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MALI

May 2025

REQUEST FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY AND REQUEST FOR A STAFF-MONITORED PROGRAM —PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR MALI

In the context of the Request for Disbursement Under the Rapid Credit Facility and Request for a Staff-Monitored Program, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on April 16, 2025, following discussions that ended on February 21. 2025 with the officials of Mali on economic developments and policies underpinning the Request for Disbursement Under the Rapid Credit Facility and Request for a Staff-Monitored Program. Based on information available at the time of these discussions, the staff report was completed on April 1, 2025
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the World Bank.
- A **Statement by the Executive Director** for Mali.

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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PRESS RELEASE

PR25/111

IMF Executive Board Approves the disbursement of US $129 Million under the Rapid Credit Facility for Mali

FOR IMMEDIATE RELEASE

- The IMF Executive Board approved today Mali's request for disbursement under the exogenous shock window of the Rapid Credit Facility (RCF),allowing for an immediate disbursement of US$129 million (SDR 93.3 million).
- Mali's economy faces climate shocks amid security and humanitarian crisis, and tight financing. Recent flooding damaged infrastructure and agriculture, disrupted services, worsened food insecurity and increased internal displacement.
- The IMF emergency financing will help address urgent balance of payment needs from the floods, while the 11-month SMP aims to reinforce macroeconomic stability, strengthen resilience, protect the vulnerable, and improve governance, serving as an anchor for the government's macroeconomic policy priorities.

Washington, DC – April 16, 2025: The Executive Board of the International Monetary Fund (IMF) approved today a disbursement of US$129 million (SDR 93.3 million) under the Rapid Credit Facility (RCF) to address the urgent needs resulting from the floods. The RCF is accompanied by an 11-month Staff Monitored Program (SMP). SMPs are agreements between member countries and IMF staff to monitor the member country's economic program and re-establish a track record of reform implementation.

Mali is facing significant challenges from severe flooding in 2024, which caused extensive damage to infrastructure, agriculture, and livelihoods. These challenges add to existing pressures from persistent security challenges and widespread food insecurity, further weighing on GDP growth.

The RCF disbursement is expected to help the authorities address the urgent balance of payment needs resulting from the floods. These include financing imports for essential items and critical infrastructure.

As part of the SMP, the authorities have committed to strengthening fiscal governance, improving public financial management, and ensuring transparency and accountability in the use of RCF funds. The authorities are also committed to protecting the most vulnerable by strengthening the social safety net and addressing food insecurity.

The SMP also envisages for fiscal policy to ensure sustainability amid tight financing conditions and high borrowing costs. Reforms include enhancing domestic revenue mobilization by broadening the tax base and strengthening revenue and customs administration. Improving spending efficiency remains critical, such as addressing vulnerabilities in state-owned enterprises and improving their oversight, particularly the electricity provider Energie du Mali (EDM), while safeguarding public investment and protecting vulnerable households.

Moreover, it is important for the authorities to establish a transparent medium-term plan to clear domestic and external arrears.

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USA

Following the Executive Board discussion, Mr. Okamura, Deputy Managing Director and Chair, issued the following statement:

"Mali faced significant economic headwinds in 2024. Following an unprecedented heatwave in April, it suffered extreme flooding of a one-in-fifty-year magnitude in the second half of the year. Heightened security risks, lower gold production, ongoing power outages, and a sharper-than-expected-fiscal consolidation all weighed on growth. Many of the economic headwinds are likely to persist in 2025, and recently announced cuts to official development assistance are expected to create additional pressures.

"Emergency financing under the Rapid Credit Facility (RCF) will help address urgent balance-of-payments needs arising from the flooding. This exogenous shock has caused significant damage to public infrastructure and loss of livelihoods, exacerbating the already-elevated food insecurity and internal displacement.

"In parallel to the RCF emergency financing, an eleven-month Staff-Monitored Program has been recently approved by IMF management, at the request of the authorities, and includes measures to ensure transparency and accountability in the use of RCF resources alongside other structural benchmarks to improve fiscal governance and transparency. Further governance reforms are essential for ensuring the efficient use of public funds, rebuilding credibility with development partners, and enhance the business climate.

"Mali's risk of external and overall debt distress is assessed to be moderate, although downside risks have increased since the previous debt sustainability analysis in 2023. Making progress on improving the profitability and financial situation of state-owned enterprises, clearing domestic and external arrears, maintaining a reliable and stable regulatory environment, continued fiscal discipline, and reducing policy uncertainty will be important for ensuring macroeconomic stability and boosting medium-term growth."

MALI

REQUEST FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY AND REQUEST FOR A STAFF-MONITORED PROGRAM

April 1, 2025

KEY ISSUES

Context. Following an unprecedented heatwave in April 2024, Mali experienced extreme flooding of a one-in-fifty-year magnitude between July and November 2024. This caused significant damage to public infrastructure and loss of livelihoods, exacerbating already-elevated food insecurity and internal displacement of people against a backdrop of ongoing conflict, a continued electricity supply crisis and heightened policy uncertainty.

Outlook and risks. Flooding contributed to a slowdown in GDP growth in 2024 from 4.7 percent in 2023 to 4.4 percent in 2024. For 2025, growth is projected to increase slightly notwithstanding the impact of the flooding, withdrawal of USAID aid and tight financing in international markets, as the country gradually recovers from the energy crisis and starts to benefit from diversification of its mining sector with lithium adding to gold as a source of value added. The main downside risk to the outlook stems from lower gold prices and production, as this sector accounts for 80 percent of exports and 25 percent of fiscal revenues.

Request for an Exogenous Shock Window disbursement under the Rapid Credit Facility (RCF-ESW) and a Staff-Monitored Program (SMP). The authorities requested a 50 percent-of-quota (SDR 93.3 million) disbursement under the RCF's Exogenous Shock Window to address urgent BOP needs resulting from the severe 2024 floods, financing critical expenditures for reconstruction as well as measures to address food insecurity. At the same time, the authorities requested an 11-month SMP to re-establish a track record for a potential financing arrangement with the IMF, focused on structural reforms to strengthen fiscal governance and transparency, and to demonstrate the authorities' commitment to proper use of RCF funds.

Approved By
Montfort Mlachila (AFR) and Tokhir Mirzoev (SPR)

An IMF team comprising Wenjie Chen (head), Michele Fornino, Luc Tucker, Nico Valckx (all AFR), Firmin Ayivodji (SPR), Moez Ben Hassine (Resident Representative) and Bakary Traoré (local economist) held discussions with Mali's authorities in Bamako February 12-21, 2025. Mr. Mlachila (AFR) and Mr. Ouattara, Mr. Diakite and Mr. Tall (all OED) joined some of the meetings. The team met with Prime Minister Abdoulaye Maïga, Minister of Economy and Finance Alousténi Sanou, Director of the BCEAO for Mali Mr. Barema Bocoum, other senior officials, and representatives from the private sector and the development partner community. Ms. Maheshwari provided data and analytical assistance. Ms. Pilouzoue and Ms. Derrouis assisted with the preparation of this report and Ms. Bah (local office coordinator) helped organize the mission's logistics.

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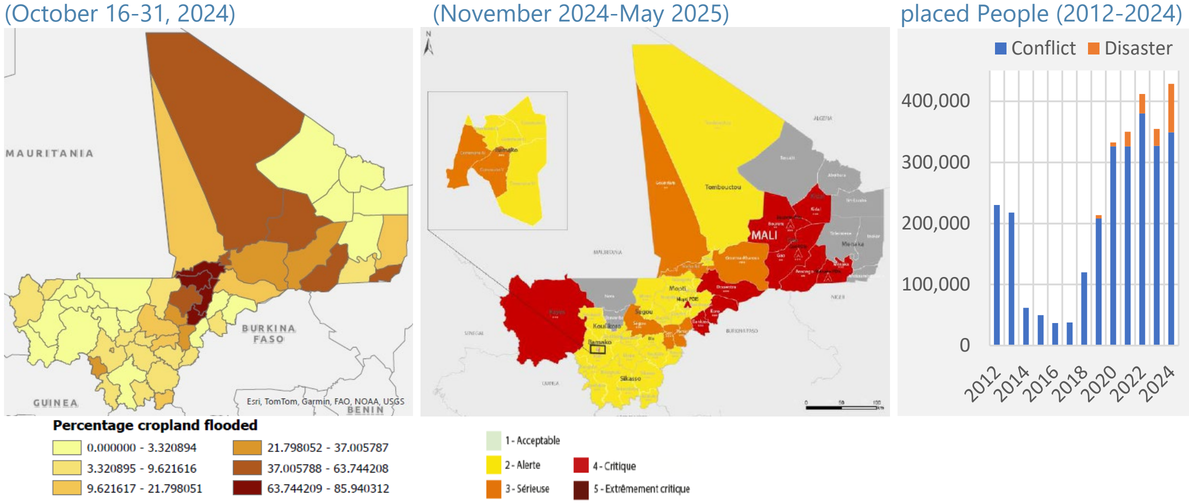
CONTEXT

1. **Between July and November 2024, Mali experienced one-in-fifty-year flooding that caused extensive damage to infrastructure, agriculture, and livelihoods.** Approximately 10 percent of agricultural croplands along the Niger and Senegal Rivers were inundated, over 450,000 people were affected, and 150,000 displaced at the flood's peak in October. The disaster resulted in 96 deaths, the loss of 37,000 livestock, and the destruction of nearly 3,000 grain silos and about 650,000 tons of cereals (equivalent to 6 percent of annual production), almost 80,000 houses, 570 schools, and 55,000 water and sanitation stations. The start of the school year was delayed, affecting over 4 million students, many dependent on school meal programs as their main source of nutrition. The government declared a national disaster on August 23, 2024, providing some relief with donor and NGO support through the State Emergency Service (Protection Civile) and the agency in charge of food security (Commissariat à la Sécurité Alimentaire) but significant needs remain unmet (Annex I). Meanwhile, severe flooding continued to affect parts of northern Mali into January 2025, displacing thousands and destroying homes.

2. **This comes as Mali continues to grapple with security challenges, including terrorist attacks and widespread food insecurity.** In 2024, an estimated 24 percent of the population (5.4 million people) faced severe or high risk of food insecurity, worsened by an unprecedented heatwave in early 2024 and devastating floods later in the year. By September 2024, about 379,000 people were estimated to be internally displaced and additional food security concerns remain for those affected by the floods. Acute food insecurity is primarily fueled by ongoing conflict, exacerbating hardship and internal displacement.

Mali: Cropland Flooded, Food Insecurity and Internally Displaced People in 2024

Percentage Cropland Flooded (October 16-31, 2024) | Projected Food Insecurity / Malnutrition (November 2024-May 2025) | Number of Internally Displaced People (2012-2024)



Source: Food and Agricultural Organization, EVE flood maps for Mali, IPC, IOM Displacement Tracking Matrix; IMF staff calculations

3. **The authorities have requested a disbursement under the RCF combined with a Staff Monitored Program (SMP).** Mali has significant financing needs due to the exogenous shock but

faces very high interest rates—both historically and compared with other WAEMU countries—and limited access in the regional debt market. The RCF disbursement will address urgent BOP needs stemming from the flooding, with commitments to transparency and accountability from the authorities to ensure adequate safeguards for the use of Fund resources, while the concurrent SMP—demonstrating the authorities' commitment to proper use of funds—will provide additional assurances that Mali is addressing its BoP difficulties as well as helping to rebuild capacity and re-establish a track record that demonstrates Mali's' commitment and adequate capacity to implement a potential upper credit tranche (UCT) arrangement. A combined RCF and SMP, supplemented with robust capacity development, would also reduce fragilities associated with the fiscal position and help protect the most vulnerable population, in line with the country engagement strategy outlined in the 2023 Article IV report. This SMP, along with a potential subsequent financing arrangement, offers an opportunity to strengthen the Fund's engagement with Mali while contributing to economic stabilization across the WAEMU region.

RECENT ECONOMIC DEVELOPMENTS, OUTLOOK AND RISKS

4. **In 2024, flooding contributed to lower GDP growth of 0.3 percentage points, lowering the estimated rate to 4.4 percent.** The disaster entailed additional internal displacements, damage to agricultural lands and transportation infrastructure, loss of crops (especially rice) and livestock. These challenges combined with a drought in the first half of 2024,[1] heightened security risks, lower gold production due to temporary mine closures and underground conversion projects, power outages, and a sharper-than-expected-fiscal consolidation, further constrained growth in 2024. The state energy company, *Energie du Mali* (EDM), significantly increased load shedding since the second half of 2023, with some areas experiencing up to 19 hours of daily outages in 2024. Tensions with international mining companies arising from the implementation of the 2023 mining code reforms and disputes over past revenue-sharing have negatively affected exports and disrupted gold production in one of Mali's major gold mines (Annex II), while heightened political and economic policy uncertainty (Figure 1) have also deteriorated the business climate (Annex III). The economic slowdown is also reflected in the banking sector, where private sector lending decelerated, and deposits declined between 2023 and 2024.

5. **A gradual recovery is expected in the years ahead.** GDP growth is expected to increase in 2025 to 4.9 percent, due to expected improvements in energy security, resolution of disputes with gold mining companies, and higher lithium production. On the other hand, higher imports in the aftermath of the severe 2024 flooding detract from growth in 2025.[2] Growth is projected at 5.1 percent in the medium term as the baseline assumes that the energy crisis will be addressed and higher mining production, beyond gold, is expected to ramp up along with increased local content

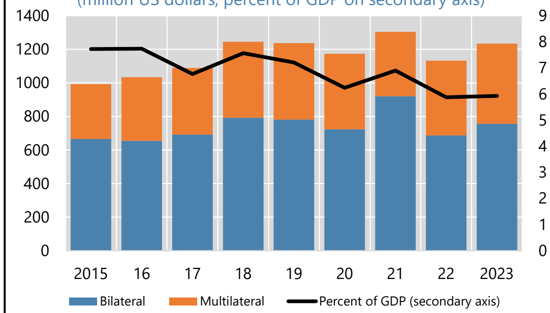
[1] See more details about Mali's climate vulnerabilities in the 2023 Article IV Selected Issues Paper.

[2] The suspension of USAID's operations in early 2025—amounting to 1.1 percent of Mali's GDP in 2024—is also expected to weigh negatively on growth.

under the new mining code. An improvement in the security and political situation would further boost growth prospects, as would gradual diversification of the economy.

6. Several advanced economies have recently announced aid cuts to Mali. In 2024, following years of steady aid reductions, Sweden and Denmark closed their embassies in Mali. The US government paused all US foreign assistance funded by or through the State Department and the US Agency for International Development (USAID), until a review by April 19, 2025. Other countries have also announced general cuts to foreign aid, which could lead to reduced support for Mali. The UK plans to lower foreign aid from 0.5 percent of GNI to 0.3 percent, starting in 2027, while the Netherlands has also announced aid cuts from 2029. According to OECD data, between 2015 and 2023, these countries provided almost US$3 billion—45 percent of total bilateral official development aid grants—with the US alone contributing over US$1.8 billion. While ODA grants have been declining as a share of GDP over the last few years, the size is significant compared to Mali's GDP (text figure). Pausing official aid will leave major gaps in Mali's 2025 food security response and increase demands on government spending.

Mali: Official Development Assistance Grants
(million US dollars, percent of GDP on secondary axis)



Source: OECD and IMF staff calculations.

7. Significant downside risks to the outlook predominate. This includes persistent power outages, escalation of security and political risks, protracted tight financing conditions and increasingly frequent extreme climate events, such as alternating droughts and flooding (Annex IV). There may also be risks of further cuts to official development assistance, in case the USAID aid suspension becomes permanent or European donor support falters further. The government's Vision 2063 may represent an upside to Mali's long-term development, if implemented successfully (see Annex to MEFP). Similarly, lower world oil prices could ease the energy crisis in Mali and support the rebound in private sector activity.

8. Inflation is expected to gradually return to 2 percent in 2025, from 3.2 percent in 2024, but disruptions from the flooding contributed to high localized food prices. Food price inflation remained elevated, however, with some rice and wheat prices up by 50 percent in 2024, especially in the conflict-affected central and northern regions, exacerbated by market inaccessibility, population displacement, pest attacks, farmers' limited access to agricultural inputs, and disruptions caused by the flooding. Looking forward, inflation is projected to converge to 2 percent in the years ahead, absent further shocks.

9. Mali's external position improved in 2024 but is projected to shift into deficit in 2025. In 2024, the current account deficit narrowed to 6.1 percent from 7.6 percent in 2023, driven by lower petroleum and commodity import prices and reduced service imports following MINUSMA's departure at end-2023. Strong private capital inflows, bolstered by exceptional mining payments and increased FDI more than offset the record low public portfolio inflows and helped turn the overall balance into a 1.1 percent of GDP surplus in 2024, a significant improvement from the 4.3 percent deficit in 2023 (Annex V). However, the 2025 external position is expected to be negative due to increased imports for flood recovery, continued weakness in public portfolio inflows, the withdrawal of USAID aid and subdued gold production as major mining operations transition underground. Looking ahead, the current account is projected to improved markedly in 2026, to -1.6 percent of GDP, on the back of stronger terms of trade due to higher gold prices and US dollar appreciation, and new lithium exports. Thereafter, the current account is projected to widen, moderated by stronger imports and flat gold export volume amid stabilizing prices. To note, the baseline scenario assumes a gradual resumption of grants and loans from 2027 onwards.

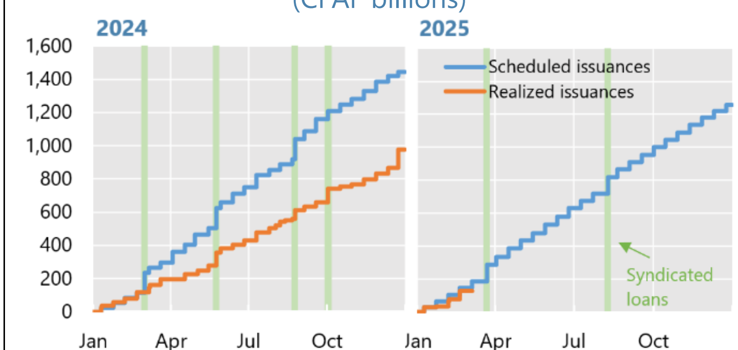
Mali: Key Economic Indicators, 2020–2030
(Percent of GDP unless otherwise stated)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Prelim.	Est.	Projections				
Real GDP growth (percent)	-1.2	3.1	3.5	4.7	4.4	4.9	5.1	5.1	5.1	5.1	5.1
Consumer price growth (average, percent)	0.5	3.8	9.7	2.1	3.2	3.0	2.0	2.0	2.0	2.0	2.0
Public debt (central government, percent of GDP)	47.3	51.6	50.3	51.9	51.8	51.7	50.4	49.5	48.8	48.2	47.8
Overall balance (central government, percent of GDP)	-5.4	-4.9	-4.7	-3.6	-2.6	-3.1	-3.0	-3.0	-3.0	-3.0	-3.0
Tax revenue	14.3	15.3	13.2	14.8	15.8	16.8	15.7	15.7	15.7	15.8	15.9
Other revenues	5.1	6.0	6.0	5.8	6.2	5.9	6.0	6.0	6.0	6.0	6.0
Grants	1.2	0.7	0.4	0.7	0.1	0.3	0.3	0.6	1.0	1.2	1.3
Expenditure	26.1	26.9	24.4	24.8	24.7	26.2	25.0	25.3	25.7	26.1	26.2
Current account (percent of GDP)	-2.2	-7.6	-7.7	-7.6	-6.1	-5.1	-1.6	-2.1	-1.7	-2.6	-3.6
Exports (% of GDP)	27.4	25.2	27.9	26.7	24.0	28.7	29.5	28.6	28.6	27.6	26.3
Imports (%of GDP)	-24.5	-26.7	-29.0	-27.0	-25.3	-27.6	-25.6	-25.2	-25.0	-24.8	-24.4
Overall balance of payments	4.5	-0.5	-3.8	-4.3	1.1	-0.5	2.1	1.9	2.6	2.4	1.6

Sources: Malian authorities; and IMF staff estimates and projections.
Note: debt-related numbers in the tables are updated based on using 2023 as the first projection year, instead of 2022 which was the treatment during the 2023 A4 mission.

