition of Mali's money supply

In billions of CFA francs	2014	2015	2016	2017	2018	2019
Foreign assets	627.7	574.8	246.7	140.7	192.6	577.7
Central Bank	317.7	222.0	-82.0	-8.1	106.9	287.9
In banks	310.0	352.8	328.7	148.8	85.7	289.8
Domestic assets	1 693.7	2 086.1	2 595.7	2 861.0	3 200.6	2 991.2
To the credit of the Stat	-74.2	-35.9	199.7	300.9	643.6	328.6
Central Bank	-65.8	-42.9	28.4	85.3	126.8	-97.0
Banks	-8.4	7.0	171.3	215.6	516.8	425.6
To the credit of the economy	1 767.9	2 122.0	2 396.0	2 560.0	2 557.0	2 662.7
Others						
Money supply (M2)	1 883.7	2 079.4	2 302.9	2 386.5	2 744.8	2 991.8
Currencies in circulation	443.6	407.2	443.4	460.7	509.6	633.1
Deposit	956.1	1 080.0	1 141.7	1 200.6	1 433.1	1 478.7

% increase observed at 31. Dec						
Net foreign assets	-17.2%	-8.4%	-57.1%	-43.0%	36.9%	199.9%
Net domestic assets	20.0%	23.2%	24.4%	10.2%	11.9%	-6.5%
Credit to the State	-23.2%	-51.6%	-656.3%	50.7%	113.9%	-48.9%
Central Bank	65700.0%	-34.8%	-166.2%	200.4%	48.7%	-176.5%
Banks	-91.3%	-183.3%	2347.1%	25.9%	139.7%	-17.6%
Credit to the economy	17.3%	20.0%	12.9%	6.8%	-0.1%	4.1%
Money supply (M2)	5.8%	10.4%	10.7%	3.6%	15.0%	9.0%

Source : BCEAO

4.2 Banking system and financial markets

4.2.1 The banking environment

Mali's banking environment is made up of traditional banks and credit institutions and microfinance institutions. According to the WAMU Banking Commission, Mali had 17 licensed credit institutions in 2018 (14 banks and 3 licensed financial institutions of a banking nature) compared to 16 in 2017. Table 15 shows the balance sheet of licensed banks and bank-based financial institutions for the period 2014-2018. Between 2014 and 2018, the assets of banks increased from CFA francs 3,224 billion to CFA francs

4,705 billion. An increase of 6% in the assets of banks and financial institutions of a banking nature was noted between 2017 and 2018.

According to the banking commission, in 2018, the Malian banking landscape was composed of 8 large banks (balance sheet >CFA francs 200 billion), 4 medium-sized banks (balance sheet between CFA francs 100 and 200 billion) and 4 small banks (balance sheet < CFA francs 100 billion).

Table 15: Evolution of the balance sheet of authorized credit institutions

BALANCE SHEET (Amount in million CFA francs for 16 establishments)	2014	2015	2016	2017	2018
Treasury and interbank transactions	518 715	617 889	641 806	568 857	660 517
Transactions with customers	1 571 892 1	1 895 120	2 203 635	2 373 493	2 518 136
Transactions on securities and others	853 906	1 044 679	1 188 639	1 242 587	1 221 806
Property value	278 481	264 279	296 233	253 359	304 672
Shareholder or Associates	1 250	0	0	1 150	0
TOTAL ASSETS	3 224 244 3	3 821 967	4 330 313	4 439 446	4 705 131

Treasury and interbank transactions	792 021	942 480	1 250 548	1 183 921	1 139 719
Transactions with customers	2 012 238	2 381 450	2 536 654	2 672 553	2 900 662
Transactions on securities and others	95 604	98 691	113 670	201 734	207 904
Payments still to be made on long-term investments	0	0	0	0	0
Provisions, shareholders' equity and similar	324 381	399 346	429 441	381 238	456 846
TOTAL LIABILITIES	3 224 244 3	3 821 967	4 330 313	253 359	304 672

Source : BCEAO

The WAMU banking commission indicates that employment in the Malian banking system grew in 2018 by 4.5% to 4,044.6 billion at the end of December 2018. 4,044.6 billion at the end of December 2018. Their structure remains dominated by customer loans for 62.3% and investment securities for 23.4%. Financial investments and other fixed assets accounted for 0.7% and 6.8% respectively. Customer loans increased by 6.1% in 2018 from CFA francs 2,373.493 billion to CFA francs 2,518.136 billion. They consisted mainly of short-term loans (68.8%), medium-term loans (21.07%) and overdue loans (2.7%).

Short-term credits amounted to CFA francs 1,734.774 billion in 2018. They recorded an increase of 3.8% between 2017 and 2018. As for medium-term credits, amounting to CFA francs 530.6 billion, they showed an increase of 7.1% over the same period. 68.7 billion in 2018, an increase of 79% over the previous year.

174.6 billion, an increase of 8.2% between 2017 and 2018. Leasing commitments recorded an increase of 38.9% over the same period, reaching CFA francs 9.34 billion. Investment securities stood at CFA francs 945.6 billion at the end of 2018, an increase of 7.8%. As for financial and other fixed assets, they stood at 30.58 billion and 274.08 billion, up respectively by 14.1% and 21% between 2017 and 2018.

At 31 December 2018, the gross rate of deterioration in the customer portfolio was 12.3%. Taking into account provisions, the net rate of deterioration in the customer portfolio was 6.9% in 2018. This ratio was slightly up 0.1% compared with 2017. In 2019, the interest rate on loans varied between 6% and 8% from one bank to another, compared with 4% to 5% for interest on savings. The average lending rate was 7.69% in 2019 against 7.86% in 2018, an increase of 0.17 points.

Table 16. Average observed interest rate by credit duration

Interest rate according to the duration of the credit	2014	2015	2016	2017	2018	2019
inf or equal to 1 month	9.07	7.03	7.33	7.76	7.70	6.38
more than 1 month and less than or equal to 3 months	9.01	8.68	8.36	7.65	7.38	7.16
more than 3 months and less than or equal to 6 months	8.79	9.11	8.64	8.55	8.25	8.15
more than 6 months and less than or equal to 1 year	8.31	8.41	8.95	8.09	7.89	8.04
more than 1 year and less than or equal to 2 years	8.96	9.08	8.09	7.11	7.71	7.28
more than 2 years and less than or equal to 5 years	8.72	8.82	8.88	8.27	8.33	7.57
more than 5 years and less than or equal to 10 years	8.86	9.22	8.72	8.17	7.71	8.18
More than 10 years	6.90	6.68	4.08	6.91	6.12	6.61
Total	8.71	8.64	8.34	7.99	7.86	7.69

Source : BCEAO

Table 17. Average interest rate by deposit duration

Interest rate according to the nature of the deposit	2014	2015	2016	2017	2018	2019
inf or equal to 1 month	4.56	3.79	4.55	4.41	4.46	4.91
more than 1 month and less than or equal to 3 months	5.43	4.69	5.36	5.22	5.10	5.02
more than 3 months and less than or equal to 6 months	4.56	4.44	4.62	5.21	4.98	4.88
more than 6 months and less than or equal to 1 year	4.86	4.86	4.66	4.90	4.75	4.90
more than 1 year and less than or equal to 2 years	4.60	5.00	4.38	4.93	4.75	5.04
more than 2 years and less than or equal to 5 years	4.80	5.40	5.30	4.71	5.35	5.31
more than 5 years and less than or equal to 10 years	5.53	4.82	4.34	5.75	4.91	5.07
More than 10 years	5.73		5.91	4.59	3.88	4.08
Total	4.93	4.82	4.82	4.92	4.92	5.00

Source : BCEAO

At the end of 2017, the number of Decentralized Financial Systems (DFSs) in Mali was 84. These structures had 1,076,538 members/customers. Outstanding deposits and loans amounted to FCFA 73,568 million and CFA francs 104,501 million respectively. Outstanding loans and the amount of deposits collected by the DFSs in Mali increased by 26.7% and 31.0% respectively in 2019.

According to the Banking Commission report, Malian Article 44 DFSs posted a total balance sheet of CFA francs 144.5 billion in 2018. This balance sheet was up 7.3% compared to 2017. In 2018, Mali had 11 Article 44 DFSs.

As for DFSs in difficulty, 16 microfinance institutions in the WAEMU space were under provisional administration at the end of December 2019, including one in Mali.

4.2.2 Financial markets

The WAEMU financial market is structured around the debt securities market (public and private bonds) and the equity market. The regional public securities market has two (2) components: the auction market and the syndication market.

The public securities auction market is organized and regulated by BCEAO through Agence UMOA-Titres ; while the public securities syndication market, private bonds and shares are regulated by the Regional Council for Public Savings and Financial Markets (CREPMF) and organized by the Regional Stock Exchange (BRVM) and the Central Custodian/Settlement Bank (CC/BS).

4.2.2.1 REGIONAL SECURITIES EXCHANGE (BRVM): Presentation and roles

The Regional Stock Exchange (BRVM) is a specialized financial institution created on 18 December 1996, in accordance with a decision of the Council of

Ministers of the West African Economic and Monetary Union (WAEMU) taken in December 1993.

BRVM is a public limited company with a community public service mission. It is common to the 8 countries of West Africa. BRVM/CC/SB started its activities on 16 September 1998 in Abidjan. Its main missions are the following:

- The organization of the stock market;
- The publication of stock exchange transactions;
- Dissemination of information on the stock exchange;
- The promotion and development of the market.

Evolution of BRVM bond and equity market

Since 2016, the WAEMU stock market (BRVM) has been experiencing successive declines that accelerate until 2018 and then slowdown in 2019. It fell from -3.8% in 2016 to -16.81% in 2017 and -29.14% in

2018. However, the decline slows to -3.4% in 2019.

This underperformance shows that the WAEMU market did not fully withstand the general downward trend that gripped the world's financial markets. BRVM's decline in 2018 is particularly marked. The stocks preferred in 2015, oriented towards the food and beverage as well as agribusiness, consumer, automobile and equipment and banking sectors, have experienced a decline.

The fall in BRVM prices could be explained, on the one hand, by the profit-taking of several large investors who had made significant capital gains on their investment. The drop also comes from the readjustment (rectification) after four (4) years of intensive market increases (2012 to 2015) and, on the other hand, from the misunderstanding of the different splits made on the market. New investors are speculating and most listed companies have not reacted to the fall in their capitalization.

During the 2019 financial year, BRVM Composite Index rose from 172.2 on 31/12/2018 to 159.2 on 31/12/2019. The market capitalization of the stock market fell from CFAF 4.845 billion at the end of 2018 to CFAF 4.741 billion at the end of 2019, a drop of 2%.

BRVM also reached the CFAF 236 billion mark in transactions in 2018 and 117.303.543 shares were exchanged for a value of CFAF 174.449.217.023.

Concerning the bond compartment, 6.359.442 bonds were traded for a value of CFAF 61.767.647.783 in 2018. The market capitalization of bonds amounted to CFAF 4.233 billion as at 31 December 2019 against CFAF 3.444 billion the previous year, an increase of 23%. This improvement was driven by the appetite of WAEMU member states to use the regional financial market to support their respective economies.

Table 18. Evolution of BRVM financial market

	2013	2014	2015	2016	2017	2018	2019
BRVM 10 index	246	268	290	262	220	154	149
BRVM composite index	232	258	304	292	243	172	159
Composite market capitalization (shares and bonds) in billions of CFA francs	6 706	7 459	9 079	10 216	9 806	8 289	8 973
Equity Market	5 634	6 320	7 500	7 706	6 836	4 845	4 741
Bond Market	1 073	1 139	1 579	2 509	2 970	3 444	4 233
Number of listed companies	37	38	39	43	45	45	46

Source: BRVM

4.2.2.2 The share market

In 2019, only one Malian company was listed on the regional stock exchange: The Bank of Africa Mali (BOAM). On 8 May 2020, BOAM had a total capitalization of CFA francs 15.45 billion with a volume of 15,450,000 shares. BOAM's share price had an annual growth rate of -15.65% as at 04 June 2020. This evolution was estimated at -13.91% on June 11,

2020 and -13.04% on June 19, 2020. The BOAM is not included in the RSE 10 index, which was revised in April 2019, January 2020 and April 2020.

4.2.2.3 Public Securities Market

According to WAMU Securities, the Malian government, through the Public Treasury, has organized by auction six (6) issues of Treasury bills (BATs) and

fourteen (14) issues of Treasury bonds (OATs) in 2019. In total, an amount of CFA francs 428 billion was raised in 2019 on the sub-regional financial market through auctions, compared to CFA francs 393 billion in 2018, which gives an increase of 8.90%. The interest rate varied between 5% and 6.50% depending on the maturity of the issue.

From 1 January to 10 June 2020, Mali issued eleven (11) public securities by auction for a total amount of CFA francs 330 billion. Moreover, among the issues carried out during the period, four (04) were simultaneous issues, offering investors various instruments (BAT and/or OAT) in one issue.

Table 19: Bond issues in Mali

Instrument	Operation date	Value date	Maturity	Amount (millions CFA francs)
OAT	10/06/2020	11/06/2020	11/06/2023	30 000
OAT	10/06/2020	11/06/2020	11/06/2025	
OAT	10/06/2020	11/06/2020	11/06/2027	
BAT	27/05/2020	28/05/2020	26/05/2021	30 000
OAT	13/05/2020	14/05/2020	14/05/2023	30 000
OAT	13/05/2020	14/05/2020	14/05/2025	
BAT	05/05/2020	06/05/2020	04/08/2020	80 000
BAT	29/04/2020	30/04/2020	28/10/2020	30 000
OAT	29/04/2020	30/04/2020	30/04/2023	
OAT	15/04/2020	16/04/2020	16/04/2023	25 000
OAT	15/04/2020	16/04/2020	16/04/2025	
BAT	04/03/2020	05/03/2020	02/09/2020	25 000
OAT	19/02/2020	20/02/2020	20/02/2023	30 000
OAT	05/02/2020	06/02/2020	06/02/2023	25 000
BAT	15/01/2020	16/01/2020	13/01/2021	25 000
BAT	11/12/2019	12/12/2019	09/12/2020	10 000
OAT	21/11/2019	22/11/2019	22/11/2022	20 000
OAT	23/10/2019	24/10/2019	24/10/2024	15 000
BAT	09/10/2019	10/10/2019	07/10/2020	20 000
OAT	25/09/2019	26/09/2019	26/09/2022	20 000
OAT	11/09/2019	12/09/2019	12/09/2024	20 000
OAT	28/08/2019	29/08/2019	29/08/2022	25 000
OAT	14/08/2019	16/08/2019	16/08/2024	20 000
OAT	31/07/2019	01/08/2019	01/08/2022	20 000
BAT	12/06/2019	13/06/2019	10/06/2020	20 000
OAT	29/05/2019	31/05/2019	31/05/2024	20 000
BAT	15/05/2019	16/05/2019	13/05/2020	25 000
OAT	24/04/2019	25/04/2019	28/02/2024	15 000
OAT	10/04/2019	11/04/2019	11/04/2022	20 000
OAT	27/03/2019	28/03/2019	28/03/2022	20 000
OAT ES	27/02/2019	28/02/2019	28/02/2022	50 000
OAT ES	27/02/2019	28/02/2019	28/02/2024	50 000
BAT	13/02/2019	14/02/2019	12/02/2020	20 000
OAT	30/01/2019	31/01/2019	31/01/2022	20 000
BAT	16/01/2019	17/01/2019	15/01/2020	20 000

Source : Agence UMOA-Titres

4.2.3. Debt subscription mechanisms

Any investor based in or outside the WAEMU may invest in public securities issued by auction or syndication. Orders are placed through authorized market participants: an underwriting syndicate or any MIC operating in the Union in the case of issues by syndication, and credit institutions based in the Union or MICs having an account in the books of the Central Bank in the case of issues by auction. Transactions on BRVM share market are carried out through stock exchange intermediaries, in particular MIC.

Organization of market by auction and amount of subscriptions

The auction market is a segment of the public securities market, on which WAEMU member states issue Treasury bills and bonds following an auction procedure in order to finance their budgets.

Unlike the syndication market, the auction market is led by the following players:

- The Central Bank of West African States (BCEAO), which is the regulator of this market. As such, it enacts the applicable provisions, intervenes in the organization of auctions of public securities, acts as Central Custodian / Settlement Bank, clearing, settlement and delivery of transactions between participants with an account in its books, through its electronic platform SAGETIL-UMOA² ;
- States which are the issuers of public debt securities on the Union's money market, under the responsibility of the Minister of Finance;
- Agence UMOA-Titres, a regional structure in charge of issuing and managing public debt securities, materially organises issues and, in this capacity, provides assistance to Member States in mobilizing resources on the capital markets and managing their debt;
- Investors which are credit institutions, IMS and regional financial bodies with a settlement account in the books of the Central Bank³ ;
- Specialists in Treasury Securities (STSs) which are credit institutions and IMSs that have obtained the approval of the Ministers in charge of Finance of WAEMU Member States to act in this capa-

city and thus benefit from the status of privileged partners of one or more Treasuries of Member States on transactions on public debt securities issued on the regional market.⁴

Securities issued by auction are traded on the secondary market, following an over-the-counter procedure.

Organization of the markets by syndication and amount of subscriptions

The WAEMU regional financial market is characterized by a mixed organization. Indeed, it is composed of a public sector consisting of the Regional Council for Public Savings and Financial Markets (**CREPMF**) and a private sector which includes the central structures of the Regional Stock Exchange (BRVM) and the Central Custodian/Bank of Settlement (CC/BS) on the one hand, and the commercial players on the other.

CREPMF is the WAEMU's regional financial market regulator (FMR). Its missions are, among others, to :

- To ensure the authorization and control of public offering procedures;
- Authorize market management structures and approve commercial operators;
- Approve the tariffs of commercial operators;
- Regulating the operation of the market;
- Ensure the supervision of the regularity of stock exchange operations.

BRVM is organized at a central site based in Abidjan (Côte d'Ivoire) and represented in each member state by a National Stock Exchange Antenna (NSEA). The main responsibilities of BRVM are:

- Authorization of the scholarship holders to carry out their activity;
- The management of the market, in particular ensuring the centralization of buy or sell orders, the management of the coast, the dissemination of market information, as well as the promotion and popularization of financial culture within the WAEMU;
- The management of unsettled transactions.

² Automated Securities and Liquidity Management System of the West African Monetary Union.

³ All other investors wishing to participate will have to go through the approved participants.

⁴ The operationalisation of primary dealers in the WAEMU started on 1 March 2016.

The Central Custodian/Settlement Bank (CC/BS) is a financial institution whose role is to:

- To clear applicants for the position of account keeper;
- Ensuring the settlement of negotiations and the management of the financial service of securities;
- Ensure the maintenance of current accounts for securities opened by Management and Intermediation Companies (MIC) in its books;
- To ensure the safekeeping and the scriptural circulation of securities;
- Proceed to the payment in cash, in its capacity as settlement bank, of the balances of stock exchange transactions.

