

THE INTERNATIONAL MONETARY FUND AND
THE INTERNATIONAL DEVELOPMENT ASSOCIATION

MALI

Assessment of the PRSP Preparation Status Report

Prepared by the Staffs of the International Monetary Fund
and the International Development Association

Approved by Jean A. P. Clément and Martin Fetherston (IMF) and
Callisto Madavo and Gobind Nankani (IDA)

November 29, 2001

1. Mali's interim Poverty Reduction Strategy Paper was finalized and presented to the Boards of the IMF and IDA in September 2000. A provisional first draft of the full PRSP was completed by the Malian authorities in August 2001; a revised draft was completed in October 2001, which was sent for a nation-wide consultation process (involving regional discussions with the civil society, donors, and NGOs).
2. The PRSP Preparation status report sets out the main activities undertaken to date, notably the participatory process and the poverty diagnosis. The draft PRSP includes critical cross-cutting themes such as social protection, AIDS, and private sector development. Work is underway in constructing an initial medium term expenditure framework, using medium term resource envelopes already forecast for the macro level as well as for the health and education sectors. The status report also discusses the remaining steps to finalize the full PRSP: further work is mentioned regarding the improvement of the program budget; the pursuit of efforts to streamline donor assistance procedures; continuation of the social dialogue through deepening of the consultation process; improvement of governance, especially the anti-corruption aspects; and preparation of a mechanism for monitoring and assessment. The status report also clearly identifies technical assistance already received as well as future requirements. While the status report does not mention the status of the requests, the staffs have been informed that the authorities have good prospects to secure the needed technical assistance. The status report does not mention progress on priority public actions and as indicated below, the staffs believe more work is required in this area.
3. The status report indicates that delays in the preparation of the full PRSP were incurred due to: efforts to ensure a fully satisfactory participatory process; work on updating a poverty map; efforts to produce a PRSP that reflects quality rather than one that is rushed to completion, especially in view of the authorities' concern to reflect the comments made on the I-PRSP. The staffs consider that these delays were warranted.

4. The staffs of the World Bank and IMF have provided detailed joint comments on the initial two drafts of the full PRSP that are being incorporated into subsequent versions of the paper. The staffs agree that areas indicated for further work in the status report are the right ones, especially since some of them were areas of concern in the Joint Staff Assessment of the interim PRSP. Nonetheless the staffs have already indicated to the authorities that the future work agenda should consider including the other issues identified in the JSA of the I-PRSP that are incompletely or not yet addressed, namely as regards criteria to establish overall as well as sector priorities, and preparation of a revised policy matrix.

5. In addition, the staffs' review of the second draft of the PRSP suggests that additional work is advised, particularly with respect to: prioritization of the objectives, policies and programs; strengthening the sustainability of the fiscal profile; assessing the impact of a scenario with lower-than-programmed residual financing need; description of the costing methodology used; strengthening the section on governance and the articulation of a concrete action plan; strengthening the section on promoting economic growth, to present a coherent and convincing set of policy measures and actions to achieve the objective; and, enhancing the justification for the economic growth projections with respect to realism in what can be achieved within a specified time period.

6. Although the status report does not mention progress in implementing the priority social program, satisfactory progress is being made in this area. Mali is on track on the implementation of the 10-year health (PRODESS) and education (PRODEC)¹ plans, following a slow start of the programs in both sectors. In each sector, expenditures as a share of total current expenditures have met the agreed targets for 2001. Also, in the education sector, additional teachers have been recruited, and in the health sector, recruitment of additional workers is underway, though lagging somewhat due to constraints in the capacity of public training agencies.

7. The revised PRSP timeline given in the PRSP Preparation status report indicates that the final PRSP is expected to be completed by December 2001. The staffs consider that this schedule is ambitious in view of the need for further work (as noted above) and the need to ensure a quality product. Yet, the staffs do not expect the calendar of the forthcoming presidential and legislative elections (April/May 2002) to influence the completion of the full PRSP. Considerable effort has gone into the production of the second draft and extensive consultations have taken place. Therefore, the staffs consider that the progress on the development of the full PRSP, as indicated in the status report, is satisfactory and provides a sound basis for continued access to Fund concessional assistance and IDA adjustment lending. The staffs recommend that the respective Executive Directors of the World Bank and the IMF reach the same conclusion.

¹ PRODESS is the *Programme de Développement Sanitaire et Social*, and PRODEC is the *Programme Décennal d'Éducation*.