10. Constrained by costly and limited financing, the authorities reduced the fiscal deficit from 3.6 percent in 2023 to 2.6 percent in 2024. With Mali's interest rates on the regional market frequently approaching 10 percent, the authorities raised around two thirds (CFAF 975 billion) of their planned financing on the regional market in 2024. Lacking external budget support, the authorities lowered the fiscal deficit in 2024, mostly on account of exceptional payments from mining and telecom companies, as well as a reduced, albeit still high, public wage bill (falling from around 7.3 percent of

Mali: Cumulative Debt Issuances
(CFAF billions)

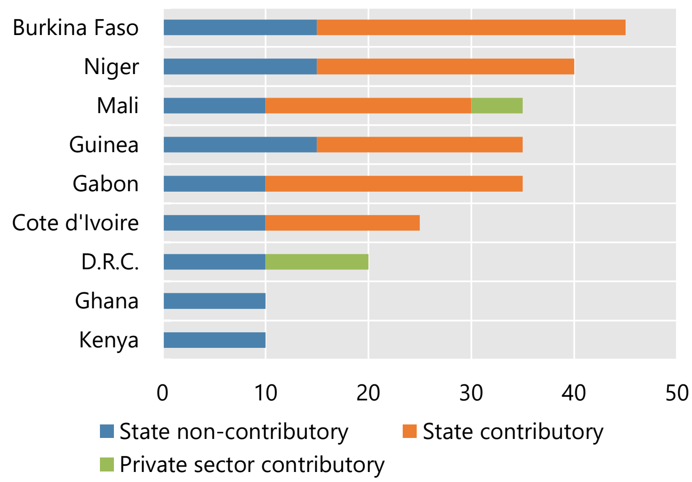


Sources: UMOA Titres, BRVM and Malian authorities.

GDP to 7.0 percent).[3] Capital expenditure remained at historically low levels, insufficient to address Mali's substantial development needs.

11. In 2025, flood recovery spending is expected to increase the fiscal deficit to 3.1 percent of GDP in 2025, despite additional revenues from exceptional mining payments. Much of the additional flooding-related spending will target capital projects, raising public investment to 4.8 percent of GDP. The public wage bill is also set to rise slightly in 2025, due to delayed recruitment from 2024, but is expected to ease thereafter as authorities constrain pay growth under the 2023 Social Stability and Growth Pact.[4] In 2026, tax receipts are projected to decline as a share of GDP as exceptional mining payments are not expected to continue. However, the revised 2023 mining code—including an increase in domestic mining participation from 20 to 35 percent—should support fiscal revenues over the medium term, although greater state participation can create risks including weaker governance, while some businesses may reduce investment in Mali. Other revenue mobilization efforts are also expected to support tax receipts over the medium term.[5] Improved security conditions may further reduce pressures on public spending by lessening the need for additional military recruitment, though prolonged insecurity remains a downside risk. Overall, gross financing needs are expected to climb from 7.9 percent of GDP in 2024 to 9.7 percent in 2025 and 12.3 percent in 2026, driven mainly by higher debt service costs.

Mali: State and Domestic Private Sector Involvement in Mining Production in Selected African Countries
(Percent)



Sources: World Bank Toolkit for State Equity Participation in Mining Companies, EITI reports and IMF staff calculations.
Note: participation shares as stipulated in national mining legislation.

12. Public debt is expected to remain broadly stable as a share of GDP in 2025, then to gradually fall over the medium term. Based on the 2025 DSA, Mali's risk of external and overall

[3] The public wage bill was 55.2 percent of tax revenues in 2022, then 49.6 percent in 2023 and 44.1 percent in 2024. The steep declines in this ratio in 2024 reflects higher tax revenues due to exceptional payments from mining companies, as well as public pay restraint, hence this report focuses on the public sector wage bill as a share of GDP.

[4] The authorities are in the process of conducting a detailed census of the public sector workforce to support efforts to manage the public wage bill.

[5] The authorities have embarked on additional revenue mobilization measures through various legislative and administrative reforms, including increasing a tax on telecoms companies from 5 to 7 percent, reducing tax exemptions for mining companies and increasing tax rates on some consumer products including coffee, perfumes and cosmetics. In some cases, revenue mobilization measures represent improved implementation of existing measures, for example boosting compliance through ongoing digitalization.

debt distress is assessed to be moderate, although downside risks have increased since 2023. Mali has accumulated sizable domestic arrears since 2022, following the ECOWAS sanctions and the tightening of financial conditions. Domestic arrears amounted to CFAF 363 billion (2.6 percent of GDP) at end-2024.[6] External arrears also rose steadily during 2022-24 and amounted to CFAF 99 billion at end-2024 or 0.7 percent of GDP (see ¶26 for further discussion). The debt-to-GDP ratio will remain stable in 2025, but is expected to gradually fall in the medium term—assuming significant future fiscal discipline, gradual easing of global financial conditions, and a slow-paced resumption of external support.

PROGRAM OBJECTIVES AND POLICIES

The overarching objective of the authorities' program is to show a track record of effective policy reforms and to demonstrate the authorities' commitment to proper use of RCF funds. Successful program performance will also help paving the way for a potential future ECF arrangement. The key pillars of the reform strategy are (i) ensuring fiscal sustainability without harming growth; (ii) strengthening governance and public financial management; and (iii) protecting the most vulnerable. Capacity building activities will foster the implementation of policies and reforms underpinning the SMP.

13. The authorities have requested emergency financing under the exogenous shock window (ESW) of the RCF to address urgent BOP needs created by the 2024 flooding. This exogenous shock significantly worsened food insecurity and triggered additional internal displacements, which were already near historical highs. The heightened humanitarian and reconstruction requirements from the flooding—a sudden and external shock—have necessitated increased imports of essential goods, thereby creating additional balance of payments pressures. Addressing the rehabilitation needs for the internally displaced affected by the flooding and providing funding for restoration of public infrastructure and agriculture would aim to prevent further severe economic and social disruptions in Mali.

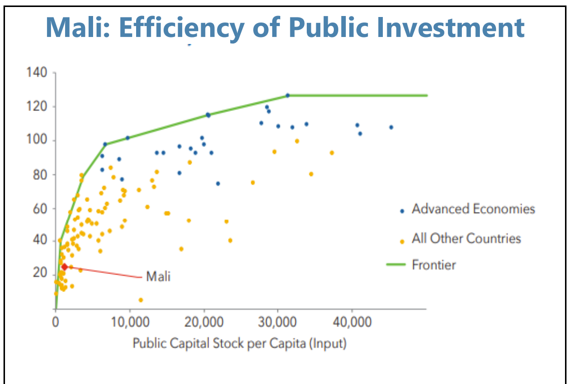
14. The primary goal of the 11-month SMP is to support the authorities in re-establishing a track record of effective policy reform implementation, paving the way for a potential future ECF arrangement. The authorities' policies under the SMP will also provide additional safeguards, helping to ensure that funds, notably the RCF disbursement, are used transparently and for their intended purpose. The SMP is aligned with the authorities' reform strategy and Mali's longer term FCS strategy, outlined in the 2023 Article IV report.

[6] Domestic arrears are defined as payments overdue for more than 90 days. These payments include obligations to private sector suppliers and to other entities of the state or SOEs, which are reported separately. The government continued to make timely repayments of domestic debt issues on the UMOA-Titres exchange since the ECOWAS sanctions of 2022 were lifted. The authorities reaffirmed their commitment to clearing domestic arrears, and they have formulated a plan that foresees the first reduction in net terms by 2026.

A. Ensuring Fiscal Sustainability without Harming Growth

15. To maintain macroeconomic stability, ensuring a fiscal policy stance consistent with the 3-percent WAEMU deficit ceiling remains a priority. The fiscal deficit has been on a significant declining trend, partly achieved through prolonged under-investment—mainly driven by costly and limited financing options—that could harm growth. While the fiscal deficit will increase in 2025 to accommodate flooding needs—provided financing conditions allow—staff emphasized the importance of maintaining fiscal discipline over the medium term. The authorities committed to fiscal sustainability by agreeing to a ceiling of CFAF 300 billion for the net primary fiscal deficit in 2025 (Table 8 and MEFP ¶4). The authorities' budget plans for 2025 envisage a net primary deficit of CFAF 293 billion, so this ceiling implies that the actual deficit must be no more than CFAF 7 billion higher than under those plans.

16. Enhancements to domestic revenue mobilization (DRM) should constitute the core of a growth-friendly fiscal adjustment, both in the short- and medium-term. Recent CD missions have supported DRM efforts, including interconnecting tax, customs, and treasury IT systems and tax payments digitalization. Further medium-term efforts include the modernization of the general tax code, currently under review by the government, reforms of direct and indirect taxes aimed at updating the tax rules and strengthening the measures against tax evasion, and a newly adopted and revamped customs code, with instructions and rules to be finalized by end-2025, among others. Under the SMP, the authorities committed to a floor for tax revenues excluding exceptional mining payments of CFAF 2,077 billion for end-2025 (Table 8 and MEFP ¶4), which corresponds to about 90 percent of the target set in the authorities' latest budget (CFAF 2,327 billion). While the exceptional mining payments are expected to result in higher overall tax revenues, setting the floor on tax revenues excluding such payments below the authorities' budget projection is justified by the expectation of a gradual recovery of non-mining activity—owing to insecurity, lingering impact of the floods, the electricity supply crisis, and subdued private credit growth—which would adversely impact tax receipts despite the authorities' ongoing domestic revenue mobilization efforts. As part of the tax administration's digitalization efforts, the authorities also aimed to increase the number of businesses paying taxes electronically to 40 percent in 2025 (Table 9 and MEFP ¶7), up from 30 percent in 2024.



Source: PIMA, IMF Staff Calculations

17. Protecting public investment in the fiscal adjustment process is vital to support growth. In Mali, public investment has declined sharply, from 6.5 percent of GDP in 2019 to below 4 percent in 2022, 2023 and 2024, potentially harming future growth. Investment efficiency also remains low, with Mali's efficiency gap assessed at 43 percent compared to 27 percent globally, according to a recent PIMA assessment. The RCF disbursement, partially directed to pay for the imports required to rebuild essential public infrastructure including roads and bridges as well as health services and schools, would help mitigate these shortcomings. Staff expects capital spending to increase to 4.8 percent of GDP in 2025 as the authorities respond to the shock. Consistent with the need to invest in sustainable growth, the authorities have developed a long-term development plan, Vision 2063, which includes significant investment in human capital and structural transformation of the economy (see annex to MEFP) and would help lift Mali out of fragility. That long-term plan echoes the structural reforms advocated in the Country Engagement Strategy (see 2023 Article IV report).

18. It is important to establish a transparent and systematic medium-term plan to clear domestic and external arrears. To ensure effective and fair arrears repayment, the authorities committed to developing a formal plan guided by clear prioritization and transparency criteria. The SMP set a continuous quantitative target on zero net accumulation of external arrears, and an indicative target for domestic arrears for end-September and end-December 2025 (Table 8 and MEFP ¶9).

B. Strengthening Governance and Public Financial Management

19. Strengthening governance is essential for the efficient use of public funds and rebuilding credibility with development partners. Despite commitments under the 2019–22 ECF-supported program, significant progress has been hindered by armed conflict, political instability, and economic challenges. A 2021 governance diagnostic identified key weaknesses and outlined reform measures. Since then, the government created a National Economic and Financial Center to strengthen the fight against economic and financial crimes, established a coordination mechanism between specialized structures, adopted a national anti-corruption strategy and tasked the Court of Auditors to fight corruption under the new constitution (MEFP ¶11). While policies under the SMP focus on transparency and accountability in the spending of RCF funds, it is important for the authorities to remain committed to broader fiscal governance and PFM reforms, building on the governance diagnostic and the 2019 ECF, and continue collaborating with IMF PFM experts to implement these measures.

20. Addressing fiscal weaknesses in SOEs remains critical for controlling spending. Staff discussions focused on the energy provider EDM and water providers SOMAGEP and SOMAPEP. Since major EDM reforms extend beyond the scope of this SMP, in the short term, staff recommended improving oversight and reporting of SOEs, including publication of fiscal risk statements, and, in the medium term, adhering to EDM's updated performance management plan which aims to overhaul its pricing structure, address balance sheet weaknesses, tackle arrears to suppliers, reduce high production costs, and incentivize independent power producers to provide additional off-grid renewable energy. To protect low-income and vulnerable households, a social and targeted tariff below a certain threshold in electricity consumption could be considered. In this context, the authorities already successfully renegotiated EDM's debt with local banks, recapitalized the company, and over time, intend to reduce their dependence on costly fuel in the energy mix (Annex to MEFP).

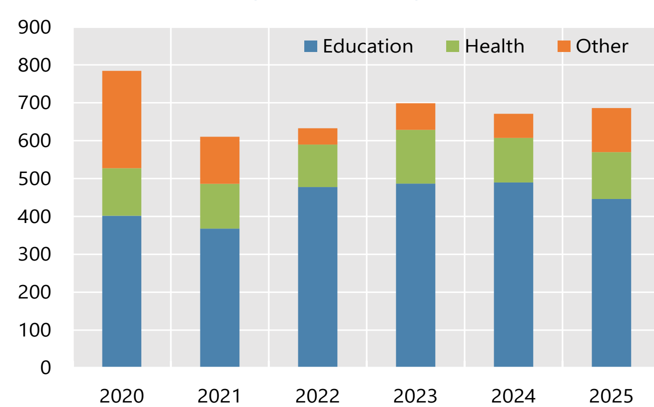
21. Enhancing timely fiscal reporting is essential to ensure transparency and accountability, including in the use of the RCF funds. The transparency of Mali's public spending is bolstered by regular publication of budget execution reports, including via the Collaborative Africa Budget Reform Initiative (CABRI), of which Mali is a founding member. Detailed and timely fiscal reporting remains crucial, including around significant revisions to expenditure plans. The SMP includes safeguards to ensure the proper use of fund resources, as outlined in the program modalities. The SMP sets structural benchmarks for timely reporting and publication of interim RCF spending by end-September and end-December 2025 (Table 9 and MEFP ¶12). This will substantially mitigate fiduciary risks on the flow of RCF funds and help to demonstrate the authorities' commitment to transparency and responsible use of Fund resources.

22. Strengthening the accountability and transparency of fiscal transactions is key to achieving effective public financial management. The treasury relies on a system of multiple bank accounts for supplier payment and receipt of revenues, alongside an account with the regional central bank, which may hamper accountability and transparency around cash management operations. The SMP therefore sets two structural benchmarks whereby the authorities will first undertake a census of public sector bank accounts by end-September 2025 and then share an action plan to implement the recommendations on the findings with staff by end-December 2025 (Table 9 and MEFP ¶13). The completion of these structural benchmarks will improve cash management and facilitate an eventual move to a treasury single account. Furthermore, the SMP also includes a structural benchmark for operationalizing the interconnection between tax, customs, and treasury IT systems to improve data sharing and transparency (Table 9 and MEFP ¶7).

C. Protecting the Most Vulnerable

23. Continuing to strengthen the social safety net will help reduce food insecurity and extreme poverty. Priority social spending on health, education and the social safety net fell to 4.9 percent of GDP in 2024, down from 5.3 percent in 2022 and 7.8 percent in 2020 and significantly below the levels in other Sahel countries. Staff emphasized that targeted support would be more effective in terms of poverty reduction than untargeted measures such as fuel subsidies that benefit more higher-income households. To achieve effective targeting and expand service delivery capacity, staff also recognized the need to address current challenges including disagreements on targeting, delays in beneficiary registration in the Unified Social Register, and insufficient funding. The government is committed to

Mali: Priority Social and Development Spending
(CFAF billions)



Source: Malian authorities
Note: 2025 projections are based on the authorities' own spending plans, which indicate that CFAF 686 billion will be allocated to priority social and development spending.

developing social programs that reduce food insecurity and improve living conditions, especially aimed at the most vulnerable population, including through projects with major development partners such as the European Commission, that support young people and women, in particular, and distribution of food and benefits to families facing severe malnutrition. This commitment is underpinned in the SMP by a floor on the government's priority social spending amounting to CFAF 671 billion in 2025 (Table 8 and MEFP ¶10).

Mali: BOP Needs from 2024 Flooding

Exposure	*US$ millions*	*percent of GDP*	*Rationale*
Agriculture	$43.8	0.2	replacement of livestock, other support to farmers
Buildings	$146.0	0.6	rebuilding of homes, public spaces
Education & Health	$13.5	0.1	disease prevention, restore WASH and schools
Transportation	$71.3	0.3	restore roads and bridges
Population	$41.1	0.2	food security related spending
	$316	**1.3**	

Source: IMF Staff Calculations; see Annex I.

PROGRAM MODALITIES

24. Staff proposes an eleven-month SMP. The SMP will be monitored based on based on five quantitative conditions (Table 8)—two of which will serve as quantitative targets for the first test date and three for the second test date with the others being indicative targets—and 6 *structural benchmarks* (Table 9). The program will be monitored with two reviews, with the first to be completed by end-2025 based on the end-September 2025 test date, and the second based on the end-December 2025 test date. An eleven-month SMP is sufficient to give the Malian authorities the time to develop a solid structural reform agenda that could then be pursued under an ECF arrangement.

25. The RCF disbursement will help address Mali's urgent and significant balance of payments (BOP) pressures, which, if left unaddressed, would quickly lead to severe economic disruptions. The extensive damage from the flooding has created an immediate need for foreign exchange to finance critical imports, including foodstuffs, replacement livestock, fertilizers, and materials for rebuilding homes, schools, and essential water, health and sanitation (WASH) infrastructure. Without rapid external support, supply chain disruptions and the loss of productive capacity—particularly in the agricultural sector—would exacerbate food insecurity and impose considerable hardships on the population. These increased needs on public spending, already constrained due to tight financing conditions, would also risk undermining macroeconomic stability and intensifying socio-economic vulnerabilities. By proposing an RCF disbursement of 50 percent of quota (SDR 93.3 million, about US$122.5 million or 0.5 percent of GDP), staff aim to mitigate these immediate threats, enable the government to rebuild key infrastructure (roads, bridges, and grain warehouses), and prevent deeper economic and social distress. This proposed disbursement will cover only a part of the large financing needs arising from the flooding (see Annex I and text table for the full extent of the BOP financing needs and loss estimates).

26. Mali has accumulated external arrears since the financial sanctions in 2022. These include overdue payments of both interest and principal on existing external debt obligations. As of February 28, 2025, these include bilateral lenders (76 percent), including China, France, India, Iraq, Kuwait, Libya, Saudi Arabia, and the United Arab Emirates, and other international financial institutions (24 percent), including the Arab Bank for Economic Development, the European Investment Bank, the Islamic Development Bank, the ECOWAS Investment and Development Bank, the West African Development Bank, the International Fund for Agricultural Development, the OPEC Development Fund. The Malian government is engaged in good faith efforts with IFI creditors, and it has formulated a credible plan to clear external arrears. The Fund's Non-Toleration of Arrears Policy applies in this case, and it requires IMF member countries that are bilateral creditors of Mali to not object to financial assistance being provided by the Fund.

27. Risk mitigation and RCF safeguards. To ensure transparency and accountability in the spending of emergency resources, the authorities committed to (i) the creation of a dedicated RCF account at the BCEAO through which the RCF funds will be channeled and made available to the government as budget support; (ii) publication of procurement contracts associated with emergency spending, including supplier selection processes and beneficial ownership information on companies awarded such contracts within two months of contracts being awarded; (iii) timely publication of comprehensive quarterly budget execution and spending reports, detailing involved institutions, spending purposes, acquired goods or services, and budgeted versus actual amounts; and (iv) a complete audit by the autonomous BVG. This audit will focus on the use of the emergency resources, with findings to be published by end-June 2026. This follows precedent set by a similar report produced for the 2020 RCF disbursement.[7] The combination of the RCF with the SMP provides an overarching safeguard. As with the 2020 pandemic RCF, subsequent reviews of the 2019 ECF incorporated structural benchmarks that required the publication of the RCF spending reports. A similar process is being followed in this SMP.

28. Mali's capacity to repay (CtR) would remain broadly adequate but faces downside risks. Mali's debt is assessed to be sustainable and at moderate risk of external and overall debt distress. This RCF request does not trigger an enhanced safeguards assessment. The Fund's exposure to Mali would increase from 174 percent of quota in March 2025 to 197 percent of quota by end-2025 or 2.0 percent of 2025 GDP and is expected to decrease to below 1 percent of GDP in 2028. Similarly, when measured against external debt, the outstanding credit ratio would fall from 8.5 percent in 2025 to 3.7 percent in 2028. Mali's total obligations to the Fund would increase from 1.4 percent of government revenues in 2025 to 1.8 percent in 2026 but decline afterwards (similar trend when measured against exports and debt service)—which is linked to repayments of prior loans and not related to the proposed RCF disbursement. Furthermore, Mali's consistent repayment history mitigates repayment concerns, as does Mali's membership of the WAEMU currency union, allowing it to draw on pooled WAEMU reserves. Nonetheless, these assessments face potential downside risks, though the likelihood is currently low, supported by steady gold export revenues and the development of vast lithium reserves that started in December 2024.