Since its creation, the main products present on the regional financial market have been equities and bonds. In recent years, several new products such as mortgage refinancing and securitization (Sukuk Debt Securitization Fund) have been introduced. Securities issued by syndication are traded on the secondary market on BRVM's electronic trading platform.

When organizing issues by syndication, the States entrust the process of placing the securities to an underwriting syndicate, whose members are MICs approved by **CREPMF**. In addition, the issuer chooses a lead manager from among the syndicate's members to carry out specific tasks in the issuance process.

4.3 Inflation rates

The inflation rate is estimated at 0.4% in 2019 in Mali against 1.9% in 2018. Over the 2014-2019 period, the inflation rate has met the EU norm ($\leq 3\%$), ranging

between 2.7% and 0.4%. In 2020, the inflation rate is expected to be 1.3%.

Table 20: Evolution of the inflation rate.

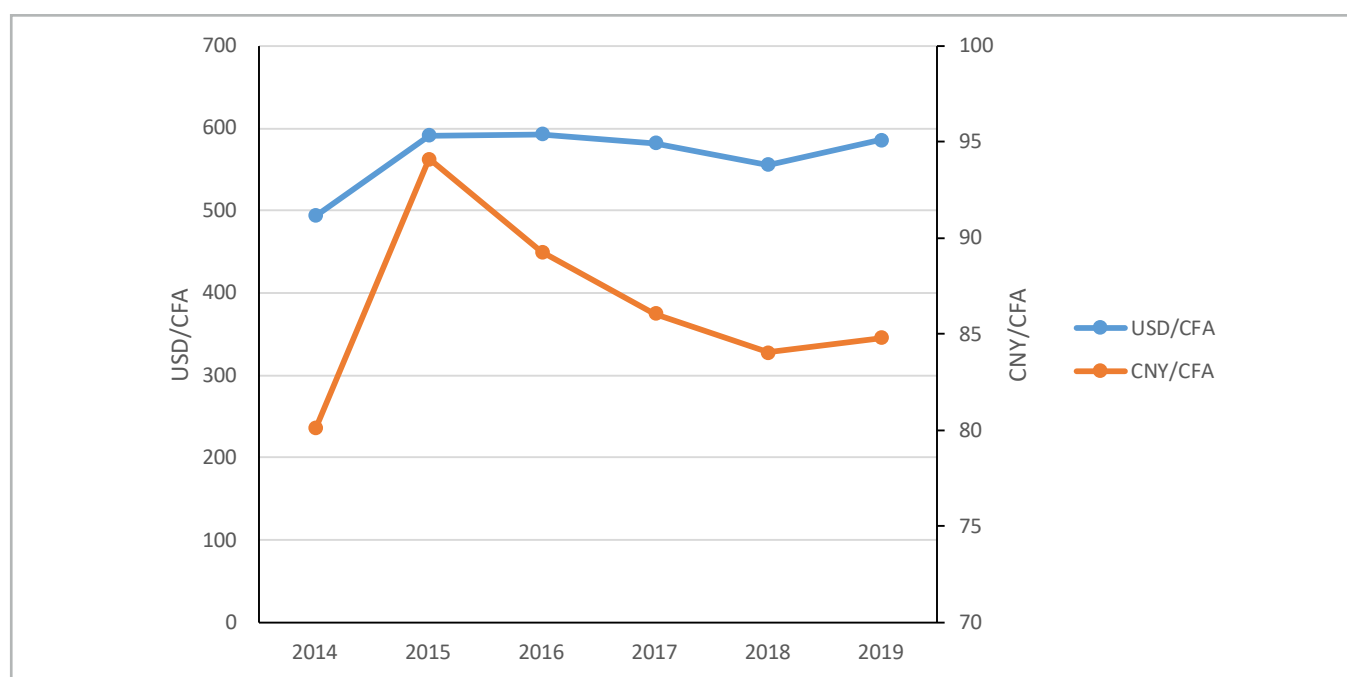
Year	2014	2015	2016	2017	2018	2019 (Estimation)	2020 (Projection)
Inflation rate (in %)	2.7	1.4	-1.8	1.8	1.9	0.4	1.3

Source : BCEAO

4.4 Exchange rate

The exchange rate between the US Dollar and the CFA Franc has increased slightly over the 2014-2019 period, from 1 USD for 494 CFA francs to 1 USD for 586 CFA francs (Figure 3). As for the exchange rate between the Chinese Yuan and the CFA Franc, it increased from 1 CNY for 80.11 CFA Francs in 2014 to 1 CNY for 84.82 CFA Francs in 2019. Otherwise, the CFA franc has depreciated slightly against those two currencies which are particularly important for the financing of the country's economy.

Figure 3: Evolution of the USD/CFAF and CNY/CFAF exchange rate



Source : BCEAO

4.5 Foreign reserves

The main assets recorded at the Central Bank level are reserve assets, i.e. external assets placed at the disposal or under the control of the monetary authorities. Mali's reserves are centralized at the level of BCEAO in accordance with the principles of the Franc zone. Table 21 shows that Mali's reserves have increased from CFAF 568.1 billion to CFAF 526.1 billion from 2014 to 2018.

Table 21 shows that Mali's reserves have increased from CFAF 568.1 billion to CFAF 526.1 billion from 2014 to 2018.

Table 21 : Evolution of foreign reserves

External assets	2013	2014	2015	2016	2017	2018	2019
Billions of CFA francs							
Official reserve assets	61.709	70.536	67.332	80.159	80.375	157.862	158.864
Monetary gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign currency	2.567	1.222	0.724	2.139	1.864	2.526	2.092
Deposits and securities included in official reserves	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserve position in the IMF	5.306	11.895	9.377	31.136	19.234	28.927	24.548
Assets in Special Drawing Rights (SDRs)	53.835	57.419	57.232	46.883	59.276	126.409	132.224
Other external assets	552.006	497.509	417.251	169.326	267.256	368.199	522.001
Total	613.715	568.045	484.583	249.485	347.631	526.061	680.865

Source : BCEAO

5.1 Balance of payments

After consecutive years of deterioration in its balance, the current account deficit has been reduced in 2018 to CFA francs 464.495 billion. This progression is essentially the result of the performance recorded in trade which posted a deficit of 212.601 billion, after that of 409.557 billion recorded in 2017. However, the deficit in services widened from 807.764 billion in 2017 to 839.868 billion in 2018, an increase of about 4%.

The deficit in the primary income account declined slightly by \$7.471 billion between 2017 and 2018, as compensation of resident employees increased. The secondary income account surplus increased by \$7.282 billion, driven by strong remittances from migrant workers.

The trade balance, which is structurally in deficit, improved markedly in 2018 thanks to an increase in the

production of the country's main export goods. External trade transactions showed a deficit of \$212.601 billion in 2018, an improvement of \$196.956 billion over the deficit of \$409.557 billion in 2017. This consolidation is due to an 18.1% increase in exports, partially offset by a 5.2% increase in imports.

The import export coverage rate for imports is 90.4%, up 9.9 points from 2017. Similarly, the trade openness ratio is 22.0%, an increase of 0.8 points from 2017.

At the end of 2018, the capital account shows a surplus of \$132.957 billion. 132.957 billion. This surplus mainly corresponds to debt forgiveness and aid to finance investment. The capital account balance fell by 11.4% in 2018 compared with its 2017 level. This deterioration was the result of higher debtor flows of acquisitions and disposals of non-produced non-financial assets and a reduction in capital transfers.

Table 22: Mali's balance of payments in billions of CFA francs

	2014	2015	2016	2017	2018	2019 (estimations)	2020 (projections)
Current account balance	-334.143	-412.492	-601.991	-644.099	-464.495	-561.7	-480.348
Balance of trade in goods and services	-1 101.349	-1 204.938	-1 403.076	-1 217.322	-1 052.470	-1 638.07	-1 981.2
Exports	1 374.174	1 606.794	1 675.870	1 685.895	1 991.432	1 907.8	2 620.08
Of which cotton	166.727	183.101	187.568	223.415	270.779	231.4	250.6
Of which Gold	917.700	1 004.139	1 120.373	1 175.719	1 388.358	1 285.62	163.5
CIF imports	-1 93.081	-2 247.725	-2 402.330	-2 494.586	-2 623.85	-2 681.57	-3 711.78
Of which energy products	-434.788	-384.230	-425.774	-572.282	-633.400	-625.9	-617.8
Of which food products	-248.738	-308.518	-335.960	-329.967	-327.161	-341.55	-375.3
Services (net)	-850.055	-923.639	-1 060.988	-807.764	-839.868	-864.3	-889.5
Primary revenues balance	-190.012	-174.845	-222.072	-290.849	-283.378	-	-
Secondary revenue balance (transfer)	957.218	967.291	1 023.156	864.071	871.353	-	-
Capital account	114.088	202.457	124.230	150.108	132.957	220.8	204.2
Acquisition or disposal of non-financial assets	-1.978	-3.925	-3.439	-2.070	-6.084	-	-
Of which direct investments							
Of which Others							
Capital transfer	116.066	206.382	127.669	152.178	139.041	-	-
Statistical errors and omissions	-24.906	-38.493	-37.572	35.302	0.000	0.000	0.000

BCEAO, IMF

5.2.1 Regional trade policy

West African countries are engaged in numerous trade negotiations at the regional (integration process), bilateral (Interim Economic Partnership Agreement - IEPAi) and multilateral (World Trade Organisation - WTO and regional EPAs) levels.

Good articulation between the various negotiations at regional and international level (CET; EPAs; WTO, AGOA, etc.) is essential to achieve the trade performance objectives of WAEMU member states.

National and regional trade policies in West Africa depend on different spaces. Indeed, the regional negotiating space is articulated around the following elements :

- The finalization of the Common External Tariff (CET) at ECOWAS level, and thus the constitution of a Customs Union ;
- A space for bilateral negotiations, particularly between the West African region and the union, on the EPA ;
- A multilateral negotiating space, which refers to the rules of the WTO, of which all West African states are members (with the exception of Liberia, which has observer status). It should be noted that each country negotiates individually and that WAEMU and ECOWAS have only ad hoc observer status in the WTO Trade and Development Commission.

With regard specifically to the WAEMU, it has a common commercial policy based in particular on :

- A common market was established on 1 July 1996 for local and unprocessed products (animal, mineral and plant products of the Union) and traditional crafts, and until 1 January 2000 for approved industrial products. This common market was extended to all ECOWAS countries in 2004 ;
- A customs union set up on 1 January 2000, based on a CET applicable to all WAEMU member countries, comprising four categories of products, taxed from 0 to 20%, in force until 1 January 2015, the date on which the WAEMU CET was replaced by the ECOWAS CET, which enshrines the enlargement of the customs union to the 15 ECOWAS countries.

- Common rules of origin and competition, harmonization of VAT and excise duties, harmonization and mutual recognition of standards, common safeguards and protection measures (degressive protection tax (DPT), cyclical export tax (CET), reference values and anti-dumping duty)

WAEMU also has a regional trade promotion programme, a "Regional Strategy for the Implementation of the WAEMU Aid for Trade Programme" and a "Logical Framework for the Implementation of the WAEMU Aid for Trade Programme".

The overall objective of the Aid for Trade strategy is to help Member States increase their exports of goods. The logical framework provides the basis for a programme that involves international donors, as well as national and regional financial institutions. It identifies five specific objectives corresponding to the categories of Aid for Trade :

- Ensuring ownership and control of trade policies and regulations by experts from Member States and the Commission ;
- To develop intra-regional and international trade of the Member States ;
- Strengthen trade-related infrastructure in the sub-region ;
- Diversify and increase the production capacities of Member States ;
- Make necessary adjustments and take into account other trade-related needs.

The needs and priorities were identified on the basis of the Regional Economic Programme (REP) which constitutes the reference framework for the WAEMU integration process, as well as existing capacity building programmes in the States.

• The Common External Tariff

The rules in force at ECOWAS borders in terms of customs policy are those laid down in the ECOWAS Common External Tariff (CET). The applicable rules of origin are defined by the Trade Liberalization Scheme (TLS).

The CET aims to harmonize customs duties and taxes with a view to deepening economic integration through the establishment of a Customs Union, providing a platform for building the common trade policy and regional trade negotiations such as the EPA ; boosting regional production and investment capacity, and consolidating the regional market.

The CET is organized around an architecture including :

- (i) A Tariff and Statistical Nomenclature (TNS), i.e. a common customs nomenclature based on the Harmonized System for the Description and Coding of Goods (HS) of the World Customs Organization (WCO) adopted by the Community ;
- (ii) A schedule of duties and taxes applicable to imported products and which includes : customs duty (CD), statistical fee (SF) and the ECOWAS Community Levy (ECOWAS CL) ;
- (iii) Trade defence measures or additional protective measures, where appropriate, which may generate duties which may affect the final price of products imported into the Community from third countries ;
- (iv) The statistical royalty rate set at 1% applicable equally to all imported products, whether exempt or not ;
- (v) The tax base for the application of the Common External Tariff is ad valorem.

The tariff structure of the CET is presented in the following table :

Category	Description	Rate
0	Essential social goods	0 %
1	Basic raw materials and capital goods	5 %
2	Intermediate products	10 %
3	Final consumer goods	20 %
4	Specific goods for economic development	35 %

The CET has been established in accordance with the requirements of the World Customs Organization's (WCO) Harmonized System and those of the World Trade Organization (WTO) relating to Regional

Trade Agreements (Article 24 of the GATT).

- **Specific rules applicable to external trade in goods of ECOWAS countries**

Several trade regimes are in force within ECOWAS. The following table presents the existing regimes according to trading partners.

PARTNERS	SPECIFIC REGIMES
European Union (EU)	IEPA, GSP, GSP +, TSA
ECOWAS	CET, TLS
Rest of AFRICA	Bilateral agreements
USA	AGOA
ASIA	Bilateral Agreements
Other industrialized countries	Generalized System of Preferences (GSP)
Rest of the world	Bilateral agreements, GSP

Pending the implementation of the EPA, different tariff regimes apply depending on the status of the countries in the framework of trade between ECOWAS and the union:

- **Côte d'Ivoire and Ghana** ratified interim EPAs in 2016. Côte d'Ivoire's EPA has been in provisional application since 4 September 2016 and Ghana's EPA applies since 15 December 2016. These IE-PAs guarantee both countries full access to the European market and provide for the eventual liberalization of 80% of tariff lines by Côte d'Ivoire and Ghana over a period of 15 years.⁵;
- Under the GSP, **Nigeria** benefits from a reduction of the union customs duties on about 1/3 of tariff lines and total exemption from customs duties on an additional 1/3 of tariff lines.
- **Cape Verde** benefits from the GSP+ which grants exemption from European customs duties on about 2/3 of the tariff lines;
- **The other 12** countries (including the seven WAE-MU countries outside Côte d'Ivoire), because of their LDC status, benefit from the Everything but Arms GSP, which gives them access to the European market for all their exports to the union without duties or quotas.

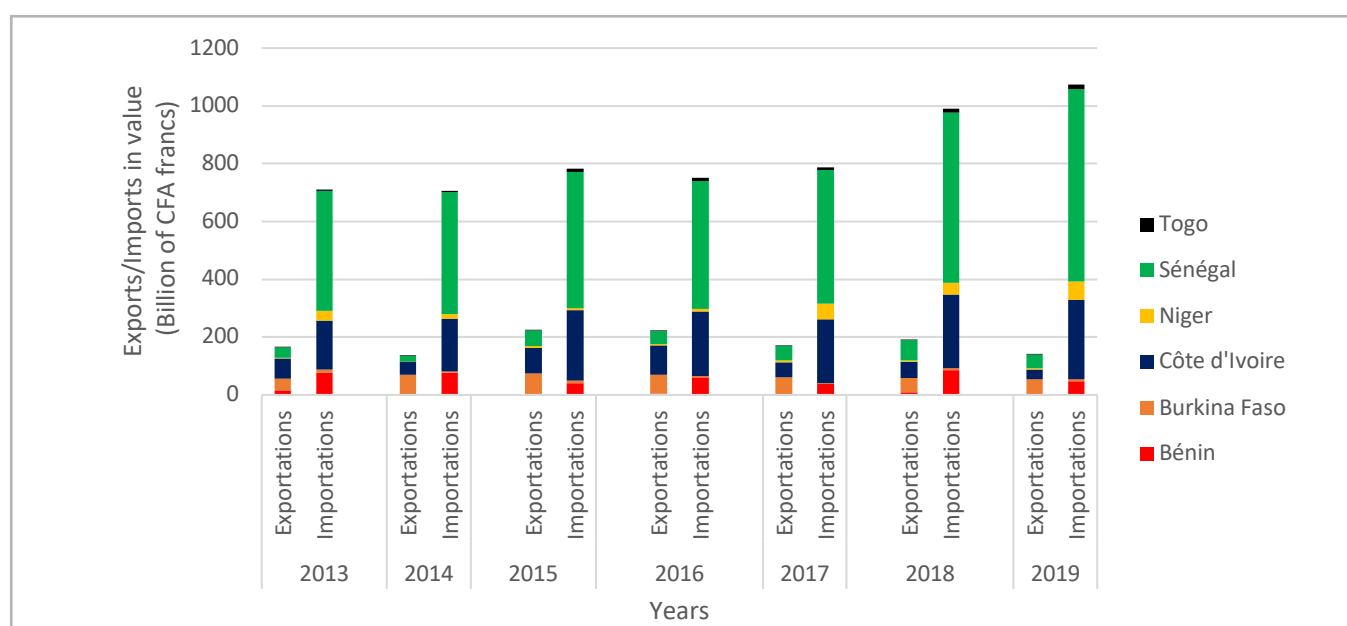
5.2.2 Regional exchanges in value terms

The share of Union countries in Mali's imports amounted to 36.86% (1 074, 489 billion) in 2019 against 40.3% (887, 635 billion) in 2018. Senegal and Ivory Coast are the main suppliers of EU imports from Mali. The respective shares of these two countries in Mali's total imports were 22.83% and 9.41% in 2019 against 18.2% and 14.5% in 2018.

With regard to exports, the share of WAEMU countries increased between 2017 and 2018, with a value of 280.658 billion (14.1% of total exports) in 2018, after an amount of 188.953 billion in 2017. In 2019, the value of Mali's exports to member countries declined to CFA francs 140.534 billion.

According to the report of BCEAO (2018), according to the report of BCEAO (2018), Mali's intra-WAEMU trade balance will show a strong deficit for the period 2013-2018, with a balance of -606.978 billion and a rate of coverage of imports by exports of 31.6% in 2018 against 90.4% for all of Mali's trading partners. It should be noted that trade between Mali and Guinea Bissau was almost zero between 2013 and 2019, and is not shown in figure 5.1.

Figure 4: Value of exports and imports between Mali and other WAEMU countries (in billion CFA francs)



Source : BCEAO, INSTAT

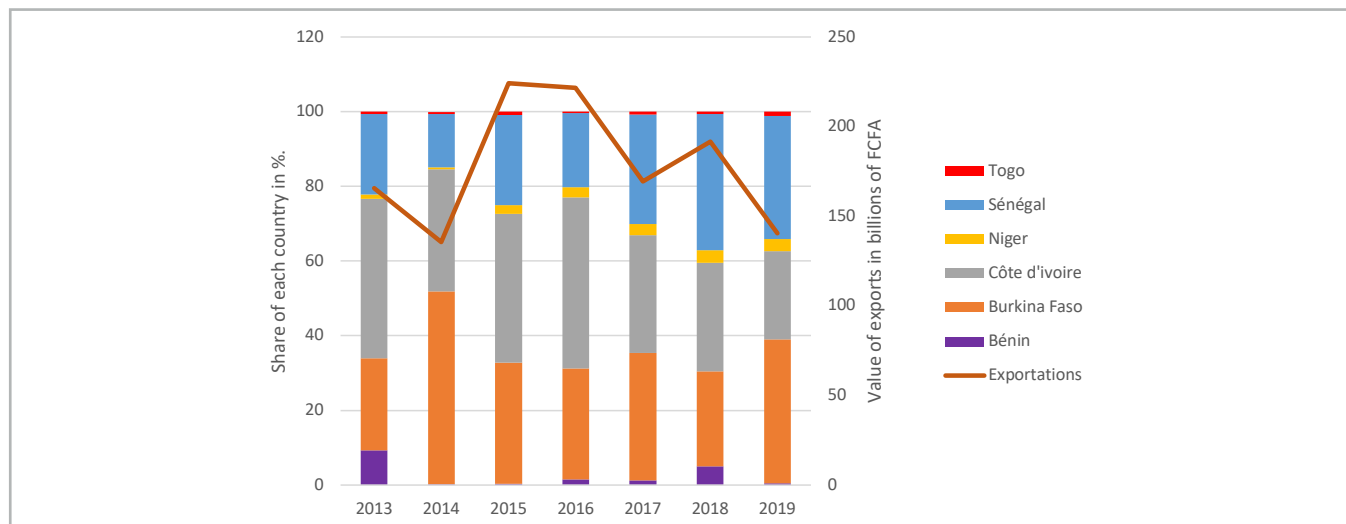
⁵ Over 11 years (2019-2029) currently for Côte d'Ivoire.

5.2.3 Regional exchanges by partner

Mali's exports to the 7 WAEMU countries are low and relatively stable. The country structure of intra-WAEMU trade shows that the trade balance is in surplus only with Burkina Faso, the second largest export destination after Ivory Coast. Exports to Burkina Faso and Ivory Coast were respectively CFA francs

58, 65 billion (32.88%) and 64.07 billion (35.92%) on average per year during the period 2013-2019. A good part of the exports are also directed towards Senegal, which is the third partner with about 25.57% of exports. This is followed by Benin, Niger and Togo with respectively about 2.55%, 2.37% and 0.69% of Mali's exports. No exports go to Guinea Bissau.

Figure 5 : Structure of Mali's exports by destination for exports to the other seven WAEMU countries between 2013 and 2019

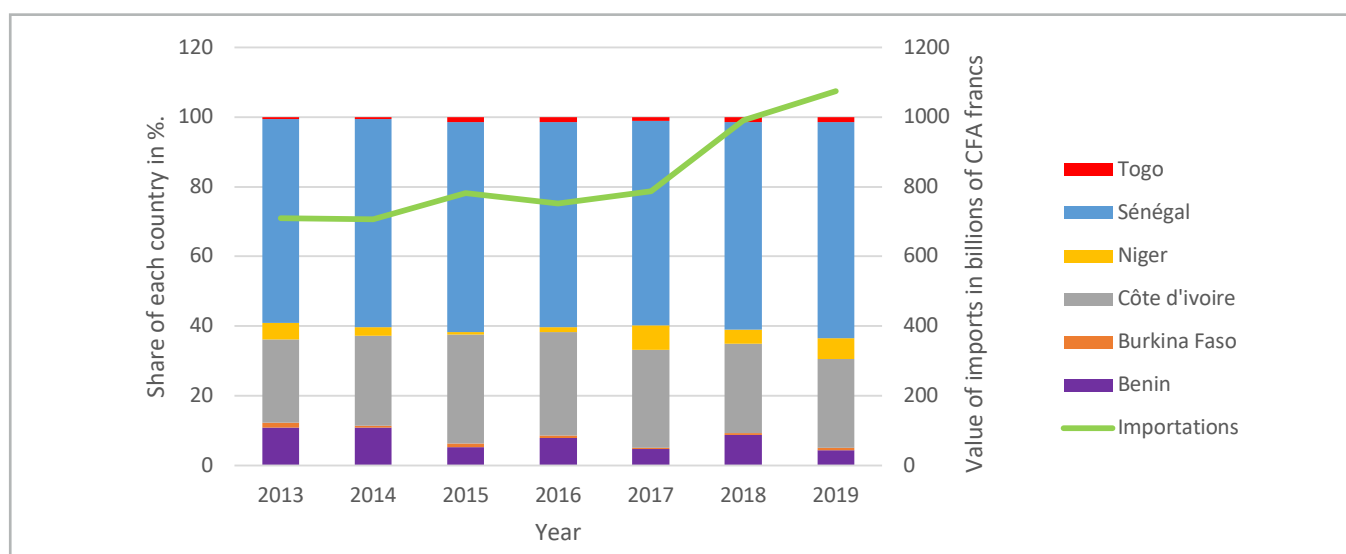


Source : BCEAO, INSTAT

Mali's main import partners are Senegal and Ivory Coast. Average annual imports from Senegal and Ivory Coast represented respectively about 60% and 27% of Mali's community imports, i.e. 87% for both

countries. Benin, Niger, Togo and Burkina Faso had shares of around 8%, 3.4%, 1.1% and 0.74% respectively on average during the period 2013-2019.

Figure 6: Structure of Mali's imports by supplier for imports from other WAEMU countries between 2013 and 2019



Source : BCEAO, INSTAT

5.2.4 Regional exchanges by type

Mali's main export products to the Union countries are fertilizers and live animals.

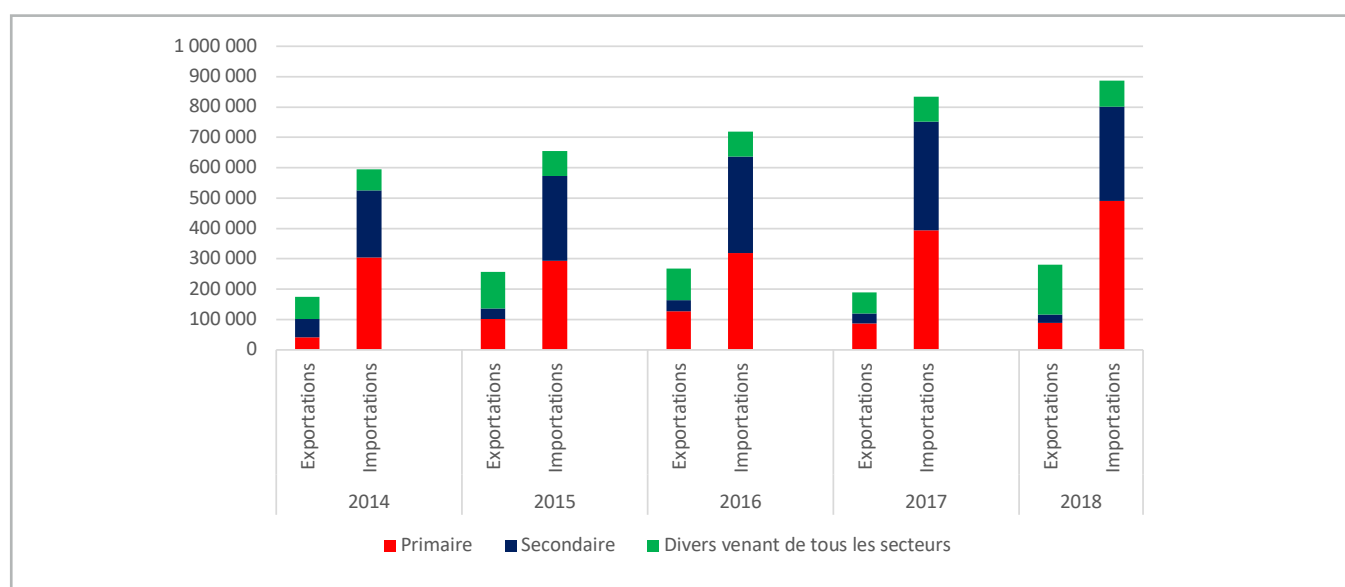
Indeed, livestock exports amounted to 86.800 billion in 2018, or 30.9% of total exports to the Union countries. Ivory Coast and Senegal, the main destination for this product, absorb 25.5% and 41.2% of live animal exports respectively. Fertilizer exports to the zone fell in 2018 to 27.712 billion, or 9.9% of total exports to WAEMU countries, after 16.8% in 2017. Burkina Faso remains the main destination country for this product.

According to BCEAO report on Mali's balance of payments and international investment position in

2018, imports from the Union were mainly related to petroleum products (20.3 % of Mali's total imports), construction materials (6.8 %) and food products (4.4 %). For these products, Union countries remain Mali's main suppliers. In fact, they supplied it with hydrocarbons for 70.6%, construction materials for 37.8% and food products for 29.7%. Senegal and Ivory Coast are the main suppliers of these products.

By grouping these products by sector, it emerges that the products of the primary and secondary sectors constitute the main community trade flows in Mali. The products of the primary sector have a majority share in trade.

Figure 7: Main products by category traded with the main WAEMU partners (millions of CFAF)



Source : BCEAO

5.3 International trade

International trade is analyzed by first considering trade policy, then international trade in value and by destination, and finally international trade in value and by product.

5.3.1 Trade policy

The Commercial Code adopted by Law n°92-002 of 27 August 1992 remains the reference text governing trade, commercial activities and the institutional framework in which they are carried out. The country's trade policy is reflected in regional agreements, mul-

tilateral agreements and preferential agreements.

Mali is a founding member of the WAEMU created on 10 January 1994. It is also a member of the Economic Community of West African States (ECOWAS). The country's regional trade policy consists essentially of the implementation of the acts of WAEMU.

Mali is considering, together with Burkina Faso and Ivory Coast, the creation of a Special Economic Zone (SEZ) consisting of the regions of Sikasso in Mali, Korhogo in Ivory Coast and Bobo-Dioulasso in Burkina Faso. Launched in May 2018, the objective of

the SEZ project is to create investment opportunities and a favorable legal and business environment, particularly in the areas of agribusiness, information and communication technologies, culture, tourism, medical services, manufacturing and financial services.

As far as multilateral agreements are concerned, Mali became a de facto member of the GATT in June 1967 and a contracting party in January 1993, Mali joined the World Trade Organization (WTO) on 31 May 1995 with the status of 'least developed country' (LDC). Mali opened a permanent mission in Geneva in 2002 and participates regularly in trade negotiations at the WTO. Mali has also acceded to the PCA agreements.

Mali was admitted to the African Growth and Opportunity Act (AGOA) in 2002. AGOA is a trade preference programme to voluntarily open the US market to exports from member countries. In 2006, for example, Malian artisans began exporting arts products to the US. Woollen carpets and bogolan painted canvases worth about CFA francs 1.3 million were exported. Mali has had a National AGOA Monitoring Committee since its admission to the preference regime in 2002 and an implementation strategy for the AGOA Action Plan has been adopted. The overall cost of implementing the AGOA Craft Sector Strategy Action Plan is estimated at twenty-five billion francs CFA (25,000,000,000) for the period 2017-2022.

Furthermore, in order to strengthen the capacities of actors, the Government has created the Agency for the Promotion of Exports (APEX) by Law No. 2011-032/AN-RM of 24 June 2011. The Malian Agency for Standardization and Quality Promotion (MASQP) was also created to lead and coordinate work, studies and surveys on standardization, quality promotion, certification and accreditation. Mali, through MASQP, is a permanent member of ISO, a member of the Codex Alimentarius and an affiliate member of the IEC programme. It is also a member of ARSO (African Organization for Standardization),

the ECOWAS standards harmonization programme (ECOSHAM), the West African Organisation (WAE-MU) for Standardisation, Certification and Quality Promotion (SCQP) and the Réseau Normalisation et Francophonie (RNF).

A trade development plan was drawn up and validated in November 2018. It is based on the level of development of both domestic and foreign trade, the situation of the private sector and the business climate in Mali and the priority actions to be carried out in a coordinated manner in sectors with high potential for competitiveness (agri-food processing, textiles, communication, etc.). The priority areas of trade policy are: the development of the value chain (livestock meat, agro-food processing etc.), the development of the industrial fabric and the improvement of the business climate.

5.3.2 International trade by value and by destination

The data in Table 23 show that Mali's external sales are mainly destined for the African continent, followed by Europe. Exports to the African continent amounted to \$892.186 billion (47.03%) in 2019, compared with \$971.7 billion in 2018 (47.6% of the total), which is lower than the 2017 figure of \$1,024.7 billion (61.9%). South Africa is Mali's main African partner in terms of exports. The share of WAEMU countries has increased, with a value of 191.5 billion in 2018, after an amount of 169.5 billion in 2017. In 2019, this value decreased to 140.53 billion.

In 2018, BCEAO report indicates that the share of the European continent in Mali's total exports increased by 10.5 points over the previous year, amounting to 670.819 billion in 2018 (33.7%), after 390.950 billion (23.2%) in 2017. The Asian continent ranks third in terms of the destination of exports in 2018. Its share in total exports was 17.9% of the total, or \$356.937 billion, after 14.5% in 2017.

Table 23: Geographic orientations of Mali's exports between 2013 and 2019 (Billions of CFAF)

	2013	2014	2015	2016	2017	2018	2019*
Exports	1 371.6	1 409.7	1 874.9	1 782.4	1 737.7	2 012.1	1 896.693
Africa	1014.4	930.8	134.1	1 050.5	1 024.7	971.7	892.186
WAEMU	165.6	135.6	224.2	221.7	169.5	191.5	140.534
Benin	15.4	0.2	0.7	3.3	2.1	9.5	0.672
Burkina Faso	40.8	70.1	72.9	66	57.9	48.8	54.114
Ivory Coast	70.8	44.3	89.3	101.6	53.5	55.8	33.229
Guinea Bissau	0.00	0.00	0.00	0.00	0.00	0.00	0
Niger	1.9	0.8	5.1	5.9	5	6.3	4.658
Senegal	35.7	19.4	54.3	44.2	49.7	69.9	46.168
Togo	1.1	0.7	1.9	0.8	1.3	1.2	1.693
ECOWAS outside WAEMU	15.9	17.0	28.7	18.9	13.1	12.8	-
Nigeria	0.3	0.4	0.2	0.4	0.2	0.5	0.171
Gambia	0.0	0.0	0.0	0.0	0.0	0.1	0.088
Ghana	2.5	2.7	1.7	2.8	3.1	1.9	-
Guinea	12.0	12.7	26.4	15.4	9.8	9.7	12.5
South Africa	804.0	765.5	859.6	793.3	827.7	757.3	731.97
European Union	153.0	201.5	66.9	44.4	23.1	40.0	51.754
Of which France	8.8	13.8	19.0	11.3	5.5	9.3	9.364
USA	9.7	6.7	15.2	4.8	5.5	11.3	6.045
Japan	1.2	0.6	5.7	4.1	3.8	2.1	0.549
Others	-	-	190.5	119.6	439.1	688.5	-

Source : BCEAO

* INSTAT Data

In terms of imports, the African continent is also Mali's main supplier, followed by Europe and Asia according to BCEAO report for 2018. Africa's share of total imports stood at 47.5% against 46.3% in 2017, marking an increase of 1.23 points. CIF imports from other WAEMU countries (83.8% of imports from Africa) recorded an 8.7% increase in value.

In 2018, Europe's share of May imports was 21.8%, 4.1 points less than in 2017. France's share of total imports from Europe was 35.5% in 2018, after 29.3% in 2017. As for the Asian continent, its share

increased by 2.6 points to 24.1%. China, India, Japan and the United Arab Emirates supply Mali with cereals, capital and consumer goods, making Asia the second largest supplier to Mali in 2018 according to BCEAO report.

According to INSTAT data, in 2019, Mali's imports from the African continent amounted to CFA francs 1,271.377 billion, or 43.61% of the country's total imports. Table 24 shows the direction of Mali's imports between 2013 and 2019.

Table 24: Geographic orientation of Mali's imports between 2013 and 2019 (billion CFA francs)

	2013	2014	2015	2016	2017	2018	2019*
Imports	1 888.1	1 941.4	2 361.5	2 280.2	2 283.2	2 526.0	2 914. 983
Africa	859.9	839.9	965.2	963.4	964.3	1192.3	1 271. 377
WAEMU	709.5	706.7	782.4	751.8	787.2	990.7	1 074. 489
Benin	76.8	76.8	40.5	59.7	37.3	86.4	46. 166
Burkina Faso	10.1	3.3	8.5	4.5	2.7	5.8	8.312
Ivory Coast	169.8	183.6	244.8	224.1	221.8	254	274. 569
Guinea Bissau	0	0	0	0	0	0	0
Niger	34.3	16.5	5.4	10	54.5	40.8	64. 390
Senegal	414.7	422.2	471.7	442.5	462.5	589.8	665. 593
Togo	3.8	4.4	11.5	11	8.5	13.7	15. 459
ECOWAS outside WAEMU	36.2	37.0	40.9	53.5	34.1	50.8	-
Nigeria	1.9	1.9	1.9	1.1	0.6	9.4	12. 917
Gambia	2.1	0.0	0.0	0.1	0.2	0.3	4.517
Ghana	30.3	32.0	36.0	49.9	30.1	37.0	44. 292
European Union	472.8	534.8	642.9	540.6	490.1	522.3	347. 510
France	175.2	216.6	243.4	196.6	178.6	203.1	221. 972
Germany	57.2	57.2	94.2	100.5	85.2	87.9	85. 635
Belgium	21.3	29.9	36.8	44.0	28.0	27.7	28. 846
Italy	18.4	34.4	53.1	39.6	38.5	28.7	70. 133
The Netherlands	38.9	48.0	40.5	33.3	80.3	22.7	24. 596
USA	54.4	74.4	61.5	60.0	77.6	79.4	85. 569
Japan	36.0	35.9	52.0	46.6	46.9	44.2	36. 691
Others	-	-	94.8	47.2	106.5	34.0	-

Source : BCEAO

* INSTAT Data

5.3.3. International trade by value and by product

Three main products dominate Mali's exports: non-monetary gold (69.7%), cotton fibre (13.6%) and live animals (5.4%).