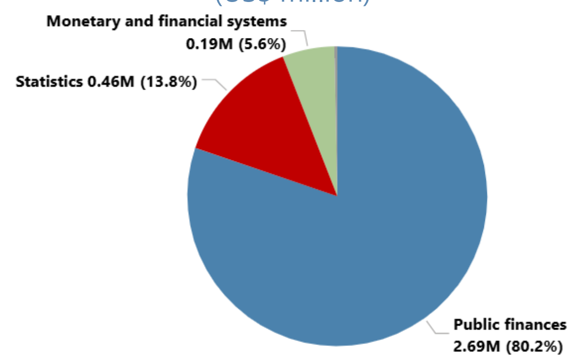
[7] In the 2020 RCF, the authorities made commitments to have (i) quarterly spending reports, (ii) an independent comprehensive audit, (iii) publication of public procurement project documentation on the government's website, and (iv) ex-post validation of delivery and companies/beneficial ownership. Since then, authorities have shared details on spending with the team in quarterly TOFE (fiscal) reports, the BVG has done several audits of COVID spending, information on public procurement outcomes above a certain threshold is now published online, and information on beneficial owners of companies awarded COVID-19 related contracts can be found in the BVG's audit reports.

29. Safeguards assessment. The last assessment of the BCEAO from August 2023 found that the central bank continues to have well-established audit arrangements and a strong control environment. The BCEAO is in the process of addressing the safeguards assessment's recommendation to align its statute with changes in the 2019 cooperation agreement with France.

CAPACITY DEVELOPMENT AND DATA QUALITY

30. IMF capacity development programs will continue to support the authorities' ongoing reform efforts (Annex VII). The current technical assistance strategy reflects all the key priorities including domestic revenue mobilization, PFM, and measures to strengthen governance and combat corruption. With Fund support, the authorities aim to enhance fiscal reporting for extra-budgetary entities and harmonize debt recording across departments. Despite these efforts, data shortcomings—particularly in granularity, timeliness, and consistency—hinder effective surveillance (see Annex VIII). The statistics institute (INSTAT) has rebased the 2015–2019 national accounts using the SNA 2008 methodology, but staff has emphasized the need for further improvements in fiscal reporting, debt harmonization, and the quality of real and external sector statistics. The release of quarterly balance of payments data would be an important additional step forward. Staff agreed with the authorities to add a new CD workstream focusing on macroeconomic modeling to support INSTAT's short and medium-term forecasting capacity.

Mali: CD Spending by Major Thematic Area
(US$ million)



Source: IMF staff calculations for FY22-FY25 CD spending.

STAFF APPRAISAL

31. Mali is facing significant macroeconomic and humanitarian challenges from severe flooding in late 2024. The flooding caused extensive damage to infrastructure, agriculture, and livelihoods, compounding existing pressure from persistent security challenges, widespread food insecurity—all of which have weighed on GDP growth. A severe funding squeeze is further limiting borrowing, although exceptional mining payments helped support fiscal revenues in 2024. GDP growth is expected to increase gradually over the medium term but is subject to considerable downside risks, and additional flooding-related spending is expected to push up the fiscal deficit in 2025.

32. Ensuring fiscal sustainability remains important. Mali has undertaken significant fiscal consolidations in recent years amid tight funding conditions. Staff supports the authorities' adherence to the WAEMU 3-percent fiscal deficit ceiling in the medium term and the agreed numerical ceiling on the 2025 net primary fiscal deficit in the SMP. However, staff cautions against policies that could harm long-term growth, such as reducing public investment in health, education and infrastructure. Instead, staff supports efforts to increase domestic revenue mobilization, including the modernization of the general tax code and welcomes the authorities' commitment to a floor on net tax revenues excluding exceptional payments from mining companies. Staff also urges the authorities to uphold their commitment to gradually clear domestic and external arrears in a transparent and systematic manner. The commitment to the zero net arrears accumulation targets in the SMP will support Mali's sovereign creditworthiness and debt sustainability.

33. Strengthening governance and public financial management will be critical to improve expenditure efficiency and build trust in public institutions. Staff welcomes the authorities' efforts to raise the efficiency of the tax administration. The commitment to the structural benchmarks to raise e-payment of taxes and improve data exchange between different tax departments will help improve efficiency and transparency. Greater Treasury oversight of public sector payments should help curb wasteful spending, and staff supports the Treasury's SMP commitment to conduct a census of public sector bank accounts to identify and close inactive accounts. It is also an important building block towards a Treasury Single Account. Addressing fiscal weaknesses in SOEs, particularly EDM, remains crucial for expenditure control. Staff also commends the government's progress in combating economic and financial crimes, including better coordination between specialized agencies and the adoption of a national anti-corruption strategy. This will be particularly important in the context of the RCF, which requires verifiable accounting of fund usage, as reflected in the SMP's structural benchmarks on publishing expenditure and budget execution reports and ensuring procurement transparency.

34. Social spending should be directed to protect the most vulnerable. Staff emphasized that a stronger social safety net is essential to mitigating food insecurity and extreme poverty. Targeted support is more effective in reducing poverty than broad measures like fuel subsidies, which disproportionately benefit higher-income households. Accordingly, staff welcomes the authorities' SMP commitment to maintaining a floor on priority social spending.

35. Against this background, staff supports the authorities' request for a Rapid Credit Facility disbursement under the Exogenous Shock Window and their plan to address the urgent BOP needs from the impact of the flooding. Mali faces an urgent balance-of-payments need due to the flooding, with its external position projected to be in deficit in 2025. Rapid support is critical to assisting internally displaced populations, aiding farmers, and restoring public infrastructure, all of which will accelerate rehabilitation efforts, support a swift recovery and strengthen resilience.

36. Strong safeguards around the RCF disbursement are put in place. This includes a commitment to place RCF resources in a dedicated account at the BCEAO, conduct an independent ex-post audit, and publish procurement contracts. The SMP includes structural benchmarks for quarterly reporting and publication on the usage and budget execution and adhering to the rules on procurement and public tenders, including timely publication of winning contracts and beneficial ownership. Moreover, the SMP aims to provide additional safeguards, with frequent monitoring and strict verification of quantitative and structural targets helping to ensure the RCF disbursement is used transparently and for its intended purpose.

37. Staff also supports the request for an 11-month SMP. The SMP outlines a robust reform, establishing strong safeguards for use of Fund resources and supporting the authorities' track record. The SMP reinforces fiscal sustainability through indicative and quantitative targets and structural benchmarks. A successful RCF and SMP will help lay the foundation for a potential future Fund-supported program, ensuring macroeconomic stability, addressing macroeconomic vulnerabilities, and advancing macro-critical reforms.

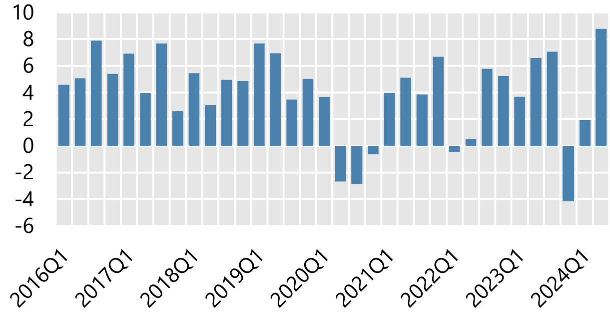
38. Staff welcomes the authorities' continued requests for Fund CD. The authorities have benefitted from extensive technical assistance on public finance and statistics and are encouraged to deepen their collaboration with CD experts in these fields, while also opening new areas of engagement on economic policy modeling and forecasting.

Figure 1. Mali: High-Frequency Indicators

Real GDP growth decelerated in 2024 compared with 2023 …

GDP Growth

(percent, year-on-year change)

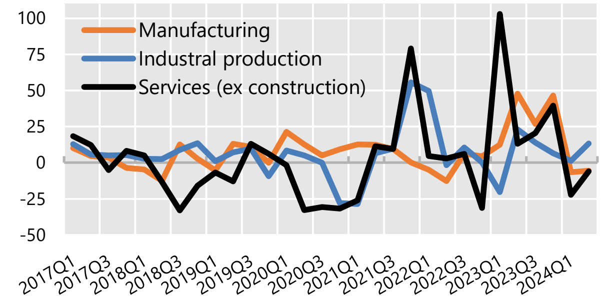


Source: INSTAT, staff calculations

… reflecting downward trends across sectors.

Industrial and Services Sector

(percent, year-on-year change)

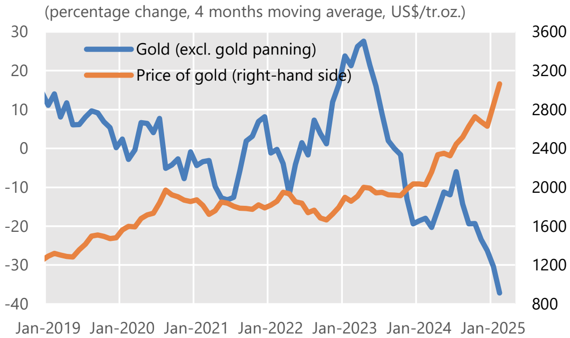


Source: Malian Authorities; IMF Staff Computations

Meanwhile, gold production continued to decline, despite the steady increase in gold market prices, …

Gold Production and Gold Price

(percentage change, 4 months moving average, US$/tr.oz.)

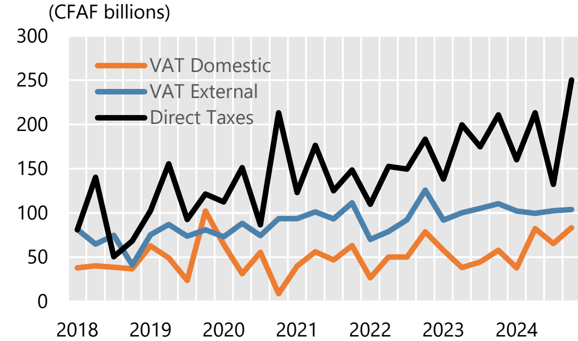


Sources: Malian authorities; London Metal Exchange; IMF Staff

… while direct tax revenues have been trending upward over recent years, as have domestic VAT receipts.

Quarterly Tax Revenues

(CFAF billions)

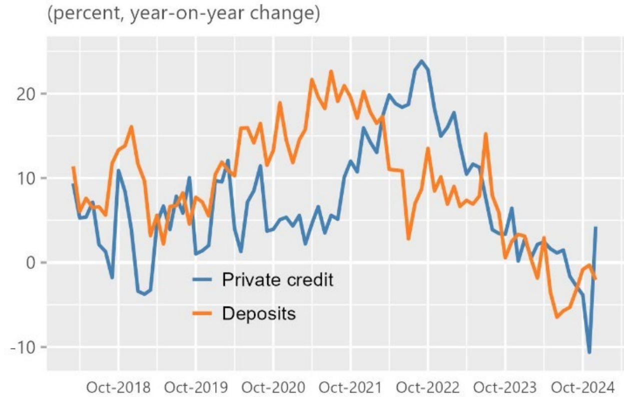


Sources: Malian authorities and IMF Staff calculations

Deposit growth is near zero, with credit growth turning positive in December 2024…

Credit and Deposit Growth

(percent, year-on-year change)

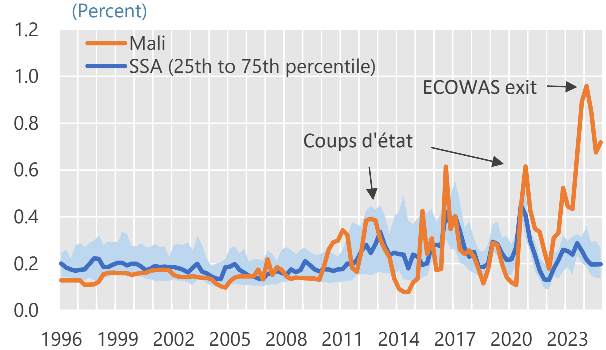


Sources: Malian authorities; IMF staff calculations.

… as policy uncertainty reached an all-time high early in 2024.

Uncertainty in Mali and the Rest of the World

(Percent)



Sources: Ahir, Bloom and Furceri World Uncertainty Index and IMF staff calculations

Figure 2. Mali: Real Sector Developments

Mali's real GDP growth is expected to remain below the WAEMU average over the forecast period, …

GDP Growth in SSA

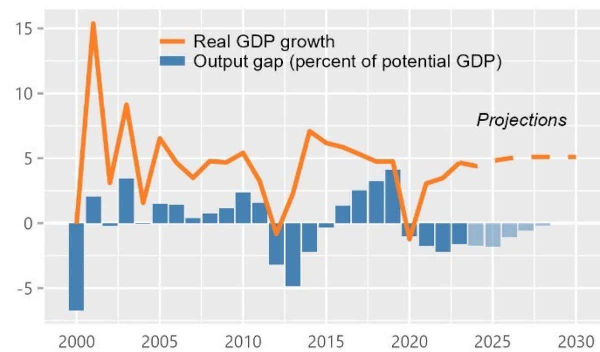
(percent)

Sources: World Economic Outlook; IMF staff calculations.

… with output growth expected to return to potential growth over the medium term.

Output Gap

(percent)

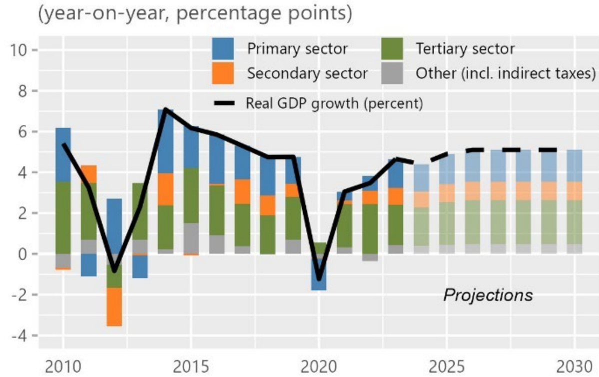


Source: IMF staff calculations.

The growth slowdown in 2024 is broad-based across sectors…

Contributions to Growth: Supply Side

(year-on-year, percentage points)

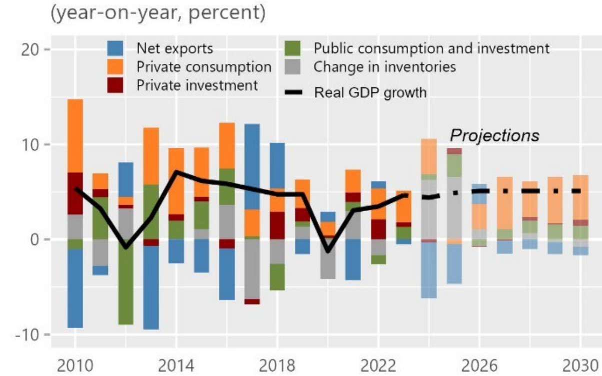


Source: IMF staff calculations.

…while on the demand side, the contributions from private consumption are expected to be larger from 2026 onwards.

Contributions to Growth: Demand Side

(year-on-year, percent)

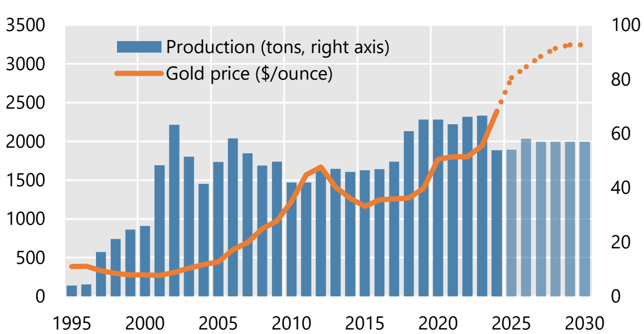


Source: IMF staff calculations.

Latest projections for gold production show a decline over the medium-term relative to recent years.

Gold Production and Price

(in $/troy ounce and in tons)

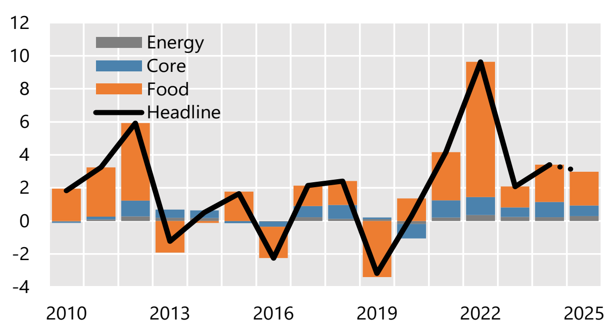


Source: Malian authorities; IMF staff calculations

Inflation peaked in 2022, mainly driven by increased food prices, but has fallen since 2023.

Consumer Price Inflation and Components

(percent, year-on-year change and contributions)



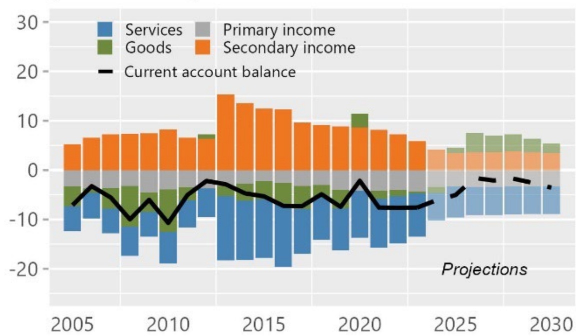
Source: Malian authorities; IMF staff calculations

Figure 3. Mali: External Sector Developments

The current account deficit was estimated at 5.3 percent of GDP in 2024, but it is expected to narrow over the forecast period, mainly reflecting a smaller services trade deficit …

Current Account Balance

(percent of GDP)

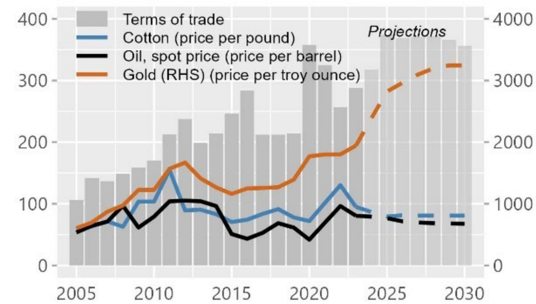


Sources: Malian authorities; IMF staff calculations.

… while the terms of trade is expected to improve.

International Commodity Prices

(US Dollars)

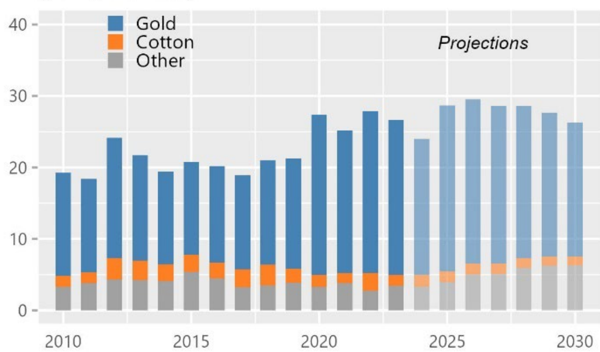


Sources: World Economic Outlook; IMF staff calculations.

Gold made up over 80 percent of total exports in 2023 and is expected to remain Mali's key export commodity, …

Composition of Exports

(percent of GDP)

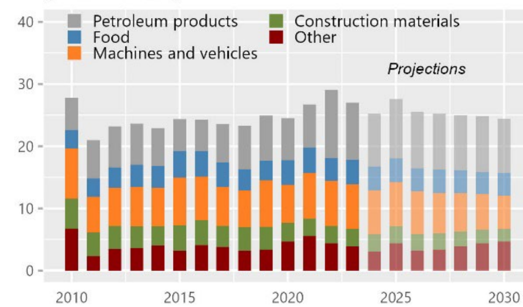


Sources: Malian authorities; IMF staff calculations.

…while imports dipped slightly in 2023 due to lower fuel prices and are expected to decline further.

Composition of Imports

(percent of GDP)

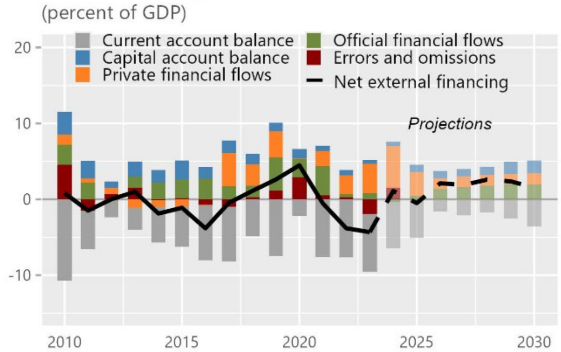


Sources: Malian authorities; IMF staff calculations.