Non-monetary gold exports followed an upward trend between 2014 and 2018. They increased by CFA francs 212,639 million (or 18.1%) in 2018, reaching CFA francs 1,388,358 million, due to the strong increase in the volume exported, mitigated by the slight fall in the price on the international market.

Exports of cotton fibre increased over time and reached FCFA 270,779 million in 2018, an increase of FCFA 47,364 million or 21.2% over the previous year's achievements.

In 2018, exports of live animals amounted to 108,393 million, a level almost identical to the previous period. These exports consist mainly of cattle and sheep to the coastal countries of the sub-region.

Exports of edible fruits have continued to decline since 2016, from CFA francs 10,739 million in 2017 to CFA francs 9,5165 million in 2018, as a result of the decline in the production of mangoes, which account for more than 60% of exported fruits.

As for fertiliser exports, they declined over the period, reaching CFA francs 34,081 million, after 43,808 million in 2017 (-22.2%).

Table 25: Mali's main export products between 2014 and 2018 (millions of CFA francs)

Main export products	2014	2015	2016	2017	2018
Gold	993 159	1 048 992	1 120 373	1 175 719	1 388 358
Cotton	162 840	190 505	157 677	200 049	263 155
Live animals	17 318	115 164	135 224	108 924	108 393
Fertilizer	94 171	61 397	55 842	43 808	34 081
Mineral fuels	30 761	25 506	4 929	5 008	24 681
Nuclear reactors, boilers	13 714	40 096	24 262	11 525	16 285
Cars, tractors, bicycles	8 101	31 247	19 541	9 894	10 046
Edible fruit	10 278	8 333	11 306	10 739	9 516
Oleaginous seeds and fruits	5 528	11 112	5 499	5 896	6 481
Pharmaceutical products	-	-	2 697	2 693	5 946
Flour and cereal preparations	-	-	1 816	3 193	4 905
Prepared feeds for animals	-	-	1 055	3 889	4 735
Drinks	2 818	4 148	4 171	4 870	4 591
Hides and leathers	6 815	12 469	5 172	5 620	4 570
Machines, apparatus and equipment	3 963	5 428	2 701	2 773	3 777
Plastics and products	3 571	4 808	4 152	2 581	3 609
Cast iron, iron and steel	10 216	8 436	3 666	4 592	2 675
Wood	6 714	5 298	3 572	3 828	2 427
Milk	4 003	3 509	2 325	1 658	2 327

Source : BCEAO

The breakdown of imports of goods by major category shows that Mali imports mainly consumer and capital goods.

With regard to petroleum products, the value of imports is rising steadily. It rose from CFA francs 572,282 million in 2017 to CFA francs 633,400 million in 2018, where it represented 28.7% of the total value of the country's imports.

The value of food imports fell by 0.9% in 2018, due to a decrease in purchases of cereals and sugar from abroad.

As for purchases of capital goods dominated by the "machinery and vehicles" category, they fell from CFA

francs 368,540 million in 2014 to CFA francs 481,087 million in 2018. This trend stems from the increase in demand for equipment, in the context of the execution of infrastructure projects and the dynamism of the mining sector.

In 2018, imports of raw materials and intermediate goods recorded an increase of around 11.9%, driven by demand in the construction sector, while imports of current consumer goods, particularly chemicals and pharmaceuticals, fell by 1.3% with the slowdown observed in the activity of certain sectors. Import values of these products have been rising steadily since 2014, except in 2017 when they fell slightly.

Table 26 : Mali's imports by main products between 2014 and 2018 (millions of CFA francs)

Main imported products	2014	2015	2016	2017	2018
Food products	248 738	308 518	335 960	329 967	327 161
Energy products	434 788	384 230	425 774	572 282	633 400
Capital goods	368 540	479 688	489 426	470 278	481 087
Raw materials and intermediate goods	255 006	354 967	361 595	352 002	393 785
Of which cement	83 804	127 646	119 109	105 782	104 526
Consumer goods	210 107	257 600	270 159	265 288	261 811
Various products	108 290	103 089	135 041	105 635	106 789

Source : BCEAO

5.4 Foreign direct investment

Foreign direct investments received increased between 2014 and 2017 from CFA francs 71,566.8 million to CFA francs 325,601.9 million (an increase of 455%) before falling to CFA francs 259,557.6 million in 2018. The increase over the 2014-2017 period is explained, on the one hand, by mining companies borrowing from their parent companies to finance

major investments, particularly mine construction, and, on the other hand, by reinvestment of profits and recapitalisations in the banking and telecommunications sectors. Table 27 shows that the amounts vary across countries and geographical areas and that Europe is the main area of origin of these investments.

Table 27: Evolution of foreign direct investments between 2014 and 2018 (millions of CFA francs)

Countries	2014	2015	2016	2017	2018
AFRICA	3 605,3	30 970,3	12 353,4	51 219,8	12 177, 1
WAEMU	2 095,4	32 688,7	13 401,6	36 293,8	10 902, 2
Benin	-732,2	-615,0	246,8	1 375,2	403,7
Burkina	-732,2	4 436,8	10 304,8	4 222,6	1 394, 7
Ivory Coast	4 479,1	10 109,2	4 375,8	11 912,3	-5 017, 8
Guinea-Bissau	0,0	0,0	0,0	0,0	0, 0
Niger	0,0	0,0	0,0	0,0	0, 0
Senegal	-5 670,2	-4 672,4	9,6	9 451,3	2 824, 8
Togo	1 391,6	13 446,9	-2 497,1	10 956,1	10 509, 7
WAEMU Institutions	-640,5	0,0	961,8	-1 623,6	787,0
ECOWAS outside WAEMU of which :	0,0	0,0	0,0	210,3	24, 0
Ghana	0,0	0,0	0,0	210,3	24, 0
Nigeria	0,0	0,0	0,0	0,0	0, 0
Sierra Leona	0,0	0,0	0,0	0,0	0, 0
CEMAC	0,0	0,0	0,0	0,0	0, 0
Cameroon	0,0	0,0	0,0	0,0	0, 0

Africa outside ECOWAS, CEMAC and WAEMU of which :	1 510,0	-1 718,4	-1 048,2	14 715,7	1 250, 9
South Africa	-5 066,2	6 315,8	-9 426,9	10 854,2	-10 893,7
Libya	2 870,1	-2 124,5	4 106,5	726,4	232,9
Marocco	3 309,5	0,0	3 630,5	175,9	8 823, 9
Mauritania	396,6	0,0	635,2	2 948,2	3 076, 8
EUROPE	62 615,7	172 689,1	134 879,6	205 653,9	258 370,6
EUROPEAN UNION	61 944,8	172 689,1	14 096,9	41 914,9	75 278, 0
EURO ZONE of which :	285,0	15 489,7	7 901,5	18 159,9	1 067, 2
Germany	388,6	2 568,8	1 126,2	902,8	868,8
Belgium	0,0	0,0	0,0	0,0	0, 0
Spain	0,0	0,0	0,0	0,0	0, 0
France	9,2	12 920,9	4 942,9	16 854,8	2 314, 5
Italy	0,0	0,0	0,0	0,0	-1 695, 5
Luxembourg	0,0	0,0	0,0	0,0	-169,0
Netherlands	-112,7	0,0	1 832,3	402,2	30, 3
Denmark	0,0	0,0	0,0	0,0	-282,0
European Union outside the euro zone of which :	61 659,8	157 199,4	6 195,4	23 755,0	74 210, 9
United Kingdom	60 989,0	157 199,4	6 195,4	23 736,0	74 210, 9
Europe outside the EU of which :	670,8	0,0	120 782,7	163 739,0	183 092,6
Russian Federation	0,0	0,0	0,0		0, 0
Switzerland	670,8	0,0	-8 839,3	0,0	0, 0
Gibraltar	0,0	0,0	0,0	0,0	1 975, 5
British Virgin Islands	-		129 608,0	121 879,0	181 117,1
Isle of Man	-			41 860,0	0, 0
AMERICA of which:	2 760,1	-10 024,2	-8 166,3	32 988,1	-81 889,6
Canada	2 760,1	0,0	-8 242,5	32 981,7	-81 697,9
Brazil	0,0	0,0	0,0	0,0	0, 0
United States of America	0,0	0,0	76,2	6,4	-191,7
ASIA including :	1 395,8	-9,6	69,3	4 164,6	498,6
China	-434,2	1,6	-201,6	432,0	172,2
India	880,8	0,0	244,9	448,7	308,3
Japan	911,6	0,0	0,0	0,0	0, 0
Lebanon	21,4	0,0	26,0	4,0	18, 1
Singapore	16,2	0,0	0,0	0,0	0, 0
Saudi Arabia	-	-		3 280,0	0, 0
OCEANIA	1 860,6	0,0	72 164,1	30 382,9	70 383, 3
Australia	1 860,6	0,0	72 164,1	30 382,9	70 383, 3
International Institutions	0,0	0,0	0,0	0,0	0, 0
Others	0,0	0,0	0,0	1 192,6	17, 5
TOTAL	71 566,8	162 893,8	211300,0	325 601,9	259 557,6

Source : BCEAO

5.5 Regional integration

5.5.1 WAEMU convergence criteria

Multilateral surveillance of macroeconomic policies established within the WAEMU is based on five criteria. Three (3) are first-tier criteria and two (2) are second-tier criteria.

The first-tier criteria are:

- The ratio of the overall fiscal balance, including grants, to nominal GDP. This ratio should be greater than or equal to -3% over the convergence horizon;
- The average annual inflation rate set at a maximum of 3% per year;
- The ratio of the stock of domestic and external debt to nominal GDP, which should not exceed 70% over the convergence horizon.
- The secondary criteria are:
- The ratio of the wage bill to tax revenue, which should not exceed 35% over the convergence horizon;

- The tax ratio, which should be equal to or higher than 20% over the convergence horizon.

During the 2014-2019 period, Mali has met all the first-tier criteria except in 2016 and 2018 for the deficit in the overall balance, including grants. This is due to the wage revaluation, the implementation of the peace and reconciliation agreement resulting from the Algiers process and the military orientation and programming law.

With regard to the second-tier criteria, the one on the rate of fiscal pressure has never been respected by Mali. The tax services have undertaken reforms aimed at increasing the level of tax revenue, notably through computerization and the programme to formalize informal enterprises. The wage bill criterion was not met in 2014 and 2018 in connection with the wage demands of the central trade union centre.

Analysis of the status of the convergence criteria according to WAEMU projections shows that Mali would meet the three (3) first-tier criteria and no second-tier criteria in 2019.

Table 28: Evolution of the convergence criteria between 2014 and 2019

Mali	Standard	2014	2015	2016	2017	2018	2019
1st rank							
Overall fiscal balance (including grants)/nominal GDP	≤3%	-2,9	-1,8	-3,9	- 2,9	-4,7	-2,4
Average annual inflation rate	≤3%	2,7	1,4	-1,8	1,8	1,9	-2,4
Outstanding domestic and external public debt / Nominal GDP	≤70%	27,4	30,7	36,0	35,4	36,7	36,7
Second rank							
Payroll/tax receipts	≤35%	35,2	33,1	32,4	31,9	41,8	38,9
Rate of tax pressure	≥20%	15,0	16,9	14,9	16,2	11,8	14,9

Source: WAEMU, INSTAT

5.5.2 State of affairs of regional integration

Since its independence, Mali has opted for regional integration and has enshrined in the Constitution that Mali can partially or totally relinquish its sovereignty in favour of regional integration. Mali is a signatory to all the texts establishing regional organizations: OAU, AU, ECOWAS and WAEMU. Mali was the leading intra WAEMU importer in 2018 with a share of 35%. For intra WAEMU exporters, the country occupied the 4th place with a share of 8.1%.

The stakes in terms of regional integration are the development of intra-regional trade, the development of regional infrastructure and the implementation of common WAEMU policies. Mali thus participates in the WAEMU Common External Tariff set up in 2000.

In its new approach to the integration of economies within the WAEMU, the WAEMU includes a Multilateral Surveillance Mechanism whose aim is, essentially, to ensure the convergence of economies. With the adoption in 2015 of the Additional Act No. 01/2015/CCEG/WAEMU establishing new convergence criteria, the horizon for convergence has been set at 31 December 2019.

Mali only met the three (3) primary criteria by that date. This is why the country is planning to put in place a Multi-annual Convergence Programme 2020-2024. The WAEMU's 2019 multilateral surveillance report shows that Mali would meet the convergence conditions in 2020. As a result, the Commission considers it to be in line with the Convergence Pact and recommends its adoption to the Council of Ministers. In order to strengthen convergence performance, the government should take steps to pursue, among other things, actions to improve the social climate, the implementation of reforms to broaden the tax base, the modernization of tax and customs administration and efforts to control the wage bill.

6.1 Business climate

The Doing business 2020 report ranks Mali 148th out of 190 countries with a score of 52.9. Mali was ranked 145th, 143rd and 141st respectively in 2019, 2018 and 2017. Between 2017 and 2020, a total of 7 places were lost. According to the 2020 report, although certain measures implemented are to be welcomed (improved access to credit, easier access to building permits, lower taxes, etc.), Mali has made it more difficult to pay taxes by introducing a new tax:

the solidarity contribution, which is levied at a rate of 0.5% on turnover. Business creation has also been made more difficult by the obligation to regularly publish notices of incorporation of new companies on the official website of the one-stop shop. The country has efforts to be made to improve the business climate.

Table 29: Performance indicators for Mali in the Doing business 2020 ranking.

Setting up a company					
Setting up a company	Regulation	Average number of procedures	Procedure time (days)	Cost spent (% of per capita revenue)	Minimum capital required (% of per capita revenue)
	One stop counter through the Investment Promotion Agency	5	11	55.1	5.2
Building permits					
Building permits	Regulation	Average number of procedures	Time of procedures (days)	Cost (% of construction value)	Construction quality control index (0-15)
	-	14	124	9.3	8.5
Access to electricity					
Access to electricity		Average number of procedures	Time of procedures (days)	Cost spent (% of per capita revenue)	Indicator of reliability of supply and tariff transparency (0-8)
-		2	120	2573.6	0
Property registration					
	Regulation	Average number of procedures	Time of procedures (days)	Cost (% of property value)	Land administration quality indicator (0-30)
Property registration	-	5	29	11.1	8
Access to credit					
		Collateral Reliability Index (0- 12)	Credit Reporting Extent of Information Index (0-8)	Credit Register Coverage (% adults)	Credit Bureau Coverage (% adults)
Access to credit	-	6	0	0.0	3.5
Average time to get paid	-	-	-	-	-

Protection of minority investors							
Protection of minority investors	Protection of minority investors Disclosure index (0-10)	Index measuring managers' responsibility (0-10)	Index measuring ease of prosecution by shareholders (0-10)	Shareholder rights index (0-10)	Ownership and control index (0-10)	Corporate transparency index (0-10)	
	7	1	5	4	2	2	
Level of taxes and facility							
Level of taxes	Regulation		Payments (number per year)	Delay (hours per year)	Total payable (% of gross profit)	Index after tax declaration (0 - 100)	
	Tax Code, law n°06067/AN		35	276	54.4	25.7	
Facility to pay taxes			-	-	-	-	
Facility to pay taxes							
Time to export: Compliance with cross-border trade procedures (in hours)	Cost to export: Compliance with cross-border trade procedures (USD)	Delay to export: Compliance with documentation requirements (in hours)	Cost to export: Compliance with documentation requirements (USD)	Delay to import : Import cost: Compliance with documentation requirements (in hours)	Import cost: Compliance with cross-border trade procedures (USD)	Import delay: Compliance with documentation requirements (in hours)	Import cost: Compliance with documentation requirements (USD)
48	242	48	33	98	545	77	90
Enforcing contract law							
		Times (days)			Cost (% of credit)	Quality of legal procedures (0-18)	
Enforcing contract law		620			52.0	5.0	
Insolvency resolution							
	Regulation		Regulation Recovery rate (US cents)		Times (years)	Cost (% of assets)	Index on the adequacy of the legal framework for insolvency (0-16)
Insolvency resolution	Tax Code, Law n°06067/AN		28.3		3.6	18	9
Debt resolution	-		-		-	-	-

Source: World Bank

6.2 Financial governance

According to Transparency International's 2019 Corruption Perceptions Index report, Mali was ranked 130th out of 180 countries with a score of 29/100. The 2018 ranking placed it 120th out of 180. This ranking reflects a high level of corruption that impacts on public resources.

According to the Mo Ibrahim Index for Governance in

Africa (IIAG), Mali is ranked 28th out of 54 countries in 2018. The 2008-2017 trend of the index indicates a situation of improved transparency and governance.

The World Bank's Country Policy and Institutional Assessment 2018 (CPIA 2018) gives Mali an overall score of 3.4. This is higher than the average score of 3.1. During the 2010-2018 period, Mali has fared

better than fragile countries (in SSA or outside SSA). Despite the deteriorating security situation, which could force the government to undertake less productive security spending, fiscal policy remains compatible with macroeconomic stability. This satisfactory fiscal performance can be explained by Mali's choice to increase tax revenues by containing current expenditure to create fiscal space for structural investments and gradually aligning itself with the deficit criteria of the West African Economic and Monetary Union (WAEMU).

With a view to improving transparency mechanisms within the public administration, the government adopted a National Transparency Policy (NTP) in January 2015, the main actions of which were: the revision of Law 98-012 governing relations between the administration and users with a view to integrating transparency aspects, the creation of an independent body in charge of transparency and the establishment of a transparency information system in Mali (TISM).

The authorities have set up several bodies including the office of the Auditor General and recently the central office for the fight against illicit enrichment. These initiatives are tools to ensure good financial governance with a view to minimizing the misuse of public resources and ensuring transparency and accountability. The various auditor's reports are publicly presented to the President of the Republic and handed over to the judicial authorities. Also, the Ministry of Economy and Finance publishes financial information on the different sites of the Ministry and control structures. These data are accessible to citizens.

6.3 Financial ratings

Moody's Investors Service ("Moody's") assigns the Government of the Republic of Mali a first issuer rating of B3 in local and foreign currency. This is the lowest level in the highly speculative category. The outlook for the rating is stable. The B3 rating is based mainly on the following factors:

- Low (-) economic strength: The very low level of revenue and an insufficient degree of diversification limit the Malian economy's ability to absorb shocks, despite robust growth supported by the international community's assistance, including loans;
- A "very weak (+)" institutional solidity, with in particular a very fragile institutional framework despite relatively prudent management of public finances and sustained efforts to improve tax collection, which reinforces the issuer's credit profile;
- A "moderate (-)" level of financial soundness that takes into account a low level of indebtedness as well as a very high proportion of debt denominated in foreign currencies and limited financial flexibility;
- A "high (-)" exposure to event risk determined by a

"high (-)" political risk due to the ongoing conflict, mainly in northern Mali.

The stable outlook is justified by a balance between upside and downside risks. The prospect of expected growth of around 5% should make it possible to maintain the debt at a sustainable level. However, renewed political tensions could have a negative impact on this growth. The health crisis linked to Covid-19 could tip the risks upwards as growth is expected to fall from 5% to 0.9% in 2020 according to IMF estimates.

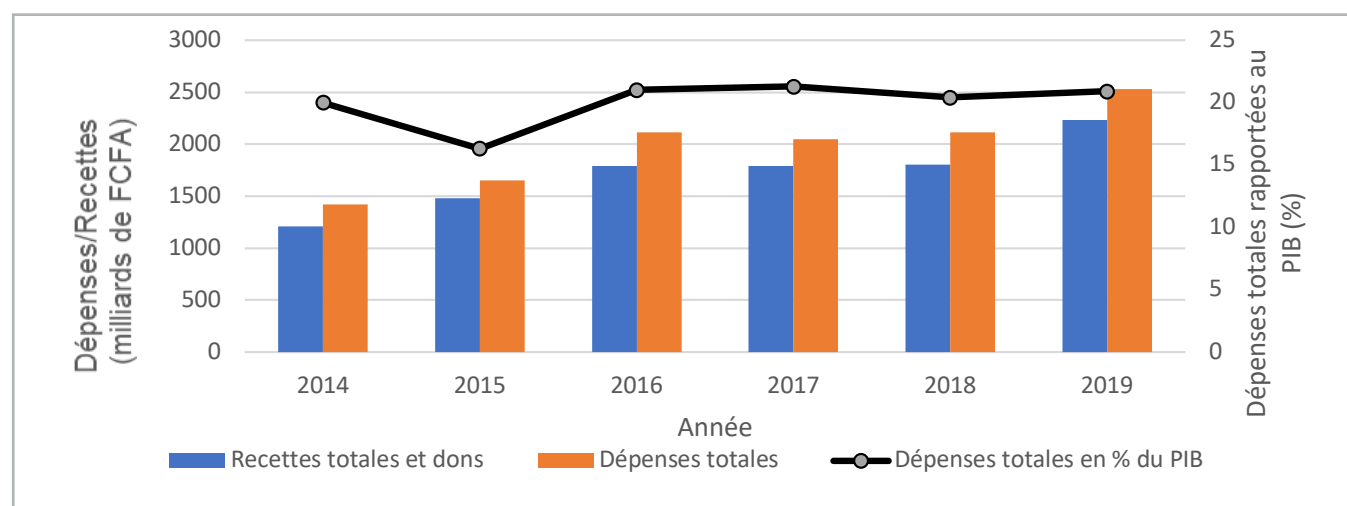
7.1 Budget

7.1.1 Expenditures and revenues

With the exception of 2017, total revenues and expenditures rise steadily over the 2014 to 2018 period and this trend continues to 2019 according to IMF projections. In 2018, revenues rise 0.6% while ex-

penditures increase 3.4%. Over the period, expenditures have consistently exceeded revenues and have grown faster than revenues (11.12% on average versus 10.9% for revenues).

Figure 8 : Trends in government expenditure and revenue in Mali, 2014-2019



Source : BCEAO, IMF

7.1.2. Detailed presentation of expenditure and revenue

The increase in revenue during the 2014-2018 period is mainly due to the rise in tax revenue, which accounted for around 80% of revenue, excluding State grants. Tax revenue rose from CFA francs 890.6 billion in 2014 to 1418.8 billion in 2018 with an average annual increase of 12.52%. The main part concerns taxes on revenue and profits.

As for expenditure, it is made up more of current expenditure (60% on average) than capital expenditure (40% on average). Current expenditure consists mainly of wages and salaries (39.5% on average) and transfers and subsidies (27.9% on average).

Current expenditures increased from \$1,105.1 billion in 2017 to \$1,358.3 billion in 2019, an increase of 22.9%. This increase is driven by an estimated 19.38% growth in wages and salaries.

Capital expenditures decline slightly (0.7%) in 2018 before increasing by 6.06% in 2019. The decline in 2018 is due to an increase in internally financed capital expenditures.

Table 30 : Detailed presentation of Mali's expenditures and revenues between 2014 and 2019

	2014	2015	2016	2017	2018	2019
TOTAL REVENUE AND GRANTS (R1)	1209,6	1481,1	1789,312494	1789,8	1802,1	2320,4
TOTAL REVENUE EXCLUDING GRANTS (R2)	1052,1	1273,4	1656,793494	1910,9	2030,3	2 079,8
CURRENT RECEIPTS (R3)	1007,4		1284,7	1645,6	1707,5	-
Fiscal :	890,6	1082,5	1239,3	1353,7	1418,8	-
Taxes on revenue and profits	633,8	-	-	-	-	-
Taxes on foreign trade	121,2	141,8	-	-		-
Non fiscal :	44,7	51,7	37,9	126,4	153,8	-
OTHER UNCLASSIFIED REVENUES	116,8	139,2	372,1	165,5	134,9	-
GRANTS	157,5	207,7	132,5	144,2	94, 6	-
TOTAL EXPENDITURE AND NET LENDING (D1)	1419,8	1649,1	2116,5	2045,1	2114,5	2 571,2
TOTAL EXPENDITURE (D2)	1425,5	1256,3	1752,3	2055,1	2124,9	
CURRENT EXPENDITURE (D3)	848,1	935,9	1012,4	1105,1	1211,4	1 358,3
Wages and salaries	313,4	357,7	401,0	432,6	516,4	-
Transfers and subsidies	252,4	261,7	287,5	300,5	316,3	-
dt: grants to enterprises	42	30	33			-
Other current expenses	493	316,5	323,9	0	0	-
Interest on public debt (D4)	41,7	50,9	55,4	74,4	78, 3	-
Interest on domestic debt	24,5	27,9	29,2	46,2	47, 3	-
Interest on external debt	17,2	23	26,2	28,2	31	
CAPITAL EXPENDITURE (D5)	460,3	578,9	739,9	784,5	778,6	825,8
On internal financing (D51)	269,8	297,9	499	531,4	541,2	-
On external financing (D52)	190,5	281,0	240,9	253,1	237,4	-
OTHER EXPENSES						396,8
LENDING LESS RECOVERY	-5,4	-4,9	-7,9	-10	-10,4	-9,6
Basic Primary Balance (R2-D3+D4-D51)	-24,1	90,5	200,8	348,8	356	-
OVERALL BALANCE EXCLUDING GRANTS (R2-D1)	-367,7	-375,7	-459,7	-134,2	-84,2	-
OVERALL BALANCE INCLUDING GRANTS (R1-D1)	-210,2	-168,0	-327,2	-255,3	-312,4	-250,9
BACK VARIATION	-50,4	-27,5	9,9	-5,2	-12,8	-
On domestic expenditure	-50,4	-1,7	9,9	-5,2	-12,8	-
On external interests	0,0	0,0	0,0	0,0	0, 0	-

OVERALL BALANCE ON A CASH BASIS	-175,6	-195,6	-325,4	-376,6	-431,7	-321,7
FINANCING	175,6	195,6	325,4	232,4	337,1	-
INTERNAL FINANCING :	105,8	62	218,9	77,5	203,8	-
*Bank financing	61,6	30,9	233,6	161,3	190,9	-
BCEAO :	-65,8	23,0	71,9	57,0	66,3	-
Banking sector	80,3	7,9	161,8	104,3	124,6	
Domestic non-bank financing	44,2	32	12,2	-83,8	12,9	-
Proceeds from privatization	0,0	0,0	0,0	-	-	-
Others	44,2	32	-14,7	-	-	-
EXTERNAL FINANCING :	69,8	133,7	106,4	154,9	133,3	-
Project lending + Programme lending	119,5	225,2	149,9	156,5	169,0	-
Amortization due	-52	-108,9	-61,2	-69,6	-91,7	-
Debt Cancellations	14,2	17,4	17,7	0	0	-
Change in depreciation arrears	-11,9	0,0	0,0	0,0	0,0	-
Other external funding	0,0	0,0	0,0			
NET ERRORS AND OMISSIONS	0	0	0	0	0	0
GDP BUDGETARY INDICATORS (in % of GDP)						
Budgetary revenue	14,8	19,2	19,9	18,6	14,4	-
Tax revenues	12,5	14,0	15,7	16,3	12,6	-
Total expenditure	20,0	16,3	21,0	21,3	20,4	25,06
Current expenditure	11,9	12,1	12,1	12,5	12,1	13,24
Capital expenditure	6,5	7,5	8,9	8,8	6,5	08,05
Basic primary balance	-0,3	1,2	-2,0	-0,8	-3,6	-
Overall balance (based on commitments excluding grants)	-5,2	-4,9	-5,5	-4,5	-6,0	-
Overall balance (based on commitments including grants)	-3,0	-2,2	-3,9	-2,9	-4,8	-2,44

Source : BCEAO

7.1.3 Detailed presentation of the budget by expenditure item

Between 2015 and 2018, education, defence and internal security, agriculture and health were the largest spending areas, accounting for 16.5%, 15.6%, 14.34% and 15.9% of the budget on average each year. Expenditure on education rose from CFA francs 319.7 billion in 2015 to CFA francs 396.4 billion in 2018, an increase of 24%. Defence and security spending increased further (45.8%) from CFA francs

276.3 billion to CFA francs 402.8 billion during the period. Those related to agriculture were 259.3 billion CFA francs in 2015 against 349.8 billion in 2018, an increase of 34.9%. These expenditures show that these four sectors are essential to the economic and social development of the country. The increase in defence and security spending reflects the worsening security situation in Mali, which must deploy more resources to combat this scourge.

Table 31: Budgetary allocations according to SERSD axes by function (in billions of francs)

	2015	2016	2017	2018
AXIS 1: Inclusive and Sustainable Economic Growth	461.9	531.3	588.4	-
Agriculture	259.3	291.4	328.2	349.8
Mining industry, art and tourism trade and energy	77.3	75.1	86.8	9.0
Public works, transport and communication	25.3	164.8	173.4	-
AXIS 2: Social Development and Access to Basic Social Services	532.9	587.4	644.5	-
Education	319.7	334.4	359.4	396.4
Health	112.7	123.3	140.7	124.5
Urban planning and housing	8.1	10.8	10.9	55.4
Sanitation and drinking water supply	19.7	31.5	31.8	-
Employment	11.4	12.1	13.5	-
Other sectors	61.3	75.2	88.1	122.1
AXIS 3 : Institutional development and governance	499.1	588.0	613.1	-
Public authorities and general administration	191.7	231.6	243.7	551.9
Diplomacy and Foreign Affairs	31.1	32.9	38.7	318.9
National Defence and Internal Security	276.3	323.5	330.7	402.8
Debt	149.3	148.6	219.5	-
Unallocated grants	237.9	202.6	205.1	-
Total	1881.1	2 058.0	2 270.6	2330.8

Source : DGB

Within the framework of the SERSD 2019-2023, the Malian budget has been reallocated to achieve the economic and social development objectives being pursued. Thus, the general services of public administrations and economic affairs become two very important sectors, consuming respectively 24.9% and 25% of the 2019 budget. In addition to education, defence and health, social protection and housing become priority elements in the national development policy.

Table 32: Budgetary allocations according to SERSD axes by function (in billions of CFAF), 2019

	2019	2020 *
Consolidation of democracy and improvement of governance	619.2	710.1
General government services	592.5	679.9
Public order and security	26.7	30.2
Restoration of peace, security and stability in the region cohesion between the different communities	396.2	421.9
Defence	277.9	291.7
Public order and security	118.3	130.2
Inclusive growth and structural transformation of the economy	690.5	769.4
Economic Affairs	596.0	668.5
Housing and community facilities	80.8	87.9
Entertainment, culture and worship	13.7	13.0
Protecting the environment and building resilience to climate change	49.9	46.9
Environmental protection and development	49.9	46.9
Human capital development	632.0	656.2
Health	123.4	135.4
Entertainment, culture and worship	7.1	6.7
Education	375.1	398.0
Social protection	126.4	116.0
Total	2 387.7	2 604.5

Source : DGB

*Finance law 2019

7.2. Tax policy

7.2.1 General budget revenue broken down by source

Tax revenue is made up of direct and indirect taxes. Direct taxes consist of mining company taxes and other direct taxes. In the category of indirect taxes, a distinction is made between VAT, tax on petroleum products, import taxes (taxes and customs duties) and other duties and taxes.

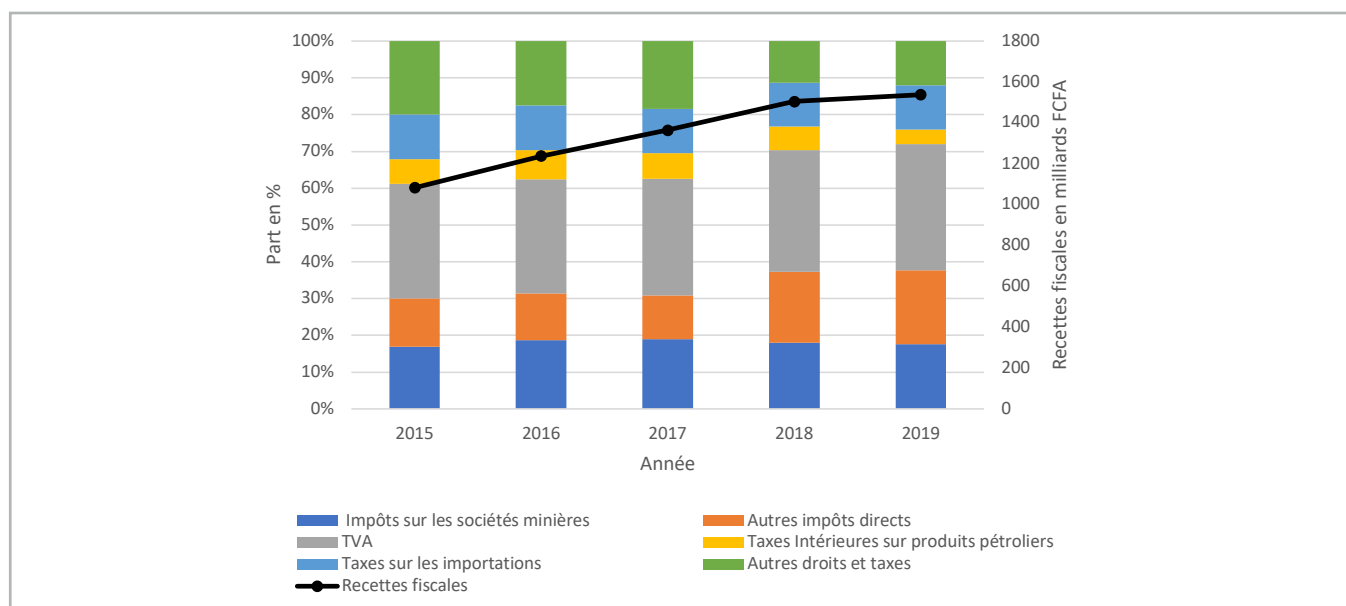
Between 2015 and 2019, tax revenues have an upward trend, rising from CFA francs 1082.3 billion to CFA francs 1,537.49 billion. VAT is the most important source of these revenues. It represents nearly 33% of annual tax revenue on average. In 2019, the value of VAT collected was 308.66 billion against 289.8 billion in 2018. The second largest source of tax revenue is the tax on mining companies, which contributes around 18% of tax revenue each year. In 2019, the value of taxes on mining companies was CFA francs 270.32 billion against CFA francs 271.7 billion in 2017, a slight decrease of about 1%. The

structure of taxes on mining companies remained stable between 2015 and 2019.

Other duties and taxes constitute the third source of tax revenue with a contribution of about 15.83% on average per year during the period 2015-2019. The value of these taxes rose from CFA francs 170.1 billion in 2015 to CFA francs 184.37 billion in 2019, an increase of 8.4%. The contribution of other direct taxes is almost identical (15.4%). The value of these direct taxes was CFA francs 289.8 billion in 2018 and increased by 6.5% to reach 308.66 billion in 2019.

Taxes on imports are also an important source of tax revenue. They contributed about 12.1% of tax revenue during the period 2015-2019. Their value increased from CFA francs 180 billion in 2018 to 185.16 billion in 2019, an increase of 2.87%. Finally, domestic taxes on petroleum products constitute the last source of tax revenue (6.35%). The value of these taxes fell by more than 36% in 2019 where it was estimated at CFA francs 60.67 billion.

Figure 9 : Evolution of tax revenues between 2015 and 2019



Source : DGB

7.2.2 Presentation of tax innovations recently voted or under discussion and about to be voted on

With regard to the mobilization of financial resources, the government intends to implement all IMF recommendations. According to the IMF staff assessment, the increase in the tax revenue-to-GDP ratio from 14.6% in 2019 to 15.5% in 2020 is achievable on the basis of the adoption of tangible measures to strengthen revenue administration (structural benchmarks focusing on improving the performance of the customs administration) and proposed tax measures (reduction of tax exemptions and taxation of non-profit entities engaged in day-to-day business activities).

IMF staff and the authorities have agreed to closely monitor the impact of a private sector agreement that came into force in October 2019 to reduce the VAT rate on a number of products and businesses.

In order to mobilize resources, Mali is considering, among other things : (i) the creation of additional tax centres for medium-sized enterprises; (ii) extending the use of the standard invoice to all segments of taxpayers; (iii) broadening the tax base through the tax census of taxpayers; and (iv) operationalization of the tax cadastre project. In addition, the control of exemptions through the full implementation of law n°2017-022 of 12 June 2017 determining the general framework of the tax and customs exemptions regime, which will enable the rationalization of the granting of tax expenditure.

Tax exemptions in Mali generally derive from the general tax code, the customs code, the investment code, the mining code, the oil code, the law on real estate development, the law on micro finance, international and bilateral conventions and exceptional measures decided by the government.

7.3 Finance bill

The 2020 budget is an instrument for implementing the Strategic Framework for Economic Recovery and Sustainable Development. The budget forecasts for 2019 have been drawn up on the basis of an economic growth forecast of 5% and an inflation rate of 1.9%. Fiscal policy aims to achieve a sustainable budget deficit of 3%, in line with the WAEMU convergence criteria.

Budgetary revenue is estimated at CFA francs 2 181.8 billion in the 2020 budget against an amount of CFA francs 2 054.7 billion in the rectified 2019 budget, an increase of CFA francs 127.2 billion or 6.2%. This increase is attributable to the increase in general budget revenue and special treasury accounts.