Net external financing is expected to be negative in 2025 but should improve over the medium term as budget support returns in outer years and gold production increases.

Balance of Payments

(percent of GDP)

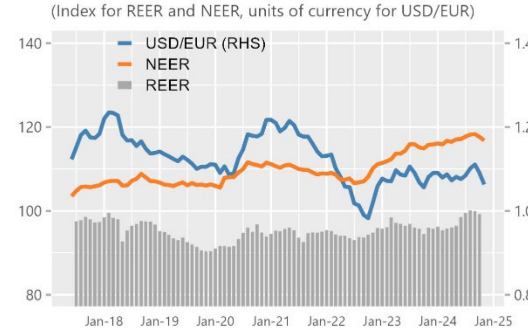


Source: IMF staff calculations.

Following a depreciation in early 2022 along with the euro (to which the CFAF is pegged), the REER appreciated slightly in 2024H2.

Exchange Rates

(Index for REER and NEER, units of currency for USD/EUR)



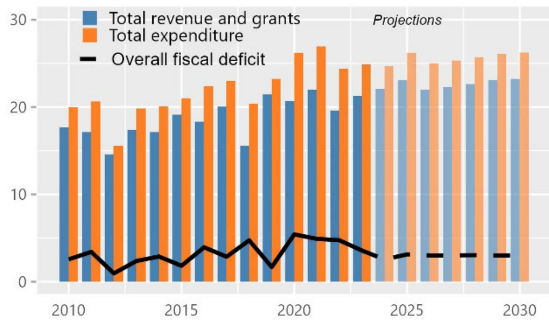
Sources: World Economic Outlook; and IMF staff calculations.

Figure 4. Mali: Fiscal Developments

The fiscal deficit is expected to remain at the WAEMU ceiling of 3 percent of GDP from 2026.

Fiscal Balance

(percent of GDP)

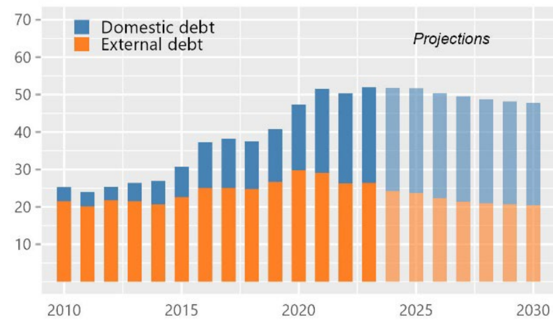


Source: Mali Ministry of Finance; IMF staff calculations.

Public debt is projected to decrease slightly over the medium term.

Total Public Debt

(percent of GDP)

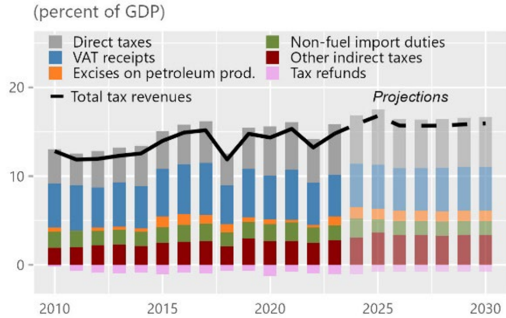


Sources: Malian authorities; IMF staff calculations.

The tax ratio is estimated to have risen in 2024, and is expected to remain elevated over the medium term, …

Tax Revenues

(percent of GDP)

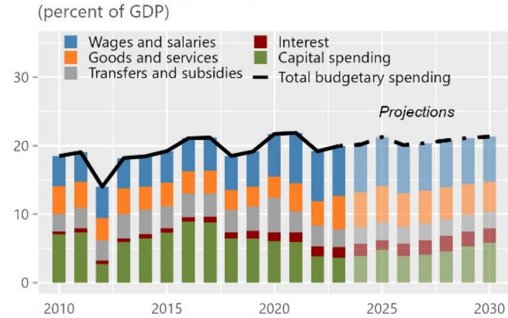


Sources: Mali Ministry of Finance; IMF staff calculations.

… while the spending ratio is estimated to have increased in 2024 due to higher current spending.

Government Spending

(percent of GDP)

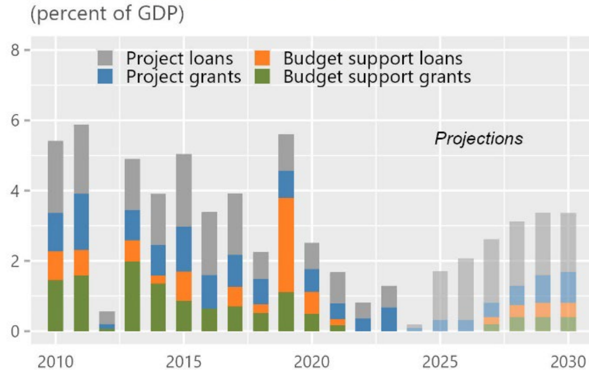


Sources: Mali Ministry of Finance; IMF staff calculations.

External budget support has been at or near zero since 2021, ….

External Public Grants and Loans

(percent of GDP)

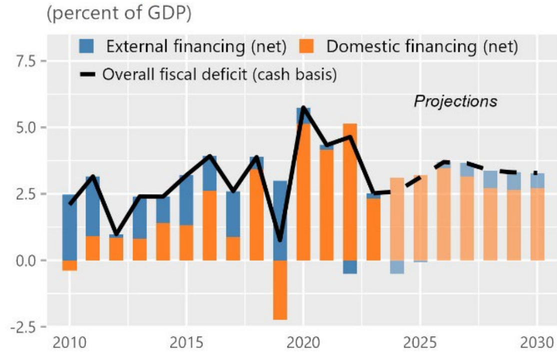


Sources: Mali Ministry of Finance; IMF staff calculations.

… and the authorities have become reliant on expensive domestic financing to fund budget needs.

Financing

(percent of GDP)



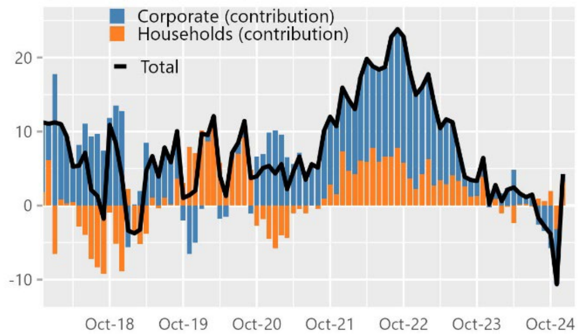
Sources: Mali Ministry of Finance; IMF staff calculations.

Figure 5. Mali: Monetary and Financial Sector Developments

After an extended period of decline for much of 2024, private credit growth turned positive in December, …

Credit Growth

(year-on-year, percent)

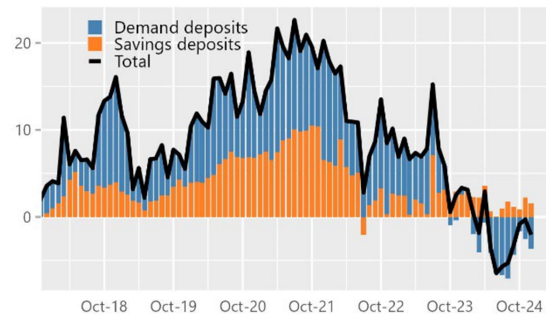


Sources: BCEAO; IMF staff calculations.

… while deposit growth is near zero.

Deposit Growth

(year-on-year, percent)

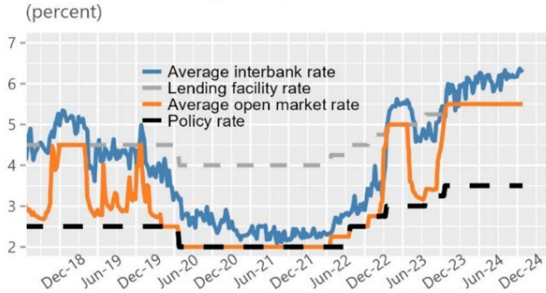


Sources: BCEAO; IMF staff calculations.

The BCEAO (regional central bank) held the policy rate at 3.5 percent following a 75 bps hike in 2023, …

BCEAO: Monetary Policy Rates

(percent)

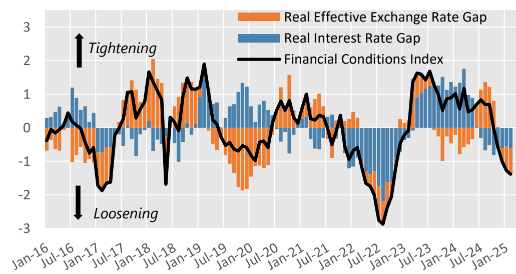


Source: BCEAO; IMF staff calculations.
Note: In April 2020 the BCEAO moved from auctions with fixed amount-variable rate to a fixed rate-variable amount mechanism.

… but financial conditions have been easing amid rising inflation expectations and FX depreciation.

Financial Conditions Index

(index weights 50/50)

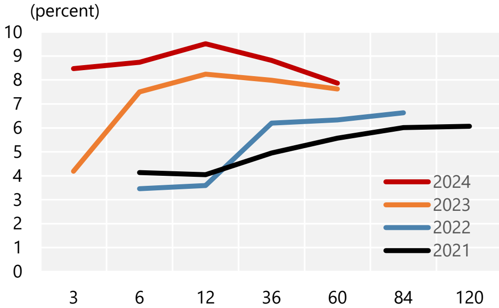


Source: BCEAO; IMF Staff calculations.
Note: Real interest rate and REER gaps are relative to long-term trend.

Mali's debt interest costs are increasing due to higher yields on the regional market.

Yield Curves

(percent)

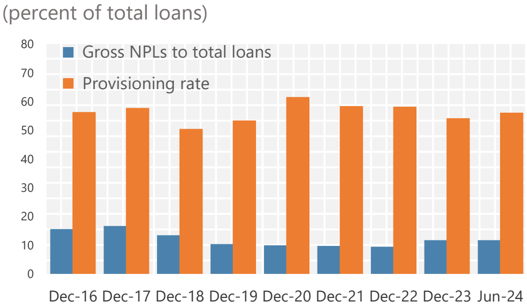


Sources: UMOA Titres and IMF Staff calculations

On the regulatory side, temporary forbearance on loan classification has kept banks' asset quality broadly stable.

Nonperforming Loans

(percent of total loans)



Source: BCEAO.

Table 1. Mali: Selected Economic and Financial Indicators, 2020–30

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.	Projections					
National income and prices	(Annual percentage change)										
Real GDP	-1.2	3.1	3.5	4.7	4.4	4.9	5.1	5.1	5.1	5.1	5.1
GDP deflator	0.5	3.4	8.5	2.1	2.7	2.0	2.0	2.0	2.0	2.0	2.0
Consumer price inflation (average)	0.5	3.8	9.7	2.1	3.2	3.0	2.0	2.0	2.0	2.0	2.0
Consumer price inflation (end of period)	0.7	8.8	8.1	-0.5	4.7	3.0	2.0	2.0	2.0	2.0	2.0
Money and credit											
Credit to the government	8.4	38.5	77.7	34.8	0.1	26.3	18.6	13.9	9.9	9.4	9.7
Credit to the economy	5.3	15.9	14.9	0.3	4.3	7.0	7.2	7.2	7.2	7.2	7.2
Broad money (M2)	12.2	36.3	10.7	-1.1	1.8	7.0	7.2	7.2	7.2	7.2	7.2
Central government finance and public debt	(Percent of GDP, unless otherwise indicated)										
Revenue, o/w	19.5	21.3	19.3	20.6	22.0	22.7	21.7	21.7	21.7	21.9	22.0
Tax revenue	14.3	15.3	13.2	14.8	15.8	16.8	15.7	15.7	15.7	15.8	15.9
Grants	1.2	0.7	0.4	0.7	0.1	0.3	0.3	0.6	1.0	1.2	1.3
Total expenditure and net lending	26.1	26.9	24.4	24.8	24.7	26.2	25.0	25.3	25.7	26.1	26.2
Overall balance (accrual basis)	-5.4	-4.9	-4.7	-3.6	-2.6	-3.1	-3.0	-3.0	-3.0	-3.0	-3.0
Overall balance (cash basis)	-5.7	-4.3	-4.6	-2.5	-2.6	-3.1	-3.7	-3.6	-3.4	-3.3	-3.3
Public debt[1]	47.3	51.6	50.3	51.9	51.8	51.7	50.5	49.6	48.9	48.4	48.0
External public debt	29.8	29.0	26.2	26.4	24.2	23.3	21.9	21.0	20.5	20.3	20.1
Domestic public debt[2]	17.5	22.5	24.1	25.5	27.6	28.5	28.5	28.6	28.3	28.1	27.9
Debt service	6.3	5.5	6.4	7.1	6.7	7.1	10.4	12.6	13.7	13.2	12.8
External sector											
Current account balance, including official transfers	-2.2	-7.6	-7.7	-7.6	-6.1	-5.1	-1.6	-2.1	-1.7	-2.6	-3.6
Current account balance, excluding official transfers	-5.9	-10.7	-10.2	-9.6	-6.2	-5.2	-1.7	-2.5	-2.3	-3.1	-4.1
Exports of goods and services	29.7	27.9	30.3	28.9	26.2	30.8	31.7	30.7	30.7	29.7	28.4
Imports of goods and services	36.3	39.3	41.2	38.1	33.1	36.1	33.5	33.1	32.8	32.6	32.1
Overall balance of payments	4.5	-0.5	-3.8	-4.3	1.1	-0.5	2.1	1.9	2.6	2.4	1.6
Terms of trade (deterioration -)	66.9	-9.3	-21.0	12.1	10.5	17.9	-1.7	0.6	0.3	-1.5	-2.7
Real effective exchange rate (depreciation -)	0.9	1.4	-0.5	2.1	1.4	...	...	...	...	...	...
Memorandum items:											
Nominal GDP (CFAF billions)	10,053	10,708	12,024	12,848	13,775	14,739	15,801	16,939	18,159	19,467	20,869
Nominal GDP (US$ billions)	17.5	19.3	19.3	21.2	22.7	23.2	24.8	26.6	28.5	30.5	32.8
Public debt (CFAF billions)	4,758	5,521	6,053	6,666	7,140	7,625	7,975	8,403	8,878	9,416	10,015
US$ exchange rate (average)	575	554	622	606	606	...	...	...	...	...	...
US$ exchange rate (end of period)	539	580	619	602	626	...	...	...	...	...	...
WAEMU Pooled Reserves (end of period, US$ billions)	21.7	24.2	18.4	15.8	21.6	...	...	...	...	...	...
WAEMU Pooled Reserves (end of period, CFAF billions)	11,711	14,027	11,397	9,484	13,517	...	...	...	...	...	...
Months of imports of goods and services next year	5.4	5.0	4.0	3.3	4.5	...	...	...	...	...	...
Percent of broad money	33.6	34.1	24.9	20.0	26.2	...	...	...	...	...	...
Gold Price (US$/fine ounce London fix)	1,770	1,800	1,802	1,943	2,387	2,821	2,963	3,096	3,198	3,244	3,244
Cotton price (CFAF/kg)	866	1,175	1,697	1,207	1,100	1,055	1,085	1,086	1,087	1,087	1,086
Petroleum price (crude spot)(US$/bbl)	42	69	96	81	79	77	72	70	69	68	68

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

[1] Public debt refers to general government debt

[2] Includes BCEAO statutory advances, government bonds, treasury bills, and other debts. From 2021 onwards includes SDR allocation in the amount of 1.3 percent of GDP on-lent from the BCEAO.

Table 2a. Mali: Consolidated Fiscal Transactions of the Central Government, 2020–30
(GFSM86 and CFAF billions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.			Projections			
Revenue and grants	2,080	2,355	2,360	2,733	3,046	3,399	3,476	3,776	4,113	4,488	4,849
Total revenue	1,958	2,281	2,318	2,645	3,034	3,351	3,426	3,674	3,941	4,255	4,582
Budgetary revenue	1,510	1,737	1,687	2,014	2,411	2,624	2,646	2,838	3,044	3,294	3,552
Tax revenue[1]	1,442	1,641	1,591	1,902	2,183	2,475	2,481	2,656	2,850	3,083	3,327
Direct taxes	563	573	595	723	756	919	871	930	995	1,080	1,173
Indirect taxes	879	1,069	996	1,179	1,428	1,556	1,609	1,726	1,854	2,003	2,154
VAT	489	605	572	606	677	724	755	817	885	957	1,036
Excises on petroleum products	55	29	36	132	172	179	184	197	212	229	242
Import duties	195	230	209	218	304	227	253	271	290	312	332
Other indirect taxes	267	285	295	353	416	532	529	563	600	648	700
Tax refund	-128	-80	-116	-131	-141	-106	-113	-123	-133	-144	-155
Nontax revenue	68	96	96	112	227	149	165	182	194	211	225
Capital revenue	1	1	1	2	1	15	16	17	19	20	22
Special funds and annexed budgets	449	545	631	632	623	728	780	836	897	961	1,030
Grants	122	74	43	88	11	47	51	102	173	234	267
Projects grants	65	48	43	88	11	47	51	68	100	156	184
Budgetary support	49	18	0	0	0	0	0	34	73	78	83
Of which: General	36	17	0	0	0	0	0	34	73	78	83
Of which: Sectoral	13	1	0	0	0	0	0	0	0	0	0
Total expenditure and net lending[2]	2,625	2,881	2,932	3,192	3,397	3,859	3,950	4,284	4,666	5,072	5,475
Budgetary expenditure	2,183	2,342	2,306	2,566	2,778	3,135	3,175	3,452	3,774	4,116	4,449
Current expenditure	1,570	1,699	1,846	2,099	2,238	2,434	2,555	2,760	2,945	3,087	3,236
Wages and salaries	620	788	878	943	963	1,051	1,107	1,170	1,237	1,307	1,382
Goods and services	320	436	426	624	697	783	780	824	846	872	901
Transfers and subsidies	506	328	365	331	343	382	382	411	443	478	515
Interest	124	147	177	201	236	217	287	355	419	430	438
Capital expenditure	614	642	460	467	540	702	619	692	829	1,029	1,214
Externally financed	145	147	95	113	32	253	328	376	429	501	535
Domestically financed	468	495	365	353	507	449	292	317	400	528	679
Special funds and annexed budgets	449	545	631	632	623	728	780	836	897	961	1,030
Net lending	-7	-5	-5	-5	-4	-4	-5	-5	-5	-5	-5
Overall balance (accrual basis)	-545	-526	-571	-459	-352	-461	-474	-508	-553	-584	-626
Adjustment to cash basis	-33	62	13	135	3	0	-110	-110	-60	-60	-60
Overall balance (cash basis)	-578	-464	-558	-324	-357	-461	-584	-618	-613	-644	-686
Financing	578	464	558	324	357	461	584	618	613	644	686
External financing (net)	63	19	-62	25	-70	-12	38	85	117	129	118
Loans	140	113	56	79	15	206	277	342	393	424	434
Project loans	76	95	56	79	15	206	277	308	329	346	351
Budgetary loans	64	18	0	0	0	0	0	34	64	78	83
Amortization	-88	-103	-127	-89	-90	-223	-239	-257	-275	-295	-316
Debt relief	11	9	9	5	6	5	0	0	0	0	0
Variation of External Arrears (Principal)	0	0	0	30	0	0	0	0	0	0	0
Domestic financing (net)	515	445	620	299	427	473	546	533	495	515	568
Banking system	302	313	590	254	286	478	430	382	312	326	368
Central bank	225	250	57	-19	-76	30	-62	-60	-50	-39	-30
Of which: IMF (net)	*123*	*19*	*-12*	*-21*	*-30*	*30*	*-62*	*-60*	*-50*	*-39*	*-30*
Commercial banks	12	-67	532	457	78	448	492	442	362	365	398
Adjustment[3]	65	123	0	-184	284	0	0	0	0	0	0
Privatization receipts	-7	-12	-4	-5	-1	-15	0	0	0	0	0
Other financing	221	144	34	50	142	10	116	151	183	190	200
Financing gap	0	0	0	0	0	0	0	0	0	0	0
Financing gap in absence of RCF	0	0	0	0	0	77	0	0	0	0	0
Memorandum items:											
Nominal GDP	10,053	10,708	12,024	12,848	13,775	14,739	15,801	16,939	18,159	19,467	20,869
Net primary balance (accrual basis)	-421	-379	-394	-258	-116	-244	-187	-153	-134	-154	-188
Tax revenues excl. exceptional mining payments	1,442	1,641	1,591	1,902	1,999	2,250	2,481	2,656	2,850	3,083	3,327

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

[1] Tax revenue projections are based on staff projections, and budget expenditure projections are based on the 2024 draft budget adopted by the authorities.

[2] Accrual basis.

[3] Adjustment to account for the difference between the definitions of the government in the fiscal table and the monetary situation.

Table 2b. Mali: Consolidated Fiscal Transactions of the Central Government, 2020–30

(GFSM86, Percent of GDP, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.	Projections					
Revenue and grants	20.7	22.0	19.6	21.3	22.1	23.1	22.0	22.3	22.7	23.1	23.2
Total revenue	19.5	21.3	19.3	20.6	22.0	22.7	21.7	21.7	21.7	21.9	22.0
Budgetary revenue	15.0	16.2	14.0	15.7	17.5	17.8	16.7	16.8	16.8	16.9	17.0
Tax revenue[1]	14.3	15.3	13.2	14.8	15.8	16.8	15.7	15.7	15.7	15.8	15.9
Direct taxes	5.6	5.3	4.9	5.6	5.5	6.2	5.5	5.5	5.5	5.5	5.6
Indirect taxes	8.7	10.0	8.3	9.2	10.4	10.6	10.2	10.2	10.2	10.3	10.3
VAT	4.9	5.7	4.8	4.7	4.9	4.9	4.8	4.8	4.9	4.9	5.0
Excises on petroleum products	0.6	0.3	0.3	1.0	1.3	1.2	1.2	1.2	1.2	1.2	1.2
Import duties	1.9	2.1	1.7	1.7	2.2	1.5	1.6	1.6	1.6	1.6	1.6
Other indirect taxes	2.7	2.7	2.5	2.7	3.0	3.6	3.4	3.3	3.3	3.3	3.4
Tax refund	-1.3	-0.7	-1.0	-1.0	-1.0	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7
Nontax revenue	0.7	0.9	0.8	0.9	1.7	1.0	1.0	1.1	1.1	1.1	1.1
Capital revenue	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Special funds and annexed budgets	4.5	5.1	5.2	4.9	4.5	4.9	4.9	4.9	4.9	4.9	4.9
Grants	1.2	0.7	0.4	0.7	0.1	0.3	0.3	0.6	1.0	1.2	1.3
Projects grants	0.6	0.5	0.4	0.7	0.1	0.3	0.3	0.4	0.6	0.8	0.9
Budgetary support	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Of which: General	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Of which: Sectoral	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total expenditure and net lending[2]	26.1	26.9	24.4	24.8	24.7	26.2	25.0	25.3	25.7	26.1	26.2
Budgetary expenditure	21.7	21.9	19.2	20.0	20.2	21.3	20.1	20.4	20.8	21.1	21.3
Current expenditure	15.6	15.9	15.4	16.3	16.2	16.5	16.2	16.3	16.2	15.9	15.5
Wages and salaries	6.2	7.4	7.3	7.3	7.0	7.1	7.0	6.9	6.8	6.7	6.6
Goods and services	3.2	4.1	3.5	4.9	5.1	5.3	4.9	4.9	4.7	4.5	4.3
Transfers and subsidies	5.0	3.1	3.0	2.6	2.5	2.6	2.4	2.4	2.4	2.5	2.5
Interest	1.2	1.4	1.5	1.6	1.7	1.5	1.8	2.1	2.3	2.2	2.1
Capital expenditure	6.1	6.0	3.8	3.6	3.9	4.8	3.9	4.1	4.6	5.3	5.8
Externally financed	1.4	1.4	0.8	0.9	0.2	1.7	2.1	2.2	2.4	2.6	2.6
Domestically financed	4.7	4.6	3.0	2.8	3.7	3.0	1.8	1.9	2.2	2.7	3.3
Special funds and annexed budgets	4.5	5.1	5.2	4.9	4.5	4.9	4.9	4.9	4.9	4.9	4.9
Net lending	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (accrual basis)	-5.4	-4.9	-4.7	-3.6	-2.6	-3.1	-3.0	-3.0	-3.0	-3.0	-3.0
Adjustment to cash basis	-0.3	0.6	0.1	1.0	0.0	0.0	-0.7	-0.6	-0.3	-0.3	-0.3
Overall balance (cash basis)	-5.7	-4.3	-4.6	-2.5	-2.6	-3.1	-3.7	-3.6	-3.4	-3.3	-3.3
Financing	5.7	4.3	4.6	2.5	2.6	3.1	3.7	3.6	3.4	3.3	3.3
External financing (net)	0.6	0.2	-0.5	0.2	-0.5	-0.1	0.2	0.5	0.6	0.7	0.6
Loans	1.4	1.1	0.5	0.6	0.1	1.4	1.8	2.0	2.2	2.2	2.1
Project loans	0.8	0.9	0.5	0.6	0.1	1.4	1.8	1.8	1.8	1.8	1.7
Budgetary loans	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Amortization	-0.9	-1.0	-1.1	-0.7	-0.7	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Debt relief	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Variation of External Arrears (Principal)	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic financing (net)	5.1	4.2	5.2	2.3	3.1	3.2	3.5	3.1	2.7	2.6	2.7
Banking system	3.0	2.9	4.9	2.0	2.1	3.2	2.7	2.3	1.7	1.7	1.8
Central bank	2.2	2.3	0.5	-0.1	-0.6	0.2	-0.4	-0.4	-0.3	-0.2	-0.1
Of which: IMF (net)	1.2	0.2	-0.1	-0.2	-0.2	0.2	-0.4	-0.4	-0.3	-0.2	-0.1
Commercial banks	0.1	-0.6	4.4	3.6	0.6	3.0	3.1	2.6	2.0	1.9	1.9
Adjustment[3]	0.6	1.1	0.0	-1.4	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts	-0.1	-0.1	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Other financing	2.2	1.3	0.3	0.4	1.0	0.1	0.7	0.9	1.0	1.0	1.0
Financing gap	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap in absence of RCF	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Memorandum items:											
Nominal GDP (CFAF billions)	10,053	10,708	12,024	12,848	13,775	14,739	15,801	16,939	18,159	19,467	20,869
Net primary balance (accrual basis)	-4.2	-3.5	-3.3	-2.0	-0.8	-1.7	-1.2	-0.9	-0.7	-0.8	-0.9
Tax revenues excl. exceptional mining payments	14.3	15.3	13.2	14.8	14.5	15.3	15.7	15.7	15.7	15.8	15.9

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

[1] Tax revenue projections are based on staff projections, and budget expenditure projections are based on the 2022 draft budget adopted by the authorities.

[2] Accrual basis.

[3] Adjustment to account for the difference between the definitions of the government in the fiscal table and the monetary situation.

Table 3. Mali: Gross Fiscal Financing Needs, 2023–25

	2023			2024			2025		
	billion CFAF	million USD	percent of GDP	billion CFAF	million USD	percent of GDP	billion CFAF	million USD	percent of GDP
(1) GFNs = (2) + (3)	**1,183**	**1,951**	**9.2**	**1,091**	**1,800**	**7.9**	**1,426**	**2,246**	**9.7**
(2) Overall deficit (accrual basis)	459	757	3.6	352	580	2.6	461	726	3.1
Primary deficit (excl. grants)	346	571	2.7	128	211	0.9	291	458	2.0
Interest payment	201	331	1.6	236	389	1.7	217	342	1.5
Domestic	173	285	1.3	195	322	1.4	184	290	1.2
Foreign, o/w:	28	46	0.2	40	66	0.3	33	53	0.2
World Bank	9	14	0.1	10	17	0.1	10	16	0.1
(3) Amortization	724	1,194	5.6	739	1,220	5.4	965	1,520	6.5
Domestic	613	1,011	4.8	619	1,021	4.5	695	1,094	4.7
Foreign, o/w:	111	183	0.9	120	198	0.9	270	425	1.8
World Bank	24	40	0.2	29	48	0.2	35	55	0.2
IMF	21	35	0.2	30	49	0.2	47	74	0.3
(4) Financing = (5) + (6) + (7)	**1,183**	**1,951**	**9.2**	**1,091**	**1,800**	**7.9**	**1,426**	**2,246**	**9.7**
(5) Domestic	964	1,590	7.5	1,068	1,762	7.8	1,221	1,922	8.3
Bonds and t-bills	1,012	1,669	7.9	1,016	1,677	7.4	1,198	1,887	8.1
Bank net credit	170	280	1.3	173	285	1.3	72	113	0.5
Central Bank (net), o/w:	3	5	0.0	-76	-126	-0.6	30	48	0.2
IMF on-lending	0	0	0.0	0	0	0.0	77	122	0.5
Other credit	0	0	0.0	-1	-1	0.0	0	0	0.0
SDR	0	0	0.0	0	0	0.0	0	0	0.0
Deposits (- use of deposits)	-3	-5	0.0	47	77	0.3	0	0	0.0
Commercial banks (net)	167	275	1.3	249	410	1.8	42	66	0.3
Other	110	182	0.9	-121	-200	-0.9	-50	-79	-0.3
(6) External	84	139	0.7	20	33	0.1	206	324	1.4
Project loans	79	130	0.6	15	24	0.1	206	324	1.4
Budget loans	0	0	0.0	0	0	0.0	0	0	0.0
Other	5	9	0.0	6	9	0.0	0	0	0.0
(7) Change in float and arrears	135	222	1.0	3	5	0.0	0	0	0.0
Float	135	222	1.0	3	5	0.0	0	0	0.0
Arrears	0	0	0.0	0	0	0.0	0	0	0.0
(8) Financing Gap = (1) - (4)	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**
Financing gap in absence of RCF	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**77**	**122**	**0.5**
Memo:									
Nominal GDP	12,848	21,184	100.0	13,775	22,724	100.0	14,739	23,208	100.0
Overall deficit (accrual basis)	459	757	3.6	352	580	2.6	461	726	3.1
Overall deficit (cash basis)	324	534	2.5	357	589	2.6	461	726	3.1
Domestic financing (net)	326	537	2.5	925	1,525	6.7	515	811	3.5
External financing (net)	-27	-44	-0.2	-100	-165	-0.7	-65	-102	-0.4
Cash adjustment	135	222	1.0	3	5	0.0	0	0	0.0
Public debt	6,666	10,991	51.9	7,140	11,778	51.8	7,625	12,006	51.7
Debt service	925	1,525	7.2	975	1,608	7.1	1,183	1,862	8.0
Exchange rate (CFAF per USD)	606			606			635		

Sources: Ministry of Economy and Finance; and IMF staff estimates and projections.

Table 4a. Mali: Balance of Payments, 2020–30
(CFAF billions, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.	Projection					
Current account balance											
Excluding official transfers	-591	-1151	-1225	-1234	-860	-766	-276	-416	-411	-605	-857
Including official transfers	-219	-814	-920	-977	-842	-746	-253	-358	-313	-499	-743
Trade balance	290	-169	-135	-45	-176	155	625	562	645	543	389
Exports, f.o.b.	2755	2694	3353	3429	3306	4225	4668	4838	5189	5379	5487
Cotton fiber	162	157	295	197	224	222	247	248	250	253	254
Gold	2258	2129	2726	2790	2623	3422	3630	3732	3856	3912	3910
Other	334	408	331	443	459	581	792	858	1083	1214	1322
Imports, f.o.b.	-2465	-2863	-3487	-3475	-3482	-4070	-4044	-4277	-4544	-4835	-5098
Petroleum products	-684	-751	-1314	-1182	-1173	-1411	-1438	-1527	-1627	-1740	-1817
Foodstuffs	-394	-438	-441	-514	-530	-564	-596	-627	-662	-698	-766
Other	-1387	-1675	-1732	-1778	-1779	-2095	-2010	-2123	-2256	-2397	-2514
Services (net)	-948	-1059	-1167	-1129	-769	-926	-902	-965	-1028	-1101	-1161
Credit	231	290	295	288	304	321	341	362	384	407	433
Debit	-1179	-1349	-1462	-1417	-1073	-1248	-1243	-1326	-1412	-1509	-1594
Freight and insurance	-456	-611	-740	-742	-748	-869	-863	-913	-970	-1032	-1088
Income (net)	-425	-456	-488	-561	-467	-492	-545	-574	-605	-639	-691
Interest due on public debt	-33	-38	-41	-28	-40	-34	-35	-37	-39	-43	-49
Transfers (net)	865	871	869	759	571	517	569	619	675	698	721
Private transfers (net)	492	534	564	501	553	498	547	561	576	591	606
Official transfers (net)[1]	373	336	305	258	18	20	22	58	99	106	115
Budgetary grants	49	18	0	0	0	0	0	34	73	78	83
Capital and financial account	637	734	479	434	994	672	587	677	784	959	1067
Capital account (net)	126	77	77	65	77	142	151	165	202	300	359
Debt forgiveness	20	9	9	5	6	5	4	4	3	3	9
Project grants	78	49	39	41	20	81	87	116	172	268	316
Financial account	510	658	401	369	917	530	436	513	582	659	708
Private (net)	273	108	349	270	963	465	225	241	259	277	297
Direct investment (net)	308	324	419	408	492	457	490	525	563	603	647
Portfolio investment private (net)	5	-4	-1	0	0	-1	-1	-1	-1	-1	-1
Other private capital flows	-40	-211	-69	-138	471	10	-264	-283	-304	-326	-349
Official (net)	237	407	52	99	-46	64	212	271	324	382	410
Portfolio investment public (net)	186	397	123	109	30	82	174	186	206	253	292
Disbursements	140	113	56	79	15	206	277	342	393	424	434
Budgetary	64	18	0	0	0	0	0	34	64	78	83
Project related	76	95	56	79	15	206	277	308	329	346	351
Amortization due on public debt	-88	-103	-127	-89	-90	-223	-239	-257	-275	-295	-316
Errors and omissions	33	22	-17	-12	0	0	0	0	0	0	0
Overall balance	451	-58	-459	-555	152	-74	334	319	471	460	324
Financing	-451	58	459	555	-152	74	-334	-319	-471	-460	-324
Reserve assets[2]	-451	58	459	555	-152	74	-334	-319	-471	-460	-324
Operations account	-574	181	471	577	-122	44	-272	-259	-421	-420	-294
IMF based on existing and prospective drawing (net)	123	19	-12	-21	-30	30	-62	-60	-50	-39	-30
SDR allocation		-142									
Financing gap in absence of IMF financing	0	0	0	0	0	77	0	0	0	0	0
External trade	(Annual percentage change)										
Export volume index	-12.9	3.1	10.1	-0.5	-12.0	2.4	6.7	1.2	1.9	2.1	2.0
Import volume index	10.8	11.0	-14.9	8.6	1.2	14.0	-2.6	4.4	4.8	4.8	3.8
Export unit value	47.0	-5.1	13.0	2.8	9.5	20.9	0.3	1.9	1.6	0.0	-1.2
Import unit value	-11.9	4.6	43.0	-8.3	-1.0	2.5	2.0	1.3	1.4	1.5	1.6
Terms of trade	66.9	-9.3	-21.0	12.1	10.5	17.9	-1.7	0.6	0.3	-1.5	-2.7

Sources: Malian authorities; and IMF staff estimates and projections.

[1] Includes financing by the international community for imports of security services in relation to the foreign military intervention in the country.

[2] Includes reserve position in the Fund

Table 4b. Mali: Balance of Payments, 2020–30
(Percent of GDP, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.	Projection					
Current account balance											
Excluding official transfers	-5.9	-10.7	-10.2	-9.6	-6.2	-5.2	-1.7	-2.5	-2.3	-3.1	-4.1
Including official transfers	-2.2	-7.6	-7.7	-7.6	-6.1	-5.1	-1.6	-2.1	-1.7	-2.6	-3.6
Trade balance	2.9	-1.6	-1.1	-0.4	-1.3	1.1	4.0	3.3	3.6	2.8	1.9
Exports, f.o.b.	27.4	25.2	27.9	26.7	24.0	28.7	29.5	28.6	28.6	27.6	26.3
Cotton fiber	1.6	1.5	2.5	1.5	1.6	1.5	1.6	1.5	1.4	1.3	1.2
Gold	22.5	19.9	22.7	21.7	19.0	23.2	23.0	22.0	21.2	20.1	18.7
Other	3.3	3.8	2.8	3.4	3.3	3.9	5.0	5.1	6.0	6.2	6.3
Imports, f.o.b.	-24.5	-26.7	-29.0	-27.0	-25.3	-27.6	-25.6	-25.2	-25.0	-24.8	-24.4
Petroleum products	-6.8	-7.0	-10.9	-9.2	-8.5	-9.6	-9.1	-9.0	-9.0	-8.9	-8.7
Foodstuffs	-3.9	-4.1	-3.7	-4.0	-3.8	-3.8	-3.8	-3.7	-3.6	-3.6	-3.7
Other	-13.8	-15.6	-14.4	-13.8	-12.9	-14.2	-12.7	-12.5	-12.4	-12.3	-12.0
Services (net)	-9.4	-9.9	-9.7	-8.8	-5.6	-6.3	-5.7	-5.7	-5.7	-5.7	-5.6
Credit	2.3	2.7	2.5	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.1
Debit	-11.7	-12.6	-12.2	-11.0	-7.8	-8.5	-7.9	-7.8	-7.8	-7.7	-7.6
Freight and insurance	-4.5	-5.7	-6.2	-5.8	-5.4	-5.9	-5.5	-5.4	-5.3	-5.3	-5.2
Income (net)	-4.2	-4.3	-4.1	-4.4	-3.4	-3.3	-3.4	-3.4	-3.3	-3.3	-3.3
Interest due on public debt	-0.3	-0.4	-0.3	-0.2	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Transfers (net)	8.6	8.1	7.2	5.9	4.1	3.5	3.6	3.7	3.7	3.6	3.5
Private transfers (net)	4.9	5.0	4.7	3.9	4.0	3.4	3.5	3.3	3.2	3.0	2.9
Official transfers (net)[1]	3.7	3.1	2.5	2.0	0.1	0.1	0.1	0.3	0.5	0.5	0.5
Budgetary grants	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Capital and financial account	6.3	6.9	4.0	3.4	7.2	4.6	3.7	4.0	4.3	4.9	5.1
Capital account (net)	1.3	0.7	0.6	0.5	0.6	1.0	1.0	1.0	1.1	1.5	1.7
Debt forgiveness	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project grants	0.8	0.5	0.3	0.3	0.1	0.6	0.6	0.7	0.9	1.4	1.5
Financial account	5.1	6.1	3.3	2.9	6.7	3.6	2.8	3.0	3.2	3.4	3.4
Private (net)	2.7	1.0	2.9	2.1	7.0	3.2	1.4	1.4	1.4	1.4	1.4
Direct investment (net)	3.1	3.0	3.5	3.2	3.6	3.1	3.1	3.1	3.1	3.1	3.1
Portfolio investment private (net)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other private capital flows	-0.4	-2.0	-0.6	-1.1	3.4	0.1	-1.7	-1.7	-1.7	-1.7	-1.7
Official (net)	2.4	3.8	0.4	0.8	-0.3	0.4	1.3	1.6	1.8	2.0	2.0
Portfolio investment public (net)	1.9	3.7	1.0	0.8	0.2	0.6	1.1	1.1	1.1	1.3	1.4
Disbursements	1.4	1.1	0.5	0.6	0.1	1.4	1.8	2.0	2.2	2.2	2.1
Budgetary	0.6	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4	0.4
Project related	0.8	0.9	0.5	0.6	0.1	1.4	1.8	1.8	1.8	1.8	1.7
Amortization due on public debt	-0.9	-1.0	-1.1	-0.7	-0.7	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
Errors and omissions	0.3	0.2	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	4.5	-0.5	-3.8	-4.3	1.1	-0.5	2.1	1.9	2.6	2.4	1.6
Financing	-4.5	0.5	3.8	4.3	-1.1	0.5	-2.1	-1.9	-2.6	-2.4	-1.6
Reserve assets [2]	-4.5	0.5	3.8	4.3	-1.1	0.5	-2.1	-1.9	-2.6	-2.4	-1.6
Operations account	-5.7	1.7	3.9	4.5	-0.9	0.3	-1.7	-1.5	-2.3	-2.2	-1.4
IMF based on existing and prospective drawing (net)	1.2	0.2	-0.1	-0.2	-0.2	0.2	-0.4	-0.4	-0.3	-0.2	-0.1
SDR allocation		-1.3									
Financing gap in absence of IMF financing	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0
External trade		(Annual percentage change)									
Export volume index	-12.9	3.1	10.1	-0.5	-12.0	2.4	6.7	1.2	1.9	2.1	2.0
Import volume index	10.8	11.0	-14.9	8.6	1.2	14.0	-2.6	4.4	4.8	4.8	3.8
Export unit value	47.0	-5.1	13.0	2.8	9.5	20.9	0.3	1.9	1.6	0.0	-1.2
Import unit value	-11.9	4.6	43.0	-8.3	-1.0	2.5	2.0	1.3	1.4	1.5	1.6
Terms of trade	66.9	-9.3	-21.0	12.1	10.5	17.9	-1.7	0.6	0.3	-1.5	-2.7

Sources: Malian authorities; and IMF staff estimates and projections.