General budget revenue is projected at CFA francs 2 049.6 billion in 2020 against CFA francs 1 928.1 billion in the rectified 2019 budget, an increase of 6.3%. Revenues of the annexed budgets are projected at CFA francs 7.8 billion in 2020 against CFA francs 7.9 billion in 2019. As for the special accounts of the Treasury, they are expected to reach CFA francs 124.4 billion in 2020 against CFA francs 118.7 billion in the rectified 2019 budget, an increase of 4.8%.

The rate of fiscal pressure in the 2020 budget is estimated at 15.8% against 15% in the rectified 2019 budget, an increase of only 0.8 points. State budget expenditure is projected at CFA francs 2,604.6 billion in 2020 against CFA francs 2,387.7 billion in the Amending Finance Act 2019. This expenditure is up by CFA francs 216.8 billion, corresponding to a growth rate of 9.1%.

8.1 Political and security risks

Mali is a country weakened by security and social tensions. In 2015, the authorities signed the peace and national reconciliation agreement resulting from the Algerian process with all the stakeholders in the crisis. Despite the good will of the authorities to implement the peace agreement, insecurity persists in northern and central Mali. This situation has worsened with the absence of state authority in some localities occupied in particular by armed groups.

Political risks

Mali is experiencing an unstable political situation marked by several changes of head of government delaying and affecting the development of policies and programmes. The last legislative elections, held in two rounds on 29 March and 19 April 2020, were marked by a very low turnout with highly contested results. Demonstrations and strikes in the capital Bamako have become increasingly frequent and social tensions are rising. The demonstration organized by a coalition of religious associations, opposition political parties and civil society on Friday 05 May 2020, demanded the "resignation" of the Malian president, accused of "bad governance". This political situation negatively affects the Malian economy.

Risks related to internal security

The political and security crisis of 2012 has seriously affected the fundamentals of the Malian economy. Security spending increased sharply (from 1.6% of GDP in 2012 to 3.6% in 2017) and consumed 22% of total spending, crowding out spending in other priority sectors. The absence of state authority in conflict areas hinders access to key public services and related benefits and reduces potential private sector investment. Since the beginning of the country's multidimensional crisis, there has been a situation of insecurity, with regular attacks by jihadist groups and violence linked to inter-community conflicts. This situation is one of the main concerns of the populations, especially those in the northern and central regions. The regional security situation has also deteriorated, violent incidents in Niger and Burkina Faso are increasing, and ethnic tensions are growing. This is why the difficulties in implementing the Peace and Reconciliation Agreement resulting from the Algiers process, the management of inter-community conflicts, the fight against terrorism and violent extremism are all challenges addressed in the country's development strategy "SERSD 2019_2023".

8.2 Social risks

On the social level, the displaced caused by the security crisis have swelled the ranks of the unemployed and the poor without social security coverage. Attacks on rural tracks and threats and intimidation by armed groups prevent people from carrying out socio-economic activities. The deteriorating security situation also prevents the population in the affected areas from having access to quality basic social services. Indeed, the attacks result in a lack of access

to health services and education with the closure of schools and a drop in agricultural production due to lack of access to fields and pastures. This situation has an impact on the social life of the people who make a living from their activities and on the vibrancy of the economy. Social cohesion and living together among populations is somewhat threatened due to social, ethnic and cultural considerations.

Trends in the international prices of exported raw materials (or internationally traded products) as well as in international demand

The Malian economy is highly dependent on three main products: cotton, gold and refined petroleum products.

Gold and cotton are the two main exports with respective shares of 62% and 11%. The third largest gold producer in Africa after South Africa and Ghana, Mali currently has ten (10) mining companies with a production of more than 60 tonnes in 2018 against 46.5 tonnes in 2017. All of Mali's gold production is exported to South Africa and European countries. This makes a positive contribution to the balance of payments and the state budget. Dividend income from mining companies accounted for several hundred billion dollars in the state budget.

For several years, Mali has been ranked as the leading cotton producer in Africa. In 2018, cotton production reached 750,000 tonnes compared to 728,645 tonnes in 2017, an increase of 2.9%. This sector is well organized and supervised by the state, as production is bought by state structures and exported. Export revenues benefit both the population and the government. Cotton is bought from producers at an agreed price and sold by the Malian Textile Development Company (MTDC) on the international market at a premium price.

Mali is thus dependent on the fluctuating price of gold and cotton on the international markets. At the world level, gold is appreciating, but cotton is in free fall. The magnitude of the impact of COVID-19 on Mali's trading partners is expected to disrupt supply channels and lead to delays in making inputs available to cereal and cotton producers, as the available quantities of commodities that go into finished products are deemed insufficient.

According to the United Nations report (May 2020), although the price of gold has risen by almost 15% since January 2020, it is difficult to predict to what extent Mali will benefit from the appreciation of gold since the disruption of air transport and the shutdown of some refineries will most likely limit gold exports.

As for the price of cotton, it has collapsed by almost 25 % since January 2020. International cotton prices have been strongly impacted by the sharp drop in demand caused by the closure of clothing and textile shops, as well as industries operating in this sector.

Revenue forecasts in the state budget have been directly impacted due to the large share of gold and cotton in tax revenues.

The evolution of the price of oil could impact economic activity given that it is used in all sectors, particularly transport and electricity production. In order to maintain the purchasing power of the population, the authorities subsidize fuel by collecting less tax in the event of a rise in the price of oil products to keep the price at an acceptable level. While the prices of petroleum products have fallen in recent months in Mali and have allowed the government to increase revenue from the sale of these products, the rise in prices could cancel out these positive effects. According to IMF estimates (May 2020), the inflation outlook remains broadly unchanged.

Risks related to the evolution of the terms of trade taking into account exchange rate risks with the main partner countries

Mali's foreign trade is structurally in deficit. According to the World Bank, between 2011 and 2014 Mali's net terms of trade index fell from 185,408 to 152,87. The index rose to 173.53 in 2016 and fell back to 161.25 in 2018. With the health crisis linked to Covid-19, the IMF forecasts a deterioration in the overall balance of payments in 2020, creating a balance of payments financing requirement of about 3.1 % of GDP.

It should be noted that as Mali is a member of the WAEMU, BCEAO is in charge of monetary policy in the zone. Although Mali imports from various partners who invoice in foreign currency, the exchange rate risk is controlled thanks to the monetary policy of BCEAO. Also, the criterion of the quantity of foreign currency in months of import is well followed by BCEAO. In addition, the price of cotton paid to the producer is fixed in Mali. The state intervenes with producers when the world price reaches a threshold in order to preserve their purchasing power.

8.4 Risks relating the mobilization of public and private financial resources

The health crisis and continuing insecurity would put a strain on the state budget. The share of security expenditure in Mali's budget has been growing steadily since 2012. Under these conditions, it is difficult to ensure investment spending in the social services that the country needs for its development.

Mobilization of fiscal resources

On the economic level, the insecure areas represent a shortfall in terms of mobilizing the resources needed to carry out the major structural projects for the country's economic recovery. The tax and customs services are not represented in localities under the influence of jihadists and armed groups. According to the note on the execution of collections as of 30 June 2019, customs has managed, albeit at a slow pace, to minimize fraudulent infiltration from these regions, which are largely beyond its control. Since the beginning of 2018, the phenomenon has grown so that despite the resistance of the customs, sometimes at the risk of the lives of customs officers, infiltration from uncontrolled regions is invading the centre and south.

According to the United Nations report (May 2020), the economic contraction due to Covid-19 represents almost CFA francs 300 billion of lost revenue for the Malian state. Although the rate of fiscal pressure is still far from reaching the objective of 20% of GDP set by the WAEMU, the country was on an encoura-

ging positive trend with a rate of fiscal pressure rising from 11.9% in 2018 to 14.7% in 2019. A further improvement to 15.5% was expected in 2020 (equivalent to CFA francs 1692 billion). With the crisis, the rate of fiscal pressure is now estimated at 13.3%, a loss of CFA francs 230 billion. To this should be added non-tax revenues, which should also fall from 1.3% of GDP to 0.8% of GDP, generating another loss estimated at more than CFA francs 50 billion. In total, the loss of tax and non-tax revenue corresponds to 2.7% of GDP or CFA francs 282 billion.

The IMF has approved a disbursement of SDR 146.668 million (about US\$200.4 million or 78.6% of quota) to Mali under the Rapid Credit Facility (RCF) to help the country meet its urgent budget and balance of payments financing needs in the face of the rapidly evolving pandemic. This follows approval by the IMF of debt service relief of about \$10 million under the Disaster Response and Assistance Trust Fund.

External financing through foreign direct investment

According to the IMF (May 2020), the expected decline in foreign direct investment and other private inflows would weigh on Mali's financial account as a result of the Covid crisis¹⁹. Mali's external FDI financing remains low and has declined with the security crisis discouraging investors from investing heavily in the country.

8.5 Health risks

Although Mali has adapted health structures for the management of the most chronic diseases such as diabetes, HIV, hypertension and tuberculosis, the country is one of the five countries in the world with the highest morbidity/mortality "burden". According to the UN report (May 2020), COVID-19 is likely to worsen this situation. Before the coronavirus affected the country, the health sector suffered from (i) insufficient financial and human resources; (ii) limited institutional capacity and infrastructure; and (iii) weak health information systems. Since the virus hit the country in March 2020, the entire health system and staff have been mobilized to respond to the crisis, disrupting the continuation of basic health activities.

Access to public health services and benefits has deteriorated considerably for Malians. The cessation of mass vaccination campaigns risks the resurgence of epidemics. Since January 2020, the country has reported outbreaks/epidemics of major infectious diseases, including yellow fever, Rift Valley Fever (RVF), Crimean-Congo haemorrhagic fever (CCHF), dengue fever and measles. According to the UN report, more than 3 million children under five years of age could not be vaccinated against polio during a campaign that was scheduled for April 2020. The campaign is currently postponed until June, but may be further postponed depending on the evolution of the COVID-19 epidemic. These delays pose a major risk of a resurgence of polio for Mali (which is already a high-risk country).

8.6 Environmental risks

Mali is a country with an agro-sylvo-pastoral vocation where climatic and environmental conditions play a key role. Indeed, agriculture represents more than 30% of GDP. Cotton is the country's main agricultural export product. The country faces extreme and varied climatic conditions that cause droughts and floods that are often catastrophic. In addition, the practice of artisanal gold panning constitutes a signi-

ficant environmental risk. Gold panning contributes to the deforestation of mining areas. The chemical products (mercury and cyanide) used during amalgamation operations of the gold concentrate in the soil cause the dispersion of heavy metals in the water of rivers and lakes. These toxic products also present a risk of groundwater contamination by infiltration.

9.1 General description of the public debt

9.1.1 Global image

Over the period 2014 to 2018, Mali's public debt averaged about 33.4% of GDP each year. It was CFA francs 1908 billion in 2014 against CFA francs 355 billion in 2018. In 2019, the total debt is estimated at CFA francs 3820 billion, or 37.4% of GDP.

During this period, external debt represented on average 71% of the total debt. In 2018, the external debt is estimated at CFA francs 2347 billion and the domestic debt at 1209 billion.

Table 33: Overview of Mali's public debt

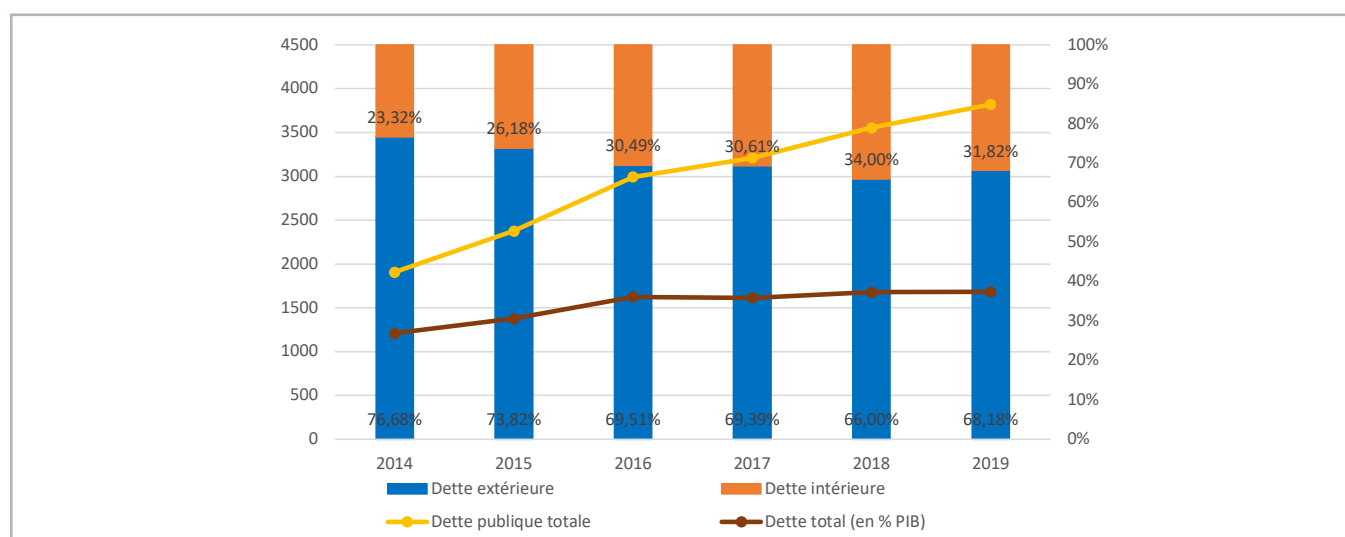
Mali	2014	2015	2016	2017	2018	2019 (proj)
Total debt (in % GDP)	26.9	30.6	36.1	35.9	37.3	37.4
Total debt (in billions of CFA francs)	1 908	2 376	2 994	3 211	3 556	3820.04
Remaining due						
Arrears	0	0	0	0	0	0
Due	359.1	240.7	392.0	536.8	493.06	490.27
Paid	359.1	240.7	392.0	536.8	493.06	490.27
External debt (% GDP)	20.6	22.6	25.1	24.9	24.6	25.5
External debt (in billions CFA francs)	1 463	1 754	2 081	2 228	2 347	2604.57
Remaining due						
Arrears	0	0	0	0	0	0
Due	68.8	80.4	69.0	96.2	92.9	96.42
Paid	68.8	80.4	69.0	96.2	92.9	96.42
Domestic debt (In % GDP)	6.3	8.0	11.0	11.0	12.7	11.9
Domestic debt (in billion CFA francs)	445	622	913	983	1 209	1215.47
Remaining due						
Arrears	0	0	0	0	0	0
Due	290.3	160.3	323.0	440.6	400.14	393.85
Paid	290.3	160.3	323.0	440.6	400.14	393.85
Nominal GDP (FCA billion)	7092.94	7764.71	8293.63	8944.29	9533.51	10 214

Source : DGDP, IMF

Government debt grows steadily over the 2014-2018 period. Its share of GDP rises from 26.9% in 2014 to 37.3% in 2018. External debt has grown less rapidly than domestic debt. In fact, the domestic debt rose from CFA francs 445 billion in 2014 to 1209 billion in 2018 (an overall rise of 171%) while the external debt rose from 1463 billion to 2347 billion CFA francs

(an overall rise of 60.4%) during the same period. This could be explained by the government's desire to mobilize more resources at a lower cost and on relatively favorable terms because the mobilization of resources on the international market is constrained.

Figure 10: Evolution of Mali's public debt from 2014 to 2019



Source : IMF

9.1.2 Time profile of the debt to be repaid

Most of the debt to be repaid is long-term. The situation has changed significantly over a five-year period. The majority of the debt to be repaid was short-term in 2012, and this is no longer the case in 2017.

Table 34 : Debt redemption temporal profile

Expressed in	Initial allocation	Allocation 2012	Allocation 2017 (Estimations)
Short term (< 1 year)		63.0%	6.0%
Medium term (1 to 5 years)		22.4%	37.2%
Long term (> 5 years)		14.6%	56.8%
Total	100%	100%	100%

Source: DGDP

9.1.3 Amount of debt to be repaid in the short term

The amount of external debt to be repaid increased between 2014 and 2017. In 2018, the projections show that the amount of external debt is expected to decline before rising from 2019 onwards. For the domestic debt, it is observed that it decreases between 2015 and 2016 before increasing in 2017. It is projected to continue its downward trend in 2018 and 2019.

Table 35: Amount of external and domestic debt to be repaid (billion CFAF)

	2014	2015	2016	2017	2018 (estimation)	2019 (estimation)	2020 (estimation)
Amount of external debt payable within the year	68.8	80.4	69.0	96.2	92.9	96.42	120.52
Amount of domestic debt payable in the year	290.3	160.3	323.0	440.6	400.14	393.85	490.82
Total	359.1	240.7	392.0	536.8	493.06	490.27	611.35

Source: DGDP, IMF

9.2.1 Description of the strategy

In order to achieve this objective and to provide a framework for the process of re-indebtedness of post-HIPC countries in order to enable them to mobilize the resources they need within the limits of their repayment capacities, the WAEMU countries adopted on 04 July 2007, Regulation No. 09/2007/CM/WAEMU on the reference framework for public debt policy and public debt management in WAEMU member states. The development of a medium-term debt strategy by Mali comes in a context characterized by the multiple ongoing efforts of the State to deal with the effects of the unprecedented multifaceted and multidimensional crisis that the country has experienced during 2012.

Mali's debt strategy is based on clear objectives aimed at meeting the State's financing needs and its future payment obligations at a lower cost, while maintaining risks at a satisfactory level. Mali also aims to contribute to the development of the regional public debt market. Within the framework of the elaboration of the debt strategy and the analysis of public debt sustainability, Mali benefits from technical support from the IMF through AFRITAC West and the Extended Credit Facility. Each year, members of the national public debt committee receive training on indicator analysis.

For the management of issues and coordination of borrowing, the country benefits from the support of the WAMU Title Agency in the development of the programme of issues, their preparation and mobilization of resources on the financial market.

The strategy is built on the guidance of the authorities through the Ministry of Economy and Finance. The General Directorate of Public Debt, together with the National Committee of Public Debt (GDPNCP), are responsible for supervising debt acts and rational management of public debt.

In the 2019-2022 debt strategy, the trend in the financing requirement is expected to decline from 2020 onwards. This decline in the financing requirement is partly linked to efforts to mobilize domestic revenue and rationalize current expenditure. To consolidate this trend and in line with the conclusions and recom-

mendations of the public debt sustainability analysis carried out by the IMF, which indicates a moderate risk of debt until 2035, Mali's debt strategy for the period 2019-2022 has been built on a scenario aimed at long-term debt sustainability through the use of concessional financing and long-term bonds. The strategy is based on a global and coherent vision of debt policy. Therefore, the following measures are recommended:

- At the budgetary level, the continuation of efforts to control commitments, current expenditure and more efficient mobilization of own resources (broadening the base and simplifying procedures) in order to reduce the budget deficit;
- In terms of productivity and competitiveness, the diversification of the economy is the Government's priority. In terms of productivity and competitiveness, economic diversification is the Government's priority. The choice of projects with high economic profitability should therefore be one of the criteria for selecting projects to be included in the Three-Year Investment Programme (TIP);
- In terms of the policy for mobilizing new financing, the continued mobilization of grants and concessional loans and the improvement of aid effectiveness.
- In terms of public debt policy and public debt management, regular monitoring of data on debt transactions; continued capacity building of the National Public Debt Committee and the General Directorate of Public Debt.