[1] Includes financing by the international community for imports of security services in relation to the foreign military intervention in the country.

[2] Includes reserve position in the Fund

Table 5. Mali: Monetary Survey, 2020–30
(CFAF billions, unless otherwise indicated)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.	Projections					
Net Foreign Assets	271	966	512	-44	279	288	622	941	1412	1872	2196
BCEAO	-276	520	12	-308	-194	-186	148	468	939	1399	1723
Commercial Banks	547	446	500	264	474	474	474	474	474	474	474
Net Domestic Assets	2736	3211	3704	4223	3964	4870	4907	4986	4941	4939	5106
Credit to the government (net)	548	758	1348	1817	1819	2297	2727	3109	3421	3747	4114
BCEAO	110	386	443	424	349	379	317	257	207	168	138
Commercial banks, net	-53	-305	447	1041	1018	1456	1831	2122	2300	2476	2674
Other	490	677	457	352	452	462	579	730	913	1103	1303
Credit to the economy	2612	3028	3480	3491	3641	3896	4176	4477	4800	5145	5516
Other items (net)	-101	-212	-735	-663	-933	-760	-1433	-2037	-2715	-3389	-3961
Money supply (M2)	3175	4328	4791	4737	4820	5157	5529	5927	6354	6811	7302
Currency outside banks	474	1081	1215	1041	1200	1284	1376	1475	1582	1696	1818
Bank deposits	2701	3247	3576	3696	3620	3873	4152	4451	4772	5116	5484
Memorandum item:											
Base Money (M0)	758	1651	1717	1373	1596	1687	1789	1898	2015	2141	2275
Contribution to growth of broad money				(annual growth rate)							
Money supply (M2)	12.2	36.3	10.7	-1.1	1.8	7.0	7.2	7.2	7.2	7.2	7.2
Net foreign assets	1.7	21.9	-10.5	-11.6	6.8	0.2	6.5	5.8	8.0	7.2	4.8
BCEAO	-7.4	25.1	-11.7	-6.7	2.4	0.2	6.5	5.8	8.0	7.2	4.8
Commercial banks	9.1	-3.2	1.2	-4.9	4.4	0.0	0.0	0.0	0.0	0.0	0.0
Net domestic assets	11.7	15.0	11.4	10.8	-5.5	18.8	0.7	1.4	-0.8	0.0	2.4
Credit to the central government	1.5	6.6	13.6	9.8	0.0	9.9	8.3	6.9	5.3	5.1	5.4
Credit to the economy	4.7	13.1	10.4	0.2	3.2	5.3	5.4	5.4	5.4	5.4	5.4
Other items net	6.2	-3.5	-12.1	1.5	-5.7	3.6	-13.1	-10.9	-11.5	-10.6	-8.4
Memorandum items:				(annual growth rate)							
Money supply (M2)	12.2	36.3	10.7	-1.1	1.8	7.0	7.2	7.2	7.2	7.2	7.2
Base money (M0)	0.2	117.8	4.0	-20.1	16.2	5.7	6.0	6.1	6.2	6.2	6.3
Credit to the economy	5.3	15.9	14.9	0.3	4.3	7.0	7.2	7.2	7.2	7.2	7.2
Velocity (GDP/M2)	3.2	2.5	2.5	2.7	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Money Multiplier (M2/M0)	4.2	2.6	2.8	3.5	3.0	3.1	3.1	3.1	3.2	3.2	3.2
Currency outside banks / M2	14.9	25.0	25.4	22.0	24.9	24.9	24.9	24.9	24.9	24.9	24.9

Sources: BCEAO; and Fund staff estimates and projections.

Table 6. Mali: Financial Soundness Indicators for the Banking Sector, 2019–24

	2019		2020		2021		2022		2023		2024
	June	Dec.	June	Dec.	June	Dec.	June	Dec.	June	Dec	June
Solvency ratios[1]											
Regulatory capital to risk weighted assets	13.5	13.9	13.6	13.5	14.0	13.6	13.0	14.1	13.4	15.1	15.2
Tier I capital to risk-weighted assets	12.6	13.0	12.8	12.6	13.0	13.2	12.3	13.4	12.8	14.0	14.3
Provisions to risk-weighted assets	4.8	5.1	5.1	5.6	5.1	5.0	4.8	5.1	6.0	5.5	5.7
Capital to total assets	9.0	8.9	8.6	8.0	8.8	8.4	8.8	8.4	8.3	9.8	9.9
Composition and quality of assets											
Total loans to total assets	55.8	54.9	52.2	50.4	49.8	50.6	53.8	52.3	51.4	52.0	52.3
Concentration: loans to 5 largest borrowers to capital[2]	82.3	91.2	91.0	94.3	101.5	96.7	90.9	82.8	81.7	73.2	79.8
Sectoral distribution of loans											
Agriculture	3.0	3.2	4.0	3.0	2.5	5.8	6.9	6.1	5.8	5.5	6.0
Extractive industries	2.5	2.3	2.5	2.4	2.1	2.8	3.1	3.7	3.1	3.7	4.7
Manufacturing	14.8	15.4	13.0	11.3	10.5	11.8	11.3	10.4	10.4	11.5	10.5
Electricity, water and gas	6.7	5.2	2.2	2.0	1.8	2.1	2.0	2.6	3.8	4.9	6.8
Construction	7.4	7.0	8.7	9.6	8.4	9.3	9.1	9.1	8.5	7.2	6.9
Retail and wholesale trade, restaurants and hotels	39.8	39.8	43.5	44.7	45.3	42.7	43.1	42.9	46.0	42.7	42.3
Transportation and communication	12.3	11.5	11.8	12.2	13.3	10.8	9.8	9.5	7.8	9.7	8.5
Insurance, real estate and services	8.3	9.2	9.7	10.3	11.6	11.4	11.1	8.8	8.6	9.4	9.6
Other services	5.1	6.4	4.5	4.5	4.5	3.5	3.7	7.0	6.0	5.4	4.6
Gross NPLs to total loans	11.8	10.4	10.2	10.0	9.5	9.8	10.3	9.5	13.0	11.8	11.8
Provisioning rate	46.7	53.5	57.5	61.6	63.2	59.0	55.7	58.2	51.6	54.2	56.2
Net NPLs to total loans	6.6	5.1	4.6	4.1	3.7	4.3	4.8	4.2	6.7	5.8	5.5
Net NPLs to capital	41.0	31.7	27.9	25.8	21.0	25.6	29.5	26.0	41.8	30.4	29.2
Earnings and profitability											
Average cost of borrowed funds	...	0.3	...	0.6	...	1.8	...	1.9	...	2..4	...
Average interest rate on loans	...	7.1	...	7.4	...	6.8	...	7.3	...	8.1	...
Average interest margin[3]	...	6.8	...	6.8	...	5.0	...	5.6	...	5.7	...
After-tax return on average assets (ROA)	...	1.1	...	1.1	...	1.3	...	1.5	...	1.2	...
After-tax return on average equity (ROE)	...	11.0	...	12.1	...	14.6	...	15.8	...	12.0	...
Noninterest expenses/net banking income	...	60.5	...	57.6	...	55.3	...	55.4	...	53.1	...
Salaries and wages/net banking income	...	27.0	...	28.6	...	26.8	...	25.9	...	26.9	...
Liquidity											
Liquid assets to total assets	33.4	32.8	30.8	28.1	28.1	27.5	30.3	31.6	30.5	30.0	27.9
Liquid assets to total deposits	54.9	53.6	49.8	44.1	41.9	40.3	44.7	51.1	49.8	49.3	48.0
Total loans to total deposits	97.1	95.0	89.9	84.4	79.0	79.0	84.1	89.7	89.9	91.5	96.3
Total deposits to total liabilities	60.8	61.2	61.8	63.6	67.1	68.1	67.8	61.7	61.2	60.8	58.2
Sight deposits to total liabilities[4]	35.4	36.0	36.5	37.0	38.9	38.8	38.6	37.3	36.9	35.7	33.7
Term deposits to total liabilities	25.4	25.2	25.2	26.7	28.1	29.3	29.2	24.4	24.4	25.1	24.5

Source: BCEAO.

[1] Reporting in accordance with Basel II/III prudential standards and the new banking chart of account started in 2018.

[2] Indicators do not account for the additional provisions required by the WAEMU Banking Commission.

[3] Excluding tax on bank operations.

[4] Including saving accounts.

Table 7. Mali: External Financing Requirements, 2020–30
(CFAF billions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					Est.	Projections					
Financing need	**346**	**1105**	**992**	**1047**	**-65**	**468**	**231**	**387**	**401**	**594**	**842**
Current account balance (excl. official transfers)[1]	559	1129	1243	1247	860	766	276	416	411	605	857
Private capital and financial flows	-302	-127	-378	-289	-1015	-521	-284	-285	-286	-306	-331
Amortization of public loans (excl. IMF)	88	103	127	89	90	223	239	257	275	295	316
Financing	**346**	**1105**	**991**	**1047**	**-65**	**468**	**231**	**387**	**401**	**594**	**842**
Official loans	140	113	56	79	15	206	277	342	393	424	434
Project loans	76	95	56	79	15	206	277	308	329	346	351
Budgetary loans	64	18	0	0	0	0	0	34	64	78	83
Official transfers	471	394	353	304	43	106	114	178	274	377	439
Project grants	78	49	39	41	20	81	87	116	172	268	316
Budget grants	49	18	0	0	0	0	0	34	73	78	83
Other[2]	344	327	314	263	23	25	27	28	29	32	40
Portfolio investment public, net	186	397	123	109	30	82	174	186	206	253	292
NFA central bank	-451	58	459	555	-152	74	-334	-319	-471	-460	-324
IMF transactions[3]	123	19	-12	-21	-30	30	-62	-60	-50	-39	-30
SDR Allocation		142									
Financing gap in absence of RCF	**0**	**0**	**0**	**0**	**0**	**77**	**0**	**0**	**0**	**0**	**0**

Sources: Malian authorities; IMF staff estimates and projections

[1] The current account balance for outturn years subtracts the errors and omissions line

[2] Includes MINUSMA financing until 2023 and debt forgiveness

[3] Includes the proposed RCF financing.

Table 8. Mali: Indicative and Quantitative Targets for the SMP
(in CFAF billions)

	September 2025
Indicative targets	
Floor on net tax revenue excluding exceptional mining payments [1]	1521
Floor on priority social and development spending[2]	400
Ceiling on net accumulation of government domestic payment arrears[3]	0
Quantitative target	
Ceiling on net primary fiscal deficit[4]	225
Continuous quantitative target	
Ceiling on net accumulation of government arrears on external debt obligations[5]	0
	December 2025
Indicative targets	
Floor on priority social and development spending[2]	671
Ceiling on net accumulation of government domestic payment arrears[3]	0
Quantitative targets	
Ceiling on net primary fiscal deficit[4]	300
Floor on net tax revenue excluding exceptional mining payments [1]	2077
Continuous quantitative target	
Ceiling on net accumulation of government arrears on external debt obligations[5]	0

Source: Malian authorities, IMF staff projections

[1] The floor for net tax revenues, excluding exceptional mining payments, is given by total tax revenues less any payments received from mining companies following the implementation of previous tax protocols. The floor on net tax revenues will be adjusted downward (upward) to the extent that tax refunds exceed (fall short of) the projected amount. Based on IMF staff forecasts for tax revenues, exceptional mining revenues and nominal GDP (not rebased), tax revenues excluding exceptional mining payments of CFAF 2,077 billion in 2025 would be equivalent to 14.1 percent of GDP.

[2] Priority social spending is defined as the sum of expenditure in the sectors of basic education, secondary and higher education, scientific research, health, and social development other than transfers to the Malian Social Security Fund. It includes priority development spending, such as on roads, but excludes project-related capital expenditure financed by foreign technical and financial partners. Based on IMF staff forecasts for priority social and development spending and nominal GDP (not rebased), priority social and development spending of CFAF 671 billion in 2025 would be equivalent to 4.6 percent of GDP.

[3] Domestic arrears correspond to payments that have been overdue for more than 90 days to private sector suppliers. For new domestic arrears, the indicative target for September 2025 and December 2025 is to achieve a net accumulation of zero, without exceeding the level recorded at the end of 2024 (CFAF 283 billion).

[4] In-year estimates of the primary fiscal deficit are volatile due to seasonality and data inconsistencies. Deficit estimates for 2025 Q3 will therefore be preliminary. Based on IMF staff forecasts for the fiscal deficit, interest payments and nominal GDP (not rebased), a net primary deficit of CFAF 300 billion in 2025 would be equivalent to 2 percent of GDP.

[5] Notwithstanding the quantitative performance criterion on the net accumulation of external debt obligations, the government is negotiating in good faith with external creditors and will abide by all relevant policies governing IMF financing, including the non-toleration policy on external arrears. For external arrears, the continuous quantitative target is that the level does not exceed that observed in February 2025 (CFAF 103.5 billion).

Table 9. Mali: List of Structural Benchmarks Under the SMP		
Proposed Measures	**Test dates**	**Objective**
Structural Benchmarks		
The committee overseeing the digitalization of tax payments in tax administration should set and meet a target to increase the share of receipts received via electronic payments to 40 percent by end-2025, compared with 30 percent in 2024.	End-December 2025	Improve revenue mobilization
Prepare and publish quarterly reports on usage of RCF disbursements in line with the authorities' commitment that spending should be consistent with the plans set out in the LOI within two months after reporting period. *	End-September 2025 End-December 2025	Enhance good governance and transparency
Publish procurement contracts, supplier selection processes and beneficial ownership for contracts related to RCF spending (within two months of contracts being awarded). **	End-September 2025 End-December 2025	Promote good fiscal governance
Undertake a new census of public sector bank accounts through official request to the Treasury and share report with staff.	End-September 2025	Promote good fiscal governance
Share the Treasury's action plan to implement the recommendations from the new census of public sector bank accounts with staff, including focus on dormant and inactive accounts.	End-December 2025	Promote good fiscal governance and enhance fiscal transparency
Sign a directive ("instruction") by the Minister of Economy and Finance to start the exchange of data between the General Directorate of the Treasury and Public Accounting (DGTCP), the General Directorate of Customs (DGD) and the General Directorate of Taxes (DGI), relating to liquidations, issuance and collection of tax liabilities.	End-December 2025	Promote good fiscal governance and performance management

* The quarterly reports on Q2, Q3 and Q4 2025 usage of RCF disbursements will need to be published respectively by end-August 2025, end-November 2025 and end-February 2026.
** The structural benchmark (SB) on publishing procurement contracts within two months of contracts being awarded is a continuous SB, meaning that it must be consistently implemented and monitored throughout the entire program.

Table 10. Mali: Indicators of Capacity to Repay the Fund, 2025–2035

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Fund obligations based on existing credit											
Principal (SDR millions)	54.8	72.4	70.7	58.0	45.3	24.7	4.0	0.0	0.0	0.0	0.0
Charges and interest (SDR millions)	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Fund obligations based on existing and prospective credit[2]											
Principal (SDR millions)	54.8	72.4	70.7	58.0	45.3	34.0	22.7	18.7	18.7	18.7	9.3
Charges and interest (SDR millions)	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Total obligations based on existing and prospective credit											
In millions of SDRs	56.6	74.2	72.5	59.8	47.2	35.9	24.5	20.5	20.5	20.5	11.2
In billions of CFA francs	45.5	61.5	60.3	49.9	39.4	30.0	20.5	17.2	17.2	17.2	9.4
In percent of government revenue	1.4	1.8	1.6	1.3	0.9	0.7	0.4	0.3	0.3	0.3	0.1
In percent of exports of goods and services	1.0	1.2	1.2	0.9	0.7	0.5	0.3	0.3	0.3	0.2	0.1
In percent of debt service	10.3	11.7	9.9	7.2	5.4	4.0	2.5	2.0	1.8	1.7	0.9
In percent of GDP	0.3	0.4	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.0
In percent of quota	30.3	39.8	38.9	32.1	25.3	19.2	13.1	11.0	11.0	11.0	6.0
Outstanding Fund credit[1]											
In millions of SDRs	368.3	295.9	225.3	167.3	122.0	88.0	65.3	46.7	28.0	9.3	0.0
In billions of CFA francs	296.4	245.2	187.3	139.4	101.8	73.5	54.7	39.0	23.4	7.8	0.0
In percent of government revenue	8.8	7.2	5.1	3.5	2.4	1.6	1.1	0.7	0.4	0.1	0.0
In percent of exports of goods and services	6.5	4.9	3.6	2.5	1.8	1.2	0.9	0.6	0.4	0.1	0.0
In percent of debt service	67.3	46.6	30.6	20.1	14.1	9.7	6.8	4.5	2.5	0.8	0.0
In percent of GDP	2.0	1.6	1.1	0.8	0.5	0.4	0.2	0.2	0.1	0.0	0.0
In percent of quota[3]	197.4	158.6	120.7	89.7	65.4	47.1	35.0	25.0	15.0	5.0	0.0
Disbursements and Repurchases	38.5	-72.4	-70.7	-58.0	-45.3	-34.0	-22.7	-18.7	-18.7	-18.7	-9.3
Disbursements (SDR millions)	93.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and Repurchases (SDR millions)	54.8	72.4	70.7	58.0	45.3	34.0	22.7	18.7	18.7	18.7	9.3
Memorandum items:											
Nominal GDP	14,739	15,801	16,939	18,159	19,467	20,869	22,372	23,983	25,710	27,562	29,547
Exports of goods and services	4,546	5,009	5,200	5,573	5,786	5,919	6,150	6,391	6,643	6,907	7,183
Government revenue	3,351	3,426	3,674	3,941	4,255	4,582	4,936	5,319	5,732	6,178	6,650
Debt service	441	526	612	694	724	754	808	867	929	996	1,068
Quota (SDR millions)	186.6	186.6	186.6	186.6	186.6	186.6	186.6	186.6	186.6	186.6	186.6

Sources: IMF staff estimates and projections (as of March 13, 2025)

[1] Total debt service includes IMF repurchases and repayments.

[2] Includes future disbursements proposed in Table 7.

[3] Using the new quota under the 14th General Review of Quotas (SDR 186.6 million).

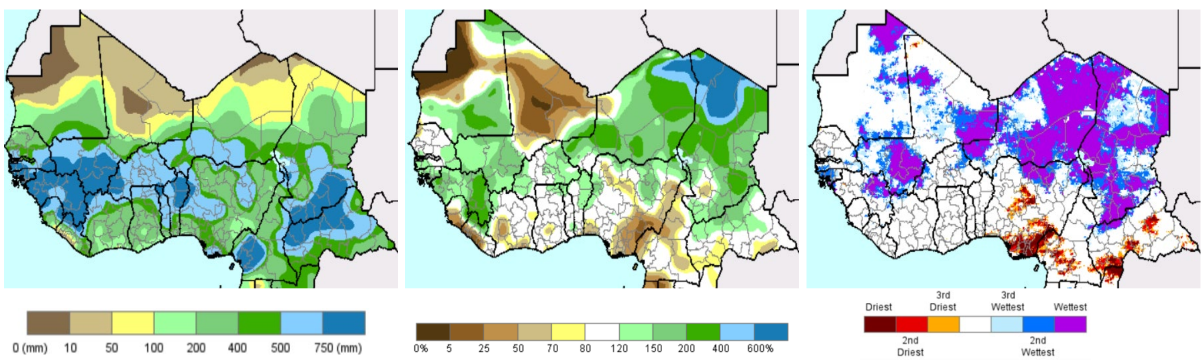
Annex I. Key Aspects of the 2024 Flooding

This annex describes the impact from the July-November 2024 floodings in Mali.

1. Between July and November 2024, Mali experienced exceptional rainfall, with large areas receiving 2-4 times the normal levels over three months. This marked the heaviest rainfall since 1981. This came after an exceptional heatwave and drought earlier in the year, which left the soil highly prone to flooding. In the northern region of Gao, historically heavy rainfall and flooding continued even in January 2025.