9.2.2 Debt sustainability

In 2006, the Breton Woods Institutions (BWI) defined a Debt Sustainability Framework.

For Mali, the joint analysis of debt sustainability by the IMF and the World Bank in 2019 indicates a moderate risk of public debt. Mali also presents a moderate risk of external debt distress. This rating remains unchanged from the previous analysis and is consistent with the IMF staff report of May 2018, which indicated that the projected ratios were 66.4 per cent for exports of goods and services, 15.1 % of

GDP and 77.8 % of fiscal revenue in 2018.

Mali is in the category of countries at risk of moderate debt distress. These ratios remain below the relevant thresholds until 2038 if economic trends continue and future debt actions are in line with this strategy. The effective implementation of the long-term strategic orientations and the pursuit of a financial strategy favouring the mobilization of grants and concessional external borrowing should consolidate debt sustainability.

Moreover, the analysis of debt sustainability for 2019 shows that the risk of external debt distress for Mali remains moderate with some room for absorbing shocks. All debt indicators remain below their indicative thresholds in the 2016-2039 baseline scenario. Mali's external debt ratios remain low in the baseline scenario. The value-added (VA) ratio of public external debt to GDP is projected to remain between 14

and 17% of GDP, well below the indicative threshold of 40% (average threshold) throughout the projection period (Table 36). The VA of external debt to exports is also expected to remain broadly stable between 73.0% and 118.0%, below the average threshold of 180%. The debt service indicators are all below their corresponding thresholds.

The sustainability of Mali's external debt is, however, highly sensitive to a shock in export growth, a reduction in current transfers and FDI and exchange rate depreciations, as well as changes in borrowing conditions.

The observation is the same for public debt in the reference scenario 2016-2039. The VA of public debt/GDP in 2019, estimated at 28.5%, is below its reference point and would remain so until 2039. However, this ratio increases over the projection period to 39.9% in 2039.

Table 36: Debt sustainability frameworks

Wording	Threshold	2018	2019	2020	2021	2022	2023	2024	2029	2039
	public debt sustainability framework									
VA of public sector debt (as % of GDP)	<=70	28.5	28.5	29.6	30.4	31.2	31.7	32.2	34.6	39.9
VA ratio of public sector debt/revenue and grants (% of GDP)	<=250	209.4	155.4	158.2	162.8	162.9	163.9	165.4	169.9	-
Debt service/revenue and grants ratio (%)		37.6	26.5	22.9	30.1	30.5	33.3	34.9	39.5	-
	external debt sustainability framework									
VA of external debt as % of GDP	<=50	15.3	16.7	16.6	16.6	16.6	16.4	16.3	15.4	13.1
VA of external debt as % of exports	<=240	64.6	73.0	76.5	82.3	85.3	87.3	88.9	97.1	108.5
Debt service/export ratio (%)	<=21	4.0	4.1	5.1	5.4	5.4	5.9	6.5	8.0	10.9

Source : IMF, WORLD BANK

In the new DSF, debt thresholds are determined on the basis of a country's debt capacity as measured by the Composite Index (CI), which includes the CPIA (the only indicator used in the old framework) in addition to other variables in the macroeconomic framework: the country's real GDP growth, workers' remittances, foreign exchange reserves and global growth.

It should be noted that for countries, such as Mali, that are members of a Monetary Union, it is generally appropriate to refer to the coverage of foreign exchange reserves at the Union level to classify a country's debt capacity. However, where members of the Union have effectively lost or are about to lose access to pooled foreign exchange reserves for a prolonged period, this approach is likely to overesti-

mate their foreign exchange reserves and thus their debt capacity. The ranking must then be determined using the level of imputed reserves for an individual member country.

The composite index uses ten years of data (five years of historical data and five years of projections) to smooth business cycles and encourage forward-looking policy discussions. The combination of historical data and projections allows the framework to capture ongoing changes in the perspective of countries' fundamentals and the classification of countries into low, medium, high and sustained performance.

Table 37: Evaluation of the Mali Composite Index

Component	Coefficients (A)	10-year average value (B)	Component CI score (A*B) = (C)	Contribution of the component
Evaluation of National Policy and Institutions (ENPI)	0.385	3.389	1.30	43%
Real growth rate (%)	2.719	5.361	0.15	5%
Coverage of imports by foreign exchange reserves (in %)	4.052	39.075	1.58	53%
Coverage of imports by foreign exchange reserves ² (in %)	-3.990	15.269	-0.61	-20%
Transfers (in %)	2.022	4.649	0.09	3%
World economic growth (%)	13.520	3.559	0.48	16%
CI Score			3.00	100%
Class of CI			Moderated	

Source: IMF

The composite index calculation for Mali shows a score of 3.0, placing it in the high debt capacity category. As a result, the debt thresholds indicated in the following table will apply to it.

Table 38: Debt thresholds applicable to Mali in 2019

Debt thresholds (External debt)	Low	Moderate	High
Present value (PV) of debt as % of exports	140	180	240
Present value (PV) of debt as % of GDP	30	40	55
Debt service as % of exports	10	15	21
Debt service as % of tax revenue	14	18	23
Total public debt indicator	Low	Moderate	High
VA of total public debt as % of GDP	35	55	70

Source: IMF

When debt indicators are above their respective thresholds, the risk of overindebtedness is present. Looking at the data on sustainability indicators (Table

36), the risks of public and external over-indebtedness are moderate for Mali.

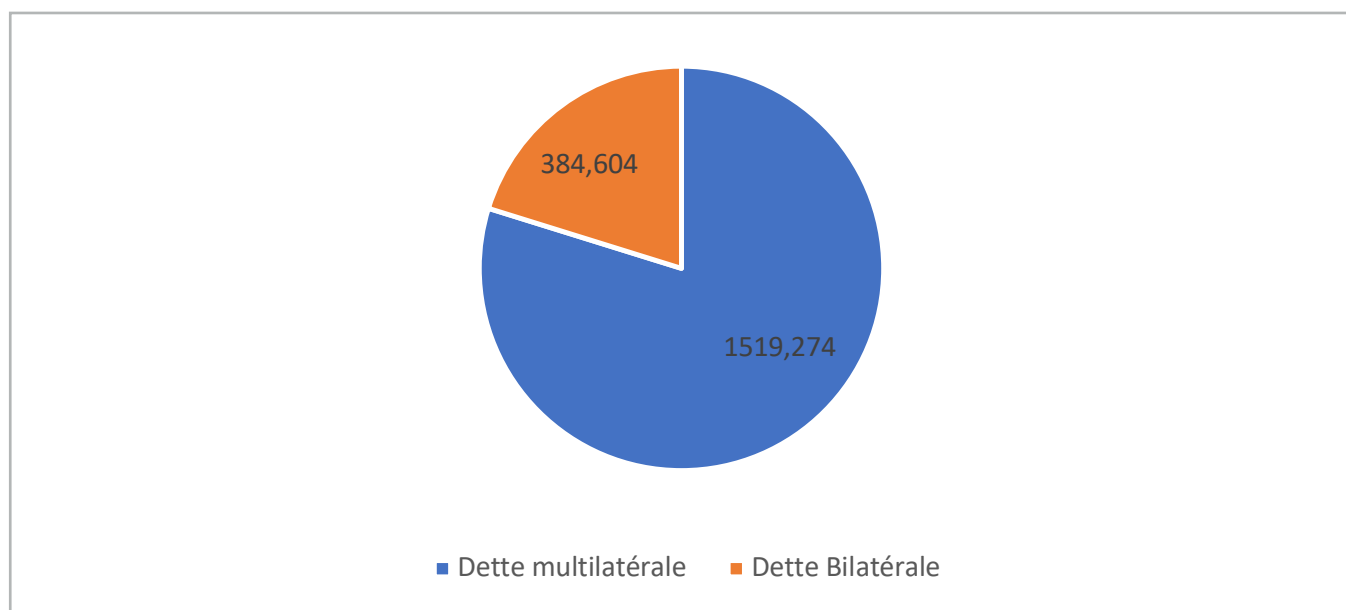
9.3 External debt

9.3.1 Holders

In 2018, Mali's external debt according to the DGDG was estimated at CFA francs 1,903.878 billion. This debt consisted of CFA francs 1,519.274 billion of multilateral debt, or 79.8%, and CFA francs 384.604

billion of bilateral debt, or 20.2%. The portfolio of multilateral debt is larger than that of bilateral debt given the number of creditors and Mali's position within the framework of the MDRI.

Figure 11: Distribution of Mali's external debt by holder in 2018 (in billions of CFA francs)



Source: DGDG

The World Bank is the largest creditor of total external debt, accounting for 40.3% of total external debt and more than 50% of multilateral debt. It is followed by the other multilateral creditors which contribute more than 28% of the external debt. The IMF's share is estimated at 7.6% of the external debt in 2018.

The strong contribution of the World Bank is explained by its intervention in several sectors of the Malian economy, particularly health, education and agriculture, which are key sectors.

Table 39: Amount of debt per creditor in relation to total external debt and GDP respectively in 2018

	Total debt (expressed in value, In billions of CFAF)	Expressed in % of total external debt	Expressed in % of nominal GDP
Total external debt	2 347	100.00	24.6
Bilateral	460	19.6	4.83
Paris Club	44	1.87	0.46
Not a member of the	417	17.77	4.37
Multilateral	1 886	80.4	19.78
IMF	179	7.63	1.88
World Bank/IDA	947	40.35	9.93
African Development Bank	-	-	-
African Development Bank	99	4.22	1.04
Others	662	28.21	6.94

Source : IMF

9.3.2 External debt payment situation in 2018

The total amount of External debt service paid in 2018 was CFA francs 493.06 billion, of which CFA francs 464.06 billion in principal repaid and CFA francs 29 billion in interest.

Table 40: External debt payment situation

Situation at December 2019 (in billion CFA francs)	Capital	Interest	Total
Remaining due at 31 December 2017	0	0	0
Due service			490.27
Paid service			490.27
Remaining due at 31 December 2019	0	0	0

Source: DGDP

9.3.3. Debt currencies

The distribution of Mali's total debt by currency in 2018 shows that it is composed of :

- 1447.29 billion CFA francs
- 1.03 billion Special Drawing Rights (XDRs)
- 0.43 billion ADB Unit of Account (AUA)
- 2.4 billion Chinese Yuan (CNY)
- 0.33 billion US Dollar (USD)
- 0.3 billion Euro (EUR)
- 0.08 billion Islamic Dinar (DIS)
- 0.0139 billion Kuwaiti Dinar (KWD)
- 1.212 billion Japanese Yen (JPY)
- 0.022 billion Saudi Riyal (SAR)

Table 41: Debt by currency and amount

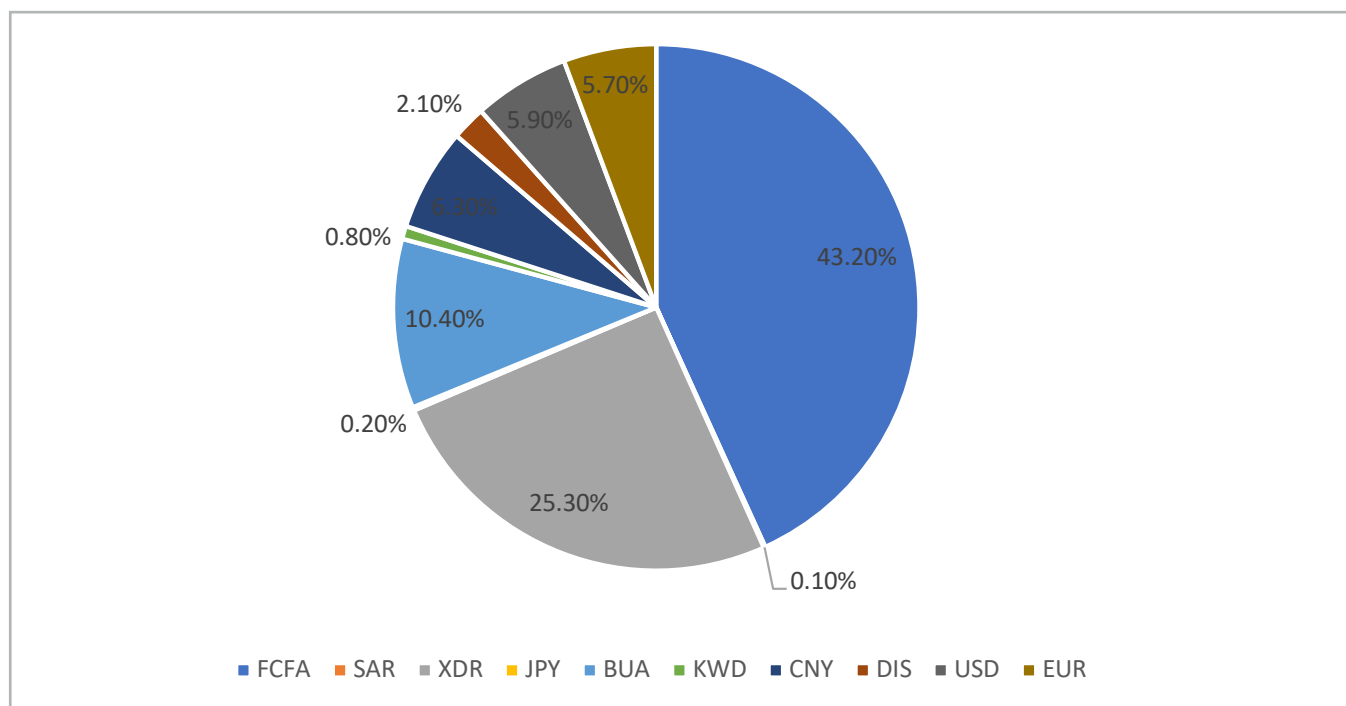
Currency	Total debt originally denominated in this currency in thousands	Exchange rate CFAF at 31 December 2018	Total debt expressed in billions of CFA francs	Exchange rate in EUR at 31 December 2018	Total debt expressed in millions of EUR	Distribution of debt by currency (in %)
CFAF	1 447 285 968	1	1447.29	655.957	2206.37	43.20%
XDR	1 029 440.76	823.36	847.60	655.957	1292.16	25.30%
BUA	423 169.33	823.36	348.42	655.957	531.16	10.40%
CNY	2 399 255.85	87.97	211.06	655.957	321.76	6.30%
USD	329 359.38	600.14	197.66	655.957	301.33	5.90%
EUR	291 118.69	655.957	190.96	655.957	291.12	5.70%
DIS	85 447.65	823.36	70.35	655.957	107.25	2.10%
KWD	13 876.05	1931.5	26.80	655.957	40.86	0.80%
JPY	121 1645.21	5.53	6.70	655.957	10.21	0.20%
SAR	21 610	155.03	3.35	655.957	5.11	0.10%
Total	-	-	3 350. 199	-	5107.35	100%

Source : DGDP

At 31 December 2018, public debt was 56.8% foreign currency and 43.2% local currency (CFAF). The debt portfolio is therefore exposed to an exchange rate risk. However, this risk would be somewhat mitigated by the proportion of debt denominated in euros (5.7%), the currency having a fixed parity with the

CFA franc. 25.3% of the debt was made up of Special Drawing Rights (SDR) and 10.4% in ADB Units of Account (BDU), i.e. amounts of CFA francs 847.60 billion and 348.42 billion respectively. The three currencies alone accounted for 78.9% of the debt.

Figure 12: Debt burden in 2018 by currency



Source : DGDP

9.4 Domestic debt

9.4.1 Presentation of the situation as at 31 December 2018

Domestic debt in 2018 is mainly composed of short- and medium-term government securities, of which 68.1% are bonds and 13.9% are treasury bonds. The other instruments (18%) consist of loans from the West African Development Bank (BOAD), allocations

of Special Drawing Rights (SDRs) from the IMF and the loan from Ivory Coast. This distribution shows that the bonds and debenture loans were estimated at CFA francs 1186.24 billion, i.e. 82% of the total domestic debt. This is due to the fact that bonds are medium-term instruments that Mali is targeting in its 2018-2020 debt strategy.

Table 42: Debt situation in Mali as at 31 December 2018

	Domestic debt expressed in value (billions of CFAF)	Domestic debt expressed in % of the total domestic debt	Domestic debt as % of GDP nominal
Total Domestic Debt	1 446. 32	100.0	15.17
Public Securities			
Treasure bonds	201. 27	13.9	2.11
Bonds	984. 97	68.1	10.33
Others (IMF-ODAB-RCI)	260. 08	18.0	2.73

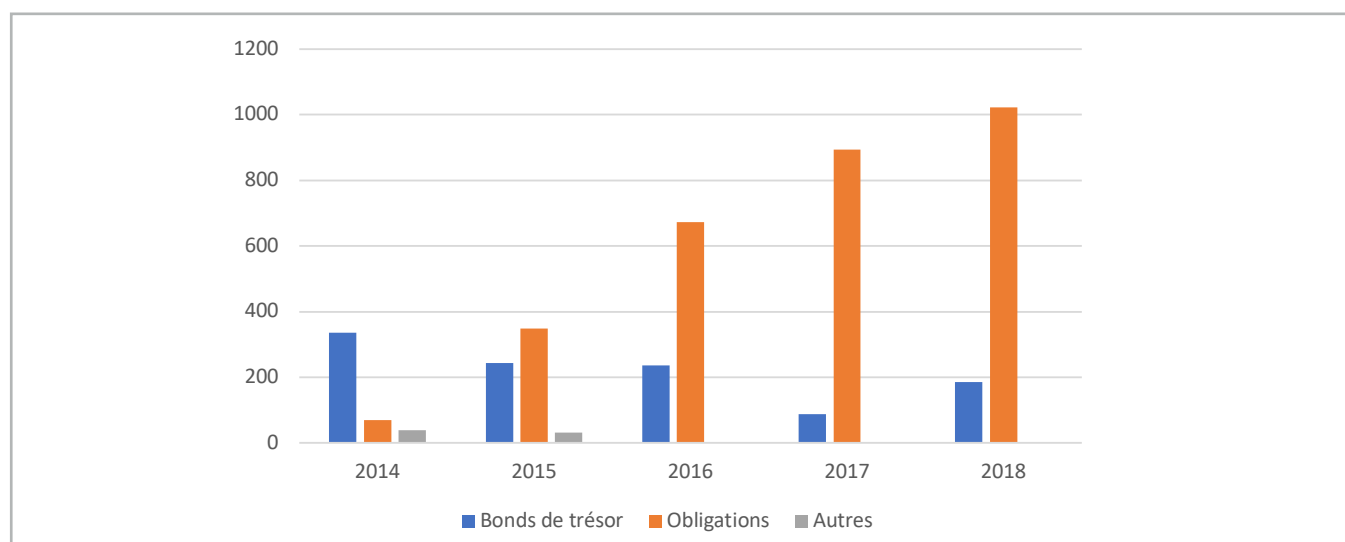
Source : DGDP

9.4.2 Changes in the composition of domestic debt over the last 5 years

During the period 2014 to 2018, Mali's outstanding domestic debt increased from CFA francs 445 billion in 2014 to reach CFA francs 1209 billion in 2018, i.e. an average annual increase of 42.9%. This increase is mainly due to a continuous increase in bonds during the period. The share of bonds increased from 15.7% in 2014 to 84.6%. In 2018, the elections were

entirely financed by the state budget through the issuance of bonds. This was the first time that Mali organized elections without the support of external partners. Treasury bonds issued over the last five (5) years were negotiated with payment terms that were mainly due in 2017 and 2018. This may explain the very high levels of outstanding amounts in 2017 and 2018.