Annex I. Figure 1. Mali and West Africa: 3-Month Precipitation Pattern
(July 16 – October 15, 2024)

A. Precipitation | B. Percent of Normal Precipitation | C. Precipitation Rank Since 1981



Source: USDA Foreign Agriculture Service, International Product Assessment Division, NOAA Climate Prediction Center, UCSB Climate Hazards Center; IMF staff calculations Figure A depicts cumulative precipitation over the three-month period between mid-July and mid-October (the peak of the rainy season), with dark blue as most heavy rainfall. Figure B depicts the precipitation as a percentage of normal annual rainfall, with green and blue shades showing rainfall exceeding annual averages. Figure C shows the ranking of last year's rainfall in a historical context with purple shades showing the wettest season since the start of the observations since 1981.

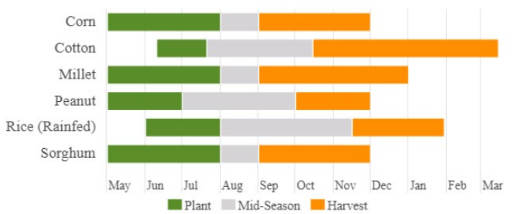
2. The exceptional rainfall triggered widespread flooding, severely disrupting agricultural activity. Below-average rainfall between May and June constrained planting operations and crop establishment in southern Mali, reducing yields. Heavy rains between July and *October further* disrupted mid-season agricultural activities, causing widespread flooding and significant crop losses in several areas, especially in rice. According to *FAO's latest household survey* (Mali – Data in Emergencies Monitoring Brief, November 2024) held in October 2024, nearly 70 percent of respondents involved in farming faced production problems due to the flooding, while one-third reported reduced harvests and around 20 percent cited losses due to storage damage. Almost all farming households reported the need for support within three to six months. Overall, 11 percent of cropland was flooded in October, resulting in the loss of over around 650,000 tons of cereals and substantial livestock losses.

3. The floods also severely damaged public and private infrastructure, including roads, health and education facilities, and housing. The flooding destroyed nearly 566,000 houses and 3,000 grain storage buildings. As of early November, when the school year eventually started following a one-month delay, 570 schools had been affected (either flooded or (at risk of) collapse) and between 20 and 120 schools remained occupied by displaced flood victims, especially in the

Mopti region. WASH infrastructure also saw severe damage, with nearly 15,000 water wells impacted, 40,000 sanitation units (toilets) and 35 health centers destroyed. Significant parts of the road network have been damaged, and several major bridges collapsed.

Annex I. Table 1. Mali: Impact of 2024 Floodings on Agriculture

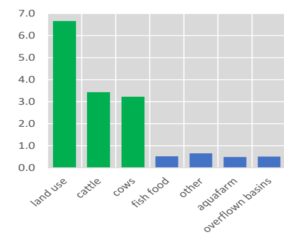
Crop Calendar



Inundated Cropland by Region (Oct 2024)

Admin 1	Cropland flooded (ha)	% of total
Mopti	302,283	30.9
Ségou	277,992	17.7
Sikasso	153,860	7
Koulikoro	93,179	4.9
Gao	22,074	42.2
Tombouctou	15,459	39.6
Kayes	12,192	1
Menaka	457	9.9
Bamako	201	12.7
Kidal	0	0

Livestock and Fishery Losses (mil$)

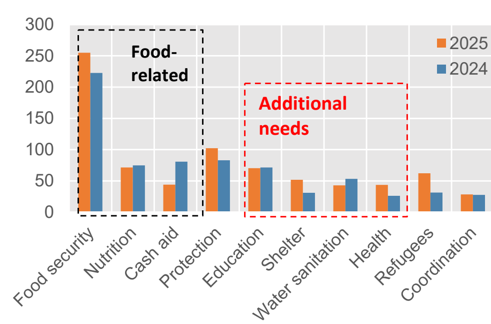


Source: USDA Foreign Agriculture Service, International Product Assessment Division, FAO Flood Maps, Malian Authorities; IMF staff calculations

4. The flooding led to significant disruptions to the food supply and transportation networks, thereby worsening food insecurity, health risks, and displacement of people. According to the government's stock-take in November, around 465,000 people (2 percent of Mali's population) have been impacted by the flooding. Looking ahead, the destruction of croplands and lower harvests will contribute to an increase in food insecurity and malnutrition in 2025. Health risks, especially malaria and dengue, and outbreaks of epidemics will also multiply, due to the presence of water puddles in the aftermath of the flooding and the rise in river water levels. In addition, the destruction of health centers and the central warehouse of a large pharmacy company have created shortages of medicines, including those to treat these health risks. The loss of income and shelter likely increased internal displacements from the flooding by at least 50,000 in 2024 (with total IDPs estimated to rise by nearly 75,000 to a record 428,000), creating additional rehabilitation needs.

5. Overall humanitarian needs are huge. According to UN-OCHA, the humanitarian needs were budgeted at US$702 million for 2024 (before the flooding) and increased to US$757 million for 2025 (after the flooding). The breakdown for 2025 shows that food-related needs remain the largest, but the increase in funding needs is directed more towards non-food clusters (education, shelter, and WASH), rising by 15 percent in 2025. Similarly, the (more targeted) IOM budget for IDPs is set to increase for 2025 from US$31.5 million to US$35.5 million.

Annex I. Figure 2. Mali: UNOCHA Humanitarian Needs for 2025
(in million USD)



Source: UN Office for the Coordination of Humanitarian Affairs https://humanitarianaction.info/plan/1194

Annex I. Table 2. Mali: Impact of 2024 Floodings and BOP Impact

Exposures	Loss estimate US$ millions	Loss estimate percent of GDP	BOP Impact US$ millions	BOP Impact percent of GDP
Agriculture	44	0.2	44	0.2
Buildings	438	1.9	146	0.6
Education & Health	18	0.1	14	0.1
Transportation	285	1.2	71	0.3
Population	82	0.3	41	0.2
Total	**867**	**3.7**	**316**	**1.3**

Source: IMF Staff Calculations, based on World Bank's Mali Disaster Risk Profile (2015).

Notes: The model assumes damage from river flooding and excludes urban/surface flooding. Computations take the difference between the modeled impact of 1-in-50 year and annual average loss for respective exposures and update the nominal values from 2015 with 2024 data. BOP impact is inferred from estimated import needs, with discretionary adjustment for buildings, and population and transportation (to narrow the original loss estimate to one-third and one-half of the disaster model, respectively, using known damage and people affected in the 2024 flooding). The cost of affected population is imputed from a $165 per-person cost of UN-OCHA humanitarian aid for 2025. The transportation infrastructure (roads, bridges, and rail) repair cost is proxied by the amount of road damage, using a cost of $300,000 per kilometer, which is on the low side for African countries according to a CGD study. For education and health, a cost of $15,000 per building is used, based on several NGO reports.

6. **The 2024 flooding damage is estimated to be about US$867 million, resulting in a potential $316 million BOP financing need (1.3 percent of GDP).** This calculation is based on the World Bank's disaster risk profile for Mali, which provides estimates for several natural hazards (floods, droughts, and landslides), exposures (or 'assets') and risk profiles (ranging from annual to one-in-fifty years). The risk profile provides the estimated impact of disasters on population, building stock, transport networks, critical facilities, and agriculture. It estimates the cost to repair and/or replace assets damaged or destroyed in a disaster, but excludes other losses, such as business interruption due to disrupted infrastructure. This cost to repair and replace assets is then translated into BOP needs as it reflects the need for imports of goods and services (including import of foodstuffs, replacement livestock, fertilizers, machinery and equipment, construction materials, and transportation services). Altogether, this one-in-fifty-year flooding event in Mali produces a loss of about 3.7 percent of GDP and 1.3 percent BOP financing needs. The highest loss impact is for buildings (1.9 percent of GDP, 0.6 percent BOP needs) and transportation infrastructure (1.2 percent of GDP and 0.3 percent BOP needs). Damage to agriculture is estimated around 0.2 percent of GDP from loss of crops and livestock, and rehabilitation of displaced population (assuming 500,000 affected people) yield a cost of 0.34 percent of GDP and half, or 0.17 percent BOP financing needs.

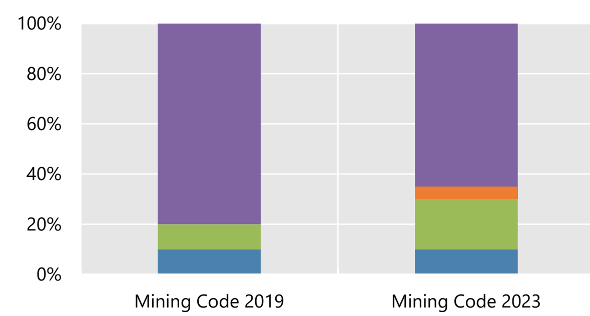
Annex II. Recent Reforms Affecting the Mining Sector in Mali

Mali's economy is heavily reliant on mining production, which represents around 10 percent of total output, over 80 percent of exports and 25 percent of fiscal revenues. Most mining output is exported, so the sector is also an important determinant of Mali's external position. Following a recent audit, the authorities revised the mining code that governs mining contracts in Mali. The revised code is expected to lead to higher fiscal revenues overall, but some external businesses may reduce investment over time, either because of lower expected returns or because of heightened uncertainty around the future implementation of the revised code.

1. **The mining sector is an important part of the Malian economy.** Mining production represents around 10 percent of total output and over 80 percent of exports. The mining sector also provides around 25 percent of fiscal revenues. Most output is produced by foreign-owned companies. Gold mines represent the vast majority of current mining activity in Mali, although one lithium mine began production in late 2024 and a second is due to become operational in 2025. Mali is also known to have deposits of other minerals including manganese. Mali's mining sector is predominantly focused on extraction, with refining typically taking place elsewhere. A significant share of Mali's extraction is also known to take place in unofficial artisanal mines.[1] It is challenging to gather reliable estimates of output in the artisanal mining sector, but staff assumes that it is around one-tenth of total production. As far as the official mining sector is concerned, Mali stands out for transparency as it publishes real-time updates to the mining cadastral portal and public accessibility of comprehensive information on property rights is mostly fulfilled.[2]

Annex II. Figure 1. Mali: State Involvement in Mining Production

(Percent)



Mining companies; Private sector contributory; Public sector contributory; Public sector non-contributory

Source: Malian authorities.

2. **The authorities commissioned an audit of the mining sector in 2022 and on the basis of those findings announced the implementation of a revised mining code in 2023.** The internal 2022 audit reported a shortfall in mining revenues for the state of between CFAF 300 billion and 600 billion, equivalent to between US$0.5 and US$1 billion, or between 2.2 and 4.3 percent of GDP. The revised 2023 mining code was officially adopted in August 2024, replacing the previous legislation set out in 2019. From mid-2024 the revised code was applied to all new mines, as well as

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[1] See the Swissaid study 'On the Trail of African Gold', from May 2024.

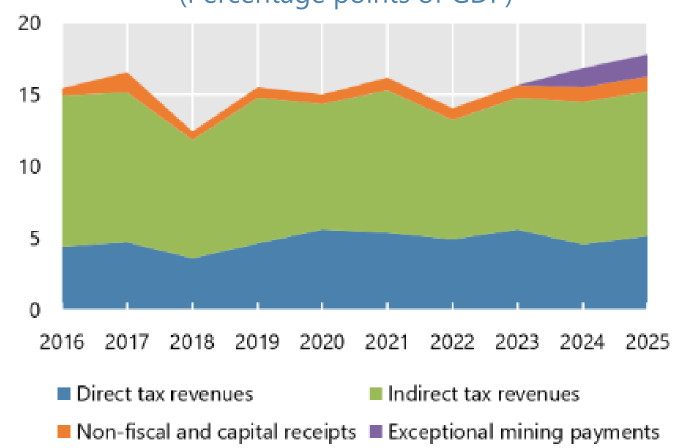
[2] See EITI International Secretariat, "Targeted assessment of Mali", from July 2024. Additionally, the EITI has published a list of 158 contracts between the government of Mali and mining companies on its website, which is up to date to at least 2022.

those mines where the permits are due for renewal. The authorities' own estimates suggested that the new code could generate additional fiscal revenues of more than CFAF 500 billion per year.

3. **The 2023 mining code allows the government and local residents to take a larger stake in mining projects than under the previous legislation.** The authorities will have a non-contributory 10 percent stake in all mining projects under the new code, with the option to purchase an additional 20 percent stake within the first two years of commercial production. Local residents will also be able to purchase an additional 5 percent stake. State and private Malian interests in new projects can therefore be up to 35 percent, higher than the 20 percent share stipulated under the previous 2019 code. Under this system, the public and private sector receives dividend payments, although in some cases this can create risks including weaker governance. It could also result in less transparency than under alternative tax systems such as a resource rent tax or combination of a flat ad valorem tax and a progressive mining profit tax. Some tax exemptions have also been abolished under the 2023 code, while the code also includes more stringent environmental standards, as well as requiring companies to contribute towards local development programs, build infrastructure in impacted areas and prioritize the use of local resources and labor where possible.

4. **Fiscal revenues have been supported by exceptional payments in 2024 and 2025.** Since the 2023 mining code was adopted, the authorities have requested that a number of mining companies make exceptional payments in relation to past taxes. Mining companies paid CFAF 185 billion of additional tax revenues in 2024 and a further CFAF 225 billion is expected in 2025, with reports on February 19 suggesting that the authorities were close to reaching an agreement with one company. In that case total payments would be equivalent to almost US$650 million, or 3 percent of GDP.

Annex II. Figure 2. Mali: Budgetary Revenues Including Mining Payments
(Percentage points of GDP)



Source: Malian authorities and IMF staff calculations.

5. **Staff projects strong receipts from the mining sector over the medium term, reflecting both the elevated gold price and higher fiscal returns from the sector as more contracts fall under the 2023 mining code.** While exceptional payments from mining companies are expected to boost fiscal revenues temporarily in 2024 and 2025, the fiscal projections reflect the increasing state involvement in the mining sector as more mines are transferred to the 2023 mining code. The implementation of the 2023 mining code explains around half of the increase in fiscal revenues as a share of GDP over the medium term, with the other half explained by other revenue-mobilization measures. Staff projections also incorporate expected increases in lithium production over time. All forecasts are highly sensitive to developments in raw minerals prices.

6. The 2023 mining code could create a downside risk for future receipts if non-Malian firms reduce their investment in Mali. While the authorities reached settlements over past taxes with a number of mining companies in 2024 and 2025, businesses may be deterred from investing in Mali if they perceive uncertainty around the implementation of the 2023 mining code. One large mining company—responsible for around a third of Mali's gold mining output—temporarily suspended operations in early 2025 when the authorities' placed restrictions on its gold exports and transferred its existing gold stock to a custodian bank. More broadly, adopting a revised mining code could also create uncertainty around the possibility of further revisions in future. Mining codes in Mali have typically been revised every seven years or more,[3] but the 2023 code came four years after the adoption of the previous code. Transparency around Mali's mining sector compares favorably with other countries in the region, but greater clarity around the future implementation of the 2023 code would help to build confidence among domestic and foreign investors.

[3] Previous mining codes were agreed in 1991, 1999, 2012 and 2019.

Annex III. Timeline of Key Political Developments, 2023–25

This annex gives an overview of major political developments between June 2023 and February 2025. For an overview of events in 2022-23, see the 2023 Article IV staff report.

2023	
June 18	A constitutional referendum initially scheduled for March 19 was held on June 18, 2023. The referendum was a critical part of the transitional calendar, as it was intended to pave the way for the presidential election in February 2024. The Constitutional Court certified the results on July 22 and declared the new constitution to be in force.
June 30	The UN Security Council has voted unanimously to end its decade-long peacekeeping mission in Mali in June, as demanded by the Malian authorities.
September 16	Mali, Burkina Faso and Niger have signed a mutual defense agreement, the *Alliance des États du Sahel* (AES, to tackle domestic armed rebellions and external aggression.
September 25	The government has announced that it will delay the presidential polls due in February 2024 "for technical reasons."
November 14	Mali's transitional government announced that the Malian armed forces seized the city of Kidal, a stronghold of Northern separatist groups, allowing the government to regain control over northern Mali.
December 31	The UN Multidimensional Integrated Stabilization Mission in Mali (MINUSMA) officially withdrew all its forces in December 2023, ending more than ten years of military engagement in the country.
2024	
January 25	Malian authorities announced the cancellation of the 2015 Algiers Accords, a peace deal signed between the former Malian government and a coalition of armed rebel and separatist groups in northern Mali.
January 28	Mali, Burkina Faso and Niger announced their immediate withdrawal from the Economic Community of West African States (ECOWAS).
March 26	Expiration of the 24-month political transition period, following the law from February 25, 2022 for the return to a constitutional order and transition of power to an elected government.
April 2	More than 80 political parties and civil society organizations demand presidential elections to be held as soon as possible and call for the transition to end.
April 10	The government suspends political party activities until further notice "for reasons of public order."
April 11	The government bans the media from reporting on activities of political parties and associations.
April 13-15 April 20-22	Communal and regional phases of the "inter-Malian dialogue for peace and national reconciliation" kicked off. Participants can express their views on five themes: (i) peace, national reconciliation, and social cohesion; (ii) political and institutional questions; (iii) the economy and sustainable development; (iv) security and national defense issues; and (v) geopolitics and the international environment.
April 25	The supreme court declares itself unable to examine a claim from the judicial branch to cancel the government's decision to suspend political parties and rejects a claim to declare an "institutional vacuum" and establish a new roadmap towards elections.
May 6-10	The national level of Mali's "inter-Malian dialogue for peace and national reconciliation" took place. Recommendations were made to extend the transition between 2 and 5 years and thus delay elections, possibly up to 2027.
July 10	The government lifted the suspension on activities by political parties and association that it imposed in April.

2024	
September 17	A series of attacks occurred across multiple locations in Bamako, resulting in over 77 deaths and 255 injuries. The Al-Qaeda-affiliated group Jama'at Nusrat al-Islam Muslimin (JNIM) claimed responsibility on the attacks.
November 21	The government was dissolved, and Prime Minister Choguel Maïga was dismissed after criticizing the military leadership. Abdoulaye Maïga, the former minister of territorial administration and decentralization, was appointed as the new Prime Minister.
November 28	New prime minister revealed top priorities of his cabinet: (i) security, (ii) legal, political and institutional reforms, (iii) basic needs of the population, (iv) sanitation and social safety nets, (v) education and employment, (vi) social stability, (vii) diplomacy, and (viii) making progress toward elections.
December 2	New prime minister met with the independent authority for the organization of elections (AIGE) to take stock of efforts made thus far, following an earlier call by president Goïta to create the necessary conditions for transparent and peaceful elections that bring an end to the transition.
December 16	Ecowas took note of the decision by Burkina Faso, Mali and Niger to withdraw from the bloc, effective January 2025, but gave them until July 2025 to reconsider.
2025	
January 21	Burkina Faso, Mali and Niger created a joint force to fight jihadist terrorists.
January 29	Official withdrawal of Burkina Faso, Mali and Niger from Ecowas, but free exchange of goods, services, and people maintained until further notice.
February 11	The minister for reconciliation, peace and national cohesion launched a program of disarmament, demobilization and reinsertion of ex-combatants in society.