Figure 13: Evolution of the domestic debt between 2014 and 2018 (billion CFA francs)



Source: IMF

9.4.3 Status of domestic debt payments (no recent data)

The total amount of External debt service paid in 2018 was CFA francs 400.14 billion, of which CFA francs 344.84 billion in principal repaid and CFA francs 55.3 billion in interest.

Table 43: Situation of domestic debt service

Situation at December 2018 (in billion CFA francs)	Capital	Interest	Total
Remaining due at 31 December 2017	0	0	0
Due Service	344.84	55.3	400.14
Paid Service	344.84	55.3	400.14
Remaining due at 31 December 2018	0	0	0

Source : DGDP

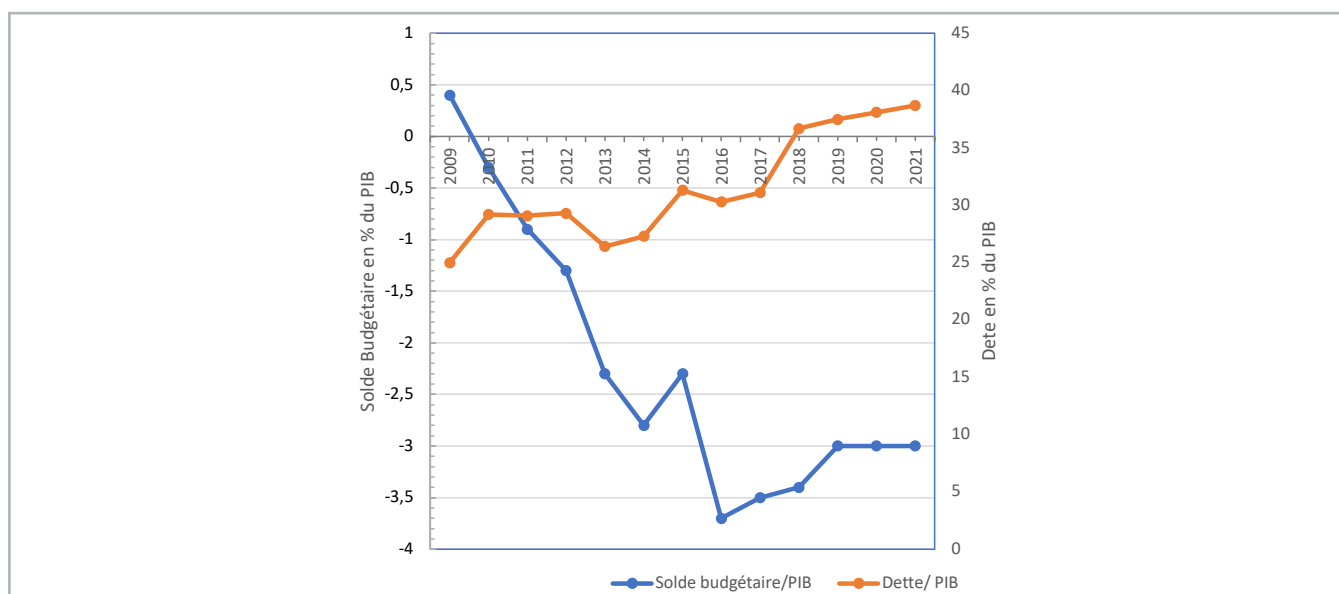
9.4 Viability and sustainability

The fiscal balance-to-GDP ratio declines over time from 0.4% in 2009 to -3.4% in 2018. The ratio is projected to fall to -3% from 2019 onwards to meet the Community norm. The analysis shows a positive re-

lationship between the budget deficit and debt levels in Mali. Indeed, over the period, the pace of indebtedness accelerated from 29.2% in 2009 to 36.7% in 2018. According to projections, this debt trend will continue until 2021 when the ratio would be 38.7% but still below the Community norm of 70%. This si-

tuation would be partly explained by the major works begun at the end of the crisis and the efforts to secure and stabilize the affected areas. To this should also be added the organization of presidential elections in 2018 and 2020. In sum, Mali's debt level remains on the whole viable and sustainable if efforts to reduce the budget deficit are maintained until 2021.

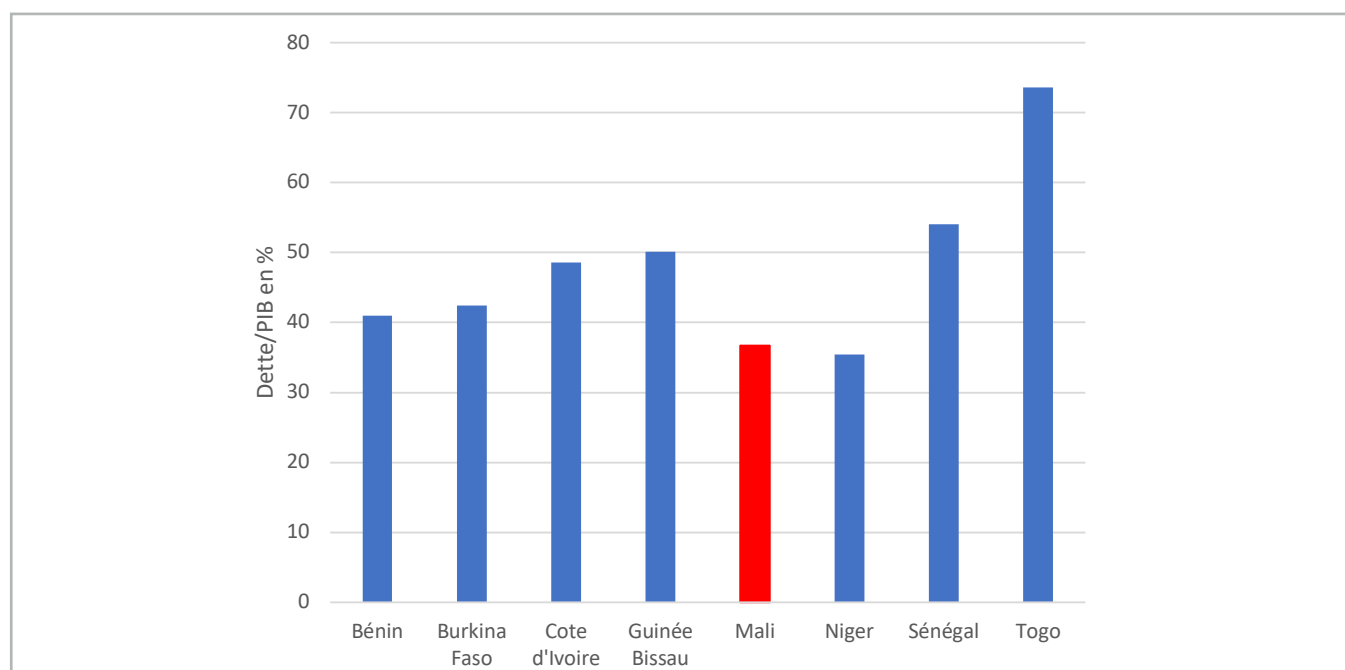
Figure 14 : Evolution of the deficit and debt in % GDP



Source: WAEMU

In 2018, all WAEMU countries, except Togo, have a debt ratio below the norm of 70%. Mali has the lowest level of debt (36.7) in the community space after Niger (35.5). Mali still has room for improvement in its debt strategy. But efforts must be made to reduce and stabilize the budget deficit ratio below the 3% norm.

Figure 15 : Government debt ratio in WAEMU countries in 2018



Source : WAEMU

Table 44: Details of securities outstanding at the end of 2019

Issuer	Wording	ISIN	Maturity (years)	Issuing date	TMP (%)	Coupon	Outstanding amount (millions CFAF)
Mali	ML - 6,25% - 5 years - 10.april.20	ML0000000439	5	09/04/2015	6,27	6,25%	37 125
Mali	ML - 6% - 5 years - 25.march.21	ML0000000538	5	24/03/2016	6,05	6,00%	19 107
Mali	ML - 6,25% - 7 years - 21.april.23	ML0000000546	7	20/04/2016	6,19	6,25%	39 600
Mali	GOVERNMENT OF MALI 6,20% 2016-2023 (7 years)	ML0000000561	7	25/04/2016	6,20	6,20%	80 000
Mali	ML - 6,2% - 7 years - 19.august.23	ML0000000579	7	18/08/2016	6,18	6,20%	70 000
Mali	ML - 6% - 5 years - 09.september.21	ML0000000587	5	08/09/2016	6,32	6,00%	30 000
Mali	ML - 5,75% - 5 years - 02.february.22	ML0000000629	5	01/02/2017	6,03	5,75%	10 500
Mali	ML - 6% - 3 years - 01.march.20	ML0000000652	3	28/02/2017	6,78	6,00%	12 511
Mali	ML - 6% - 3 years - 24.march.20	ML0000000678	3	23/03/2017	6,22	6,00%	21 245
Mali	TPML 6,50% 2017-2024 (7 years)	ML0000014AE01	7	20/04/2017	6,50	6,50%	100 000
Mali	ML - 6% - 3 years - 24.april.20	ML0000000694	3	24/04/2017	7,30	6,00%	12 144
Mali	ML - 6% - 3 years - 07.july.20	ML0000000751	3	06/07/2017	6,98	6,00%	31 391
Mali	ML - 6,15% - 5 years - 07.august.22	ML0000000777	5	04/08/2017	6,64	6,15%	14 065
Mali	ML - 6,15% - 5 years - 07.september.22	ML0000000793	5	06/09/2017	6,70	6,15%	27 186
Mali	ML - 6,15% - 3 years - 20.november.20	ML0000000827	3	17/11/2017	7,60	6,15%	35 810
Mali	ML - 6% - 7 years - 28.december.24	ML0000000850	7	27/12/2017	6,00	6,00%	24 998
Mali	ML - 6,25% - 7 years - 24.february.25	ML0000018SK01	7	25/02/2018	6,35	6,25%	49 950
Mali	ML - 6,25% - 7 years - 01.march.25	ML0000000884	7	28/02/2018	6,34	6,25%	27 000
Mali	ML - 6,2% - 3 years - 12.april.21	ML0000000918	3	11/04/2018	7,09	6,20%	21 307
Mali	ML - 6,15% - 3 years - 21.june.21	ML0000000959	3	20/06/2018	7,26	6,15%	26 359
Mali	ML - 6,4% - 5 years - 21.june.23	ML0000000942	5	20/06/2018	7,20	6,40%	28 641
Mali	ML - 6,15% - 3 years - 19.july.21	ML0000000975	3	18/07/2018	7,39	6,15%	22 000
Mali	ML - 6,4% - 5 years - 03.august.23	ML0000000983	5	02/08/2018	7,36	6,40%	22 000
Mali	ML - 6,5% - 7 years - 05.october.25	ML0000018AE01	7	28/09/2018	6,49	6,50%	106 300
Mali	ML - 6,15% - 3 years - 08.november.21	ML0000001049	3	07/11/2018	7,44	6,15%	24 625
Mali	ML -BT - 12 months - 15.january.20	ML0000001072	1	16/01/2019	5,96		22 000
Mali	ML - 6,15% - 3 years - 31.january.22	ML0000001080	3	30/01/2019	7,42	6,15%	14 708
Mali	ML -BT - 12 months - 12.February.20	ML0000001098	1	13/02/2019	6,06		22 000
Mali	ML - 6,15% - 3 years - 28.February.22	ML0000001114	3	27/02/2019	7,14	6,15%	41 850
Mali	ML - 6,40% - 5years - 28.February.24	ML0000001106	5	27/02/2019	6,90	6,40%	29 650
Mali	ML - 6,15% - 3 years - 28.March.22	ML0000001122	3	27/03/2019	7,42	6,15%	22 000
Mali	ML - 6,15% - 3 years - 11.April.22	ML0000001130	3	10/04/2019	7,10	6,15%	22 000
Mali	ML -BT - 12 months - 13.May.20	ML0000001148	1	15/05/2019	5,49		27 500
Mali	ML - 6,40% - 5years - 31.May.24	ML0000001155	5	29/05/2019	6,69	6,40%	22 000
Mali	ML -BT - 12 months - 10.June.20	ML0000001163	1	12/06/2019	5,32		22 000
Mali	TPML 6,50% 2019-2027 (8 years)	ML0000018AE02	8	05/07/2019	6,50	6,50%	116 421
Mali	ML - 6,15% - 3 years - 01.Aout.22	ML0000001171	3	31/07/2019	6,43	6,15%	22 000
Mali	ML - 6,40% - 5 years - 16.Aout.24	ML0000001189	5	14/08/2019	7,06	6,40%	16 746
Mali	ML - 6,15% - 3 years - 29.Aout.22	ML0000001205	3	28/08/2019	6,47	6,15%	27 500
Mali	ML - 6,40% - 5 years - 12.September.24	ML0000001221	5	11/09/2019	6,66	6,40%	22 000
Mali	ML - 6,15% - 3 years - 26.September.22	ML0000001213	3	25/09/2019	6,15	6,15%	22 000
Mali	ML -BT -12 months - 07.October.20	ML0000001239	1	09/10/2019	5,23		22 000
Mali	ML - 6,40% - 5 years - 24.October.24	ML0000001247	5	23/10/2019	6,40	6,40%	16 500
Mali	ML - 6,15% - 3 years - 22.November.22	ML0000001254	3	21/11/2019	6,11	6,15%	22 000
Mali	ML -BT -12 months - 12.December.20	ML0000001262	1	11/12/2019	4,75		11 000
Total							1 437 738

Source : Agence UMOA-Titres

Auction (for government securities): auction of securities issued by the central government. In the WAEMU zone, it is organized by BCEAO and only banks and other regional financial institutions with accounts with BCEAO can participate. Other entities can only subscribe to auctions through WAEMU banks.

Amortization or maturity: period between the disbursement of a loan and its final repayment, composed of the grace period and the repayment period.

Public offering: competitive bidding on the financial market of public securities through an SGI. It is open to any saver.

Net external assets (NEA): net claims or liabilities of monetary institutions (Central Bank and banks) on the outside. This item corresponds to all the headings in the statements of the Central Bank and banks relating to their external operations. It is obtained by deducting from gross external assets, all external commitments, including medium and long-term commitments.

State financing requirement: overall amount needed to cover the primary budget deficit and the interest and amortization charges linked to the debt.

Treasury bonds: short-term public securities with a maturity of between 7 days and 2 years, issued by a WAEMU member state.

Paris Club: an informal group of creditor countries (usually OECD countries) that meets in Paris to negotiate debt restructuring agreements with debtor countries experiencing debt service problems.

Bilateral creditors: governments, central banks, agencies and export credit agencies that lend to a debtor government on an intergovernmental basis.

Multilateral creditors: international institutions that lend funds on concessional and/or non-concessional terms, such as the IMF, World Bank and regional development banks.

Credits to the economy (CE): all lending to the economy by banks (refinanced or not), financial institutions (part refinanced by the Central Bank) and the Treasury (through the acceptance of customs drafts).

Domestic credit = Credit to the economy + Net position of the Government (see PNG).

Disbursement: payment of all or part of the amount contracted under the terms of a loan.

Budget deficit: Difference between total revenue and total expenditure and net lending.

Current account deficit: current account deficit balance in the balance of payments.

Primary deficit: Negative difference between revenue and expenditure, excluding interest payments.

External public debt: central government borrowing from non-residents.

Domestic public debt: central government borrowing from residents.

Non-concessional debt: debt contracted on market terms.

Public debt: sum of all central government debts (external and domestic).

Grant element: difference between the nominal value (NV) and the present value (PV) of debt service expressed as a percentage of the nominal value of the lending $((NV - VA) / VN)$.

Concessional borrowing: lending and credits that have a long amortization period and/or below-market interest rates, such that they have a grant element of at least 35%.

Eurobond: dollar-denominated bond on the London financial market.

Inflation: generalized increase in consumer prices. This results in a loss of purchasing power of the currency.

Multilateral Debt Relief Initiative (MDRI): initiative launched in June 2005 to accelerate progress towards the Millennium Development Goals (MDGs).

HIPC Initiative: a framework adopted by the World Bank and the IMF in 1996 to address the external debt problems of the Heavily Indebted Poor Countries (HIPC), which aims to provide comprehensive debt relief sufficient to achieve debt sustainability.

Money supply (MO): all claims held by the rest of the economy on monetary institutions. It includes cash in circulation (currency in circulation + sight deposits) and quasi-monetary assets (savings accounts and time deposits).

Treasury bonds: medium- or long-term public securities issued through auctions or public calls for savings.

Contingent liabilities: debts contracted by other public entities with the exception of central government (local authorities and para-public sector).

Net Government Position (NGP): net claims or net liabilities of the Treasury to the rest of the economy. The government's net position is made up of the difference between the Treasury's debts and its claims on the Central Bank, banks and individuals and companies. By convention, a crediting PNG is preceded by a (-) sign while a debtor PNG is preceded by a (+) sign.

Tax pressure: the ratio of tax revenue to GDP.

Refinancing risk: risk linked to the renewal of maturing debt. It may relate to the cost of refinancing or the impossibility of obtaining the desired amounts.

Interest rate risk: interest rate risk refers to the vulnerability of the debt portfolio and the cost of government debt to high market interest rates, to the point where maturing fixed rate debt and floating rate debt are revalued.

Currency risks: risks associated with fluctuations in exchange rates.

Debt service: any payment to be made for the principal, interest and fees of a loan.

Primary balance: (see primary deficit).

Basic primary balance: total revenue excluding grants - current expenditure + interest on public debt - capital expenditure on own resources.

Gross enrolment ratio: The gross enrolment ratio is the ratio of children in school to all children.

Net enrolment ratio: The gross enrolment ratio is the ratio of children enrolled in school to children of school age.



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