Annex IV. Risk Assessment Matrix

Source of Risk	Relative Likelihood	Expected Impact if Realized / Time Horizon	Policies to Mitigate Risks
Global Risks / Conjunctural Shocks			
Trade policy and investment shocks. Higher trade barriers or sanctions reduce external trade, disrupt FDI and supply chains, and trigger further U.S. dollar appreciation, tighter financial conditions, and higher inflation.	**High**	**High** Reduced trade and investment flows may weaken Mali's external position, slow economic activity, and put pressure on inflation and fiscal accounts. Tighter financial conditions could further limit access to external financing.	• Diversify trade and investment partners. • Strengthen domestic value chains. • Build fiscal buffers to absorb shocks.
Sovereign debt distress. Higher interest rates, stronger U.S. dollar, and shrinking development aid amplified by sovereign-bank feedback result in capital outflows, rising risk premia, loss of market access, abrupt expenditure cuts, and lower growth in highly indebted countries.	**High**	**High** A spike in risk premia could lead to sovereign debt distress as the DSA already points to limited space to absorb shocks.	• Create fiscal buffers to absorb risk premia shocks
Tighter financial conditions and systemic instability. Higher-for-longer interest rates and term premia amid looser financial regulation, rising investments in cryptocurrencies, and higher trade barriers trigger asset repricing, market dislocations, weak bank and NBFI distress, and further U.S. dollar appreciation, which widens global imbalances, worsens debt affordability, and increases capital outflow from EMDEs.	**Medium**	**High** Higher-for-longer rates in response to inflation could reinforce a wage-price spiral, especially in the public sector. Higher-for-longer could also put downward pressure on gold prices and export revenues. Cotton prices may also fall in response to the global recession.	• Create fiscal space for priority spending through revenue mobilization and gradual cuts in non-targeted subsidies, while protecting growth-enhancing capital spending as much as possible • Avoid real increases in the public sector wage bill • Longer term, diversify economy away from mining and the narrow agricultural base
Regional conflicts. Intensification of conflicts (e.g., in the Middle East, Ukraine, Sahel, and East Africa) or terrorism disrupt trade in energy and food, tourism, supply chains, remittances, FDI and financial flows, payment systems, and increase refugee flows.	**Medium**	**Medium** Further sanctions on Russia/Belorussia could cause supply shortages for fertilizer but have less of an impact on agricultural imports. Higher commodity prices could raise consumer price inflation.	• Create fiscal space to scale up social spending, especially toward the most vulnerable • Bolster trade links with alternative suppliers • Raise domestic food supply and request aid from international partners for food/energy needs
Commodity price volatility. Supply and demand volatility (due to conflicts, trade restrictions, OPEC+ decisions, AE energy policies, or green transition) increases commodity price volatility, external and fiscal pressures, social discontent, and economic instability.	**Medium**	**High** The effect will depend on the size and direction of changes in commodity prices. Higher food and energy prices could cause social and economic tensions by raising Mali's food and energy imports bill. Lower gold prices could negatively affect exports and fiscal revenues.	• Create fiscal space to scale up social spending • Raise domestic food supply and request aid from international partners for food/energy needs • Enhance resilience against commodity price shocks by updating revenue projections in multi-year fiscal framework

Source of Risk	Relative Likelihood	Expected Impact if Realized / Time Horizon	Policies to Mitigate Risks
Global growth acceleration. Easing of conflicts, positive supply-side surprises (e.g., oil production shocks), productivity gains from AI, or structural reforms raise global demand and trade.	Low	**Medium** Higher global demand could boost gold and cotton exports, improve fiscal revenues, and increase remittances. Stronger investor sentiment may support capital inflows.	• Maintain sound macroeconomic policies. • Enhance export competitiveness. • Channel capital inflows into productive sectors.
Global Structural Risks			
Deepening geoeconomic fragmentation. Persistent conflicts, inward-oriented policies, protectionism, weaker international cooperation, labor mobility curbs, and fracturing technological and payments systems lead to higher input costs, hinder green transition, and lower trade and potential growth.	High	**Medium** Weaker international cooperation and rising protectionism could limit market access, disrupt supply chains, and reduce development aid, increasing economic uncertainty.	• Promote domestic industries to reduce import dependence. • Maintain engagement with development partners.
Cyberthreats. Cyberattacks on physical or digital infrastructure (including digital currency and crypto assets), technical failures, or misuse of AI technologies trigger financial and economic instability.	High	**High** Cyberattacks could disrupt financial transactions, weaken public institutions, and reduce trust in digital infrastructure, affecting investment and economic stability.	• Strengthen cybersecurity frameworks. • Improve digital resilience and risk monitoring. • Enhance public-private cooperation in cyber defense.
Climate change. Extreme climate events driven by rising temperatures cause loss of life, damage to infrastructure, food insecurity, supply disruptions, lower growth, and financial instability.	Medium	**Medium** Extreme drought or rainfall could adversely affect food production and livelihoods, particularly given that a large share of Mali's agriculture is for self-sustenance.	• Build resilience to climate change in agriculture • Longer term, broaden the economic base and expand non-agricultural activities • Enhance post-disaster response
Social discontent. Real income loss, spillovers from conflicts, dissatisfaction with migration, and worsening inequality ignite social unrest, populism, polarization, and resistance to reforms or suboptimal policies. This weakens growth and leads to policy uncertainty and market repricing.	Medium	**High** Social discontent may rise if the cost of living escalates further, in an environment of large food insecurity and heightened violence. Postponement of the presidential election will delay the return of IFI budget support.	• Address food insecurity and the cost-of-living crisis • Restore national unity to stem regional conflict • Collaborate with international and regional security partners • Agree on election timetable to see resumption of IFI budget support
Domestic/Regional Risks			
Significant deterioration of security situation. An increase in terrorist attacks across the country and a rise in the internally displaced population.	High	**High** A deterioration in the security situation could lead to a rise in military spending, crowding out other developmental priorities. Internal refugee flows would put emergency aid procedures under strain.	• Restore collaboration with international and regional security forces and aid organizations

Source of Risk	Relative Likelihood	Expected Impact if Realized / Time Horizon	Policies to Mitigate Risks
Energy crisis and power outages. Inadequate energy infrastructure, coupled with increasing demand and external supply challenges, has led to frequent and prolonged power outages. These disruptions hinder economic productivity, limit public services, exacerbate social unrest, and undermine investor confidence, creating further economic instability.	**Medium**	**High** Persistent power outages disrupt economic activities, hinder public services, and exacerbate social discontent. Businesses face operational challenges, leading to economic losses, while households endure reduced quality of life. The energy crisis also undermines investor confidence, potentially affecting future investments in the country.	• Enhance energy infrastructure: invest in upgrading and expanding the electricity grid to improve reliability and meet growing demand. • Diversify energy sources: develop renewable energy projects, such as solar and hydroelectric power, to reduce dependence on imported fuels and increase energy security. • Improve EDM management: implement reforms to enhance the efficiency and financial stability of EDM, including addressing pricing discrepancies and reducing operational losses. • Regional cooperation: explore energy import agreements with neighboring countries to alleviate shortages.

The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path as of January 2025. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutual exclusive risks may interact and materialize jointly. The conjunctural shocks and global/domestic risks scenario highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Annex V. External Sector Assessment

Overall Assessment: *The external position of Mali in 2024 was weaker than the level consistent with medium-term fundamentals and desirable policies. The current account (CA) deficit narrowed from 7.6 percent of GDP in 2023 to 6.1 percent of GDP in 2024. This was due to falling petroleum and other commodity import prices as well as lower service imports, driven primarily by the departure of MINUSMA at end-2023. Sustained gold prices compensated for the decline in gold production during the year, leaving gold export value only slightly lower in nominal terms. On the financial account, other private capital flows increased to 3.4 percent of GDP in 2024 (up from -1.1 percent in 2023), FDI reached 3.6 percent of GDP in 2024, and public portfolio investment stood at 0.2 percent of GDP. The overall balance recorded a surplus of 1.1 percent of GDP in 2024. FX reserves at the WAEMU level improved rapidly in November and December 2024 reaching an adequate level of 4.5 months of imports.*

Potential Policy Responses: *The recent rapid improvement in FX reserves at the WAEMU level is welcome. The monetary policy authorities should remain cautious and continuously assess the sustainability of the recent gains. Strong mining exports are a positive development for the external position of the Mali economy. However, the exposure to fluctuation of the international gold prices, as well as potential disruption to gold extraction constitute important sources of risks. Malian authorities should therefore gradually return to the 3-percent WAEMU deficit ceiling, consistent with the baseline projections. The security situation is assumed to stabilize over the medium term, while domestic and geopolitical uncertainty is reduced. Financing from the regional bond markets is assumed to improve.*

Current Account

Background. Figure 1 shows the evolution of the current account deficit and of its major components since 2016. Mali's current account deficit widened significantly to 7.7 and 7.6 percent of GDP in 2022 and 2023, respectively. This was due primarily to the commodity price shock following the onset of the war in Ukraine, which continued in 2023 as conflicts escalated in the middle east. The narrowing of the deficit to 6.1 percent of GDP in 2024 reflects lower oil prices, sustained gold prices, and reduced service imports following the departure of MINUSMA at the end of 2023.

Assessment. The IMF's EBA-lite current account (CA) model suggests Mali's current account deficit is larger than can be explained by fundamentals. EBA-lite estimates point to a CA gap of –1.7 percent of GDP (Table 1) and that a depreciation of 7.6 percent would be required to close the gap. This result is consistent with the assessment at the WAEMU currency union-wide level, which finds an exchange rate overvaluation of 4.1 percent.[1] The precise result for Mali should be treated with caution, however, given that gold accounts for 80 percent of Mali's total exports and is not sensitive to exchange rate changes. Staff expects the current account deficit will improve slightly to 5.1 percent of GDP in 2025, then to gradually increase over the years and finally settle at 4.1 percent of GDP by 2030. This reflects several factors:

- The elevated gold price projected over the medium-term will boost gold export performance, even as gold production is expected to be persistently below recent peaks observed between 2022 and 2023.
- The normalization of fuel prices projected over the medium term will keep the overall import bill below recent peaks of 29 and 27 percent of GDP observed in 2022-23 to 24.4 percent of GDP by 2030.
- Lithium exports are expected to pick up gradually over the medium term and compensate for the projected decrease in gold production.
- The departure of MINUSMA has led to a significant reduction in the balance of services but this has also been compensated by a reduction in flows of secondary income, with an overall slightly positive impact on the current account balance. A smaller negative impact is expected from the cuts to USAID disbursements.

Real Exchange Rate

Background: The CFAF depreciated by 4.6 percent between 2015 and 2019, then recovered by 5.4 percent between 2019 and 2023 in real effective terms. The stable real effective exchange rate (i.e., Mali's relative export competitiveness) reflects relatively low inflation in Mali compared with its trading partners, which compensated for the nominal appreciation observed throughout this period. In 2024, the REER appreciated by 1.4 percent. This sustained stability bolstered Mali's export competitiveness, particularly for key exports such as gold and cotton.

Assessment: The IMF's equilibrium real effective exchange rate model finds a 7 percent undervaluation of the real exchange rate (Table 1). This result is directionally consistent with the assessment at the WAEMU-wide level, which finds a 9.3 percent real exchange rate undervaluation. Note, however, that for both cases, the results under the REER model are inconsistent with the estimates obtained using the EBA-Lite CA model, which suggests an overvaluation. Since Mali is part of a currency union, the REER results may also reflect region-wide economic conditions, and therefore the results from the CA model, discussed in the previous section, are more reliable.

Capital and Financial Accounts: Flows and Policy Measures

Background: The capital and financial account balance has been worsening since 2022, on the back of political instability and ensuing reduction in external support and foreign investment after the 2021 coup d'état. The capital account balance fell to 0.6 percent of GDP in 2022, slightly declined to 0.5 percent in 2023 and remained at 0.6 percent in 2024, reflecting persistently low project grants. Likewise, the financial account balance declined to 2.9 percent of GDP in 2023, down from an average of 5.5 percent in 2020-21. Taken together, the widening of the CA deficit and the reduction in the surplus of the capital and financial accounts have led to widening deficits in the overall balance of payments, which led to drawdowns of pooled reserves at the WAEMU levels. In 2024, the financial account rose sharply driven by higher private capital inflows related to the exceptional payments made by mining companies to settle tax disputes. Despite this improvement, public portfolio investment was exceptionally weak, at only 0.2 percent of GDP.

Assessment: The capital account balance is projected to stabilize at 1 percent of GDP in 2025 and to continue a gradual upward trajectory to reach 1.7 percent of GDP by 2030, while the financial account balance is projected to normalize at 3.6 percent of GDP in 2025 and to reach 3.4 percent of GDP by 2030. The main drivers of these trends are the subdued public portfolio investment and direct investments inflows as well as the reduction in disbursements related to project grants and budget support that are expected to continue until 2027. Sustained fiscal discipline and continued engagement with donors are necessary to improve investor confidence and external stability, while strengthening policy certainty and fiscal reforms will be critical to sustaining the recovery in the financial account.

FX Intervention and Reserves Level

Background: At end-2023, foreign reserves had fallen to under CFAF 10 trillion, roughly equivalent to 3.2 months of projected imports at the WAEMU level. In early 2024, after a relatively small uptick due to the Eurobond issuances of Benin and Côte d'Ivoire, reserves broadly stabilized. The fall in FX reserve coverage reflected a variety of factors, including: (1) a relatively loose stance of monetary policy; (2) increasing and still-high food and fuel import prices driving up imports; (3) continued large fiscal deficits; and (4) tightened global financial conditions. However, in November and December 2024, reserves rose to 4.5 months of imports, reflecting a remarkable rebound driven by favorable hydrocarbon and commodity exports from Senegal and Niger, windfall gain from the annual cocoa harvest, as well as significant flows from IMF disbursements.

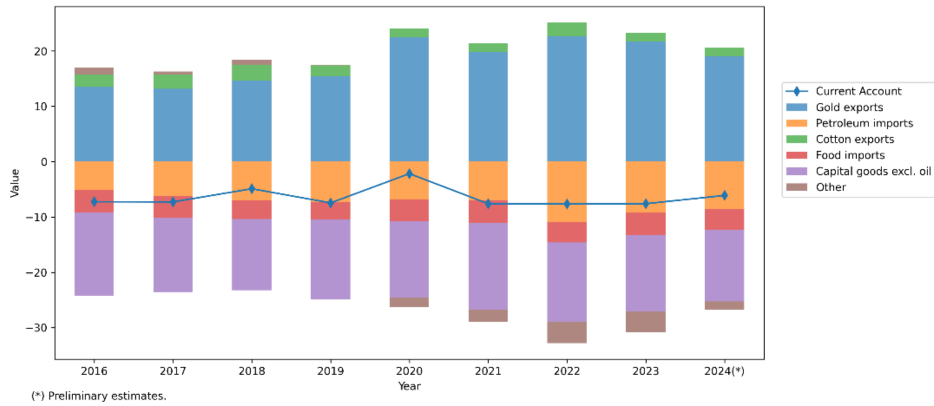
Assessment: The outlook has improved significantly as of late 2024. This recovery marks a sharp turnaround from earlier lows, with projections indicating that reserves will improve further to 5 months of imports by 2025, provided continued fiscal discipline is maintained and BCEAO sustains its cautious monetary policy stance. Despite these positive developments, national authorities should ensure medium-term compliance to a reinstated fiscal rule in the context of the Convergence Pact.

[1] The assessment of the union-wide external position is discussed in the 2024 WAEMU Staff Report on Common Policies for Member Countries.

Annex V. Figure 1. Mali: External Sector Developments

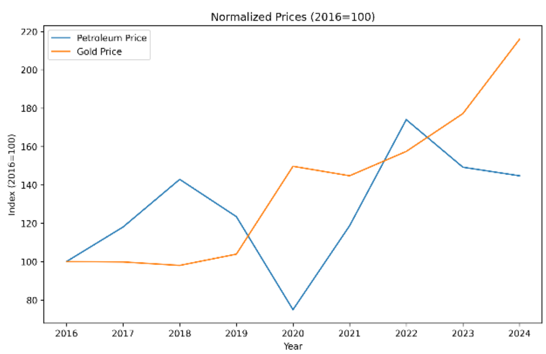
Mali's current account deficit has been volatile in the past three years and stood at 6.1 percent of GDP in 2024.

Current Account and Trade Flows of Major Goods
(Percent of GDP)



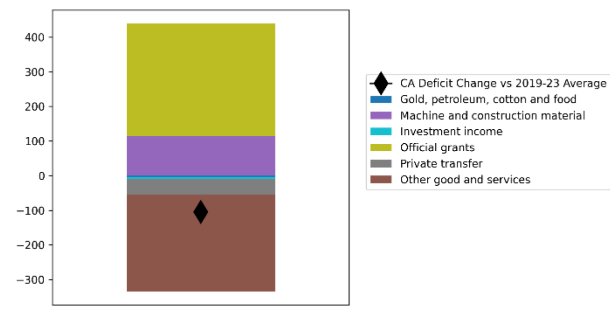
The last three years partly reflect elevated gold and oil prices…

Gold and Petroleum Prices
(Index, 2016 = 100)



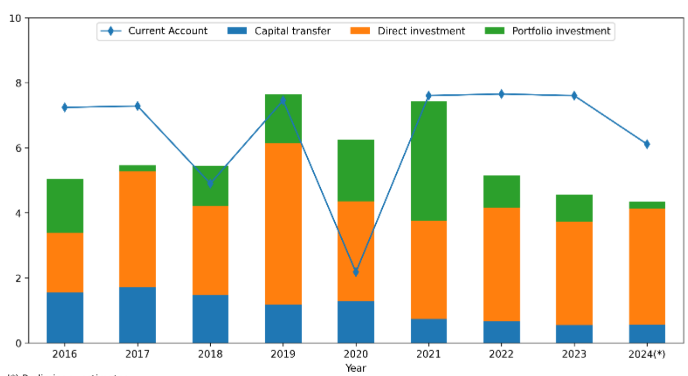
…with trade deficit and lower grants driving the trend.

Current Account Deficit and Components
(2024, relative to 2018-23 average, billion CFAF)



Official portfolio investment declined in 2022 and 2023.

Current Account Deficit and Capital Account Flows
(Percent of GDP)



Models suggest a sizable gap relative to fundamentals.

Model Estimates for 2024
(Percent of GDP)

	CA model 1/	**REER model** 1/
	(in percent of GDP)	
CA-Actual	**-6.1**	
Cyclical contributions (from model) (-)	0.5	
Additional temporary/statistical factors (-) 2/		
Natural disasters and conflicts (-)	0.3	
Adjusted CA	**-6.9**	
CA Norm (from model)	**-5.2**	
CA Gap	**-1.7**	**1.5**
o/w Relative policy gap	0.3	
Elasticity	-0.2	
REER Gap (in percent)	**7.6**	**-7.0**

1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Annex VI. Potential Implications of the ECOWAS Exit

On January 28, 2024, the Governments of Burkina Faso, Mali, and Niger announced their intention to leave the Economic Community of West African States (ECOWAS). On January 28, 2025, after the mandatory 1-year negotiation period, ECOWAS finally announced that the three countries were formally no longer members of the union. Assuming continued full membership of the West African Economic and Monetary Union (WAEMU), this annex attempts to quantify the likely economic impact from this decision on Mali's economy. We find that external trade of Mali with non-WAEMU ECOWAS countries is limited, leading to muted impacts of this decision on trade flows. In turn, GDP growth, fiscal revenues, and inflationary effects are also seen as contained. Uncertainty arising from the lack of clarity on the implementation of this decision, and speculation about more adverse scenarios, likely contributed to increasing the cost of domestic financing in 2024.

1. **Mali exited from ECOWAS, along with Burkina Faso and Niger, but has stated its intention to remain in the WAEMU.** In our baseline scenario, based on information known as of February 2025, Alliance of Sahel States countries (AES, *Alliance des États du Sahel*), which includes Burkina Faso, Mali, and Niger, are assumed *to remain bound by all treaty obligations of the WAEMU*. This includes the free movement of people and goods, as well as the application of trade policies that are largely consistent with those of ECOWAS. Therefore, the key assumption is that AES countries may impose tariffs on imports from non-WAEMU ECOWAS countries, and AES countries' exports to non-WAEMU ECOWAS countries could be similarly taxed.[1] While free movement of people might be impacted, which currently guarantees the ability of citizens of ECOWAS countries to reside, study, work, and engage in tourist activities in all countries of the bloc without incurring lengthy and possibly costly administrative hurdles, authorities have signaled their willingness to work with non-WAEMU ECOWAS countries to secure bilateral arrangements and avoid restrictions. On March 28, 2025, AES countries jointly decided to impose a new 0.5 percent tariff on imports from outside the bloc, to be levied starting on March 31, 2025. Reportedly, the new tariff allows for exemptions for humanitarian and diplomatic goods. The economic and legal implications of this decision, especially concerning the consistency with the WAEMU treaty and its principles, are being assessed.

2. **The impact of ECOWAS exit on Mali's trade balance is estimated to be small, since external trade with non-WAEMU ECOWAS countries is limited.** Using data from IMF DOTS on 2022 trade flows, imports from non-WAEMU ECOWAS partners accounted for 0.6 percent of GDP while exports to those countries accounted for 0.8 percent of GDP, or 0.2 percent of GDP if using mirrored imports and reported exports (Table 1). For illustration of the possible impacts arising from the imposition of import tariffs, staff quantified the impact of a 10-percentage point increase in tariffs on trade between Mali and seven non-WAEMU ECOWAS countries.[2] Estimates rely on the results of a trade gravity equation presented in ElGanainy and others (2023). The outcomes of this

[1] To note, before the announcement, ECOWAS countries include Benin, Burkina Faso, Guinea-Bissau, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Cape Verde, The Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone. Of these, only the first 8 also belong to WAEMU, which is assumed to remain in full force in our scenario.

[2] To date, no new tariffs have been announced.

exercise are presented in Table 2 below. Imports and exports are both predicted to fall as a share of GDP, by 0.1 percent and 0.14 percent respectively, over the medium- to long-term. These estimated impacts are relatively small, which is unsurprising, given the relatively small trade flows between Mali and these non-WAEMU ECOWAS countries, and the key assumption of continued integration with the remainder of WAEMU. Given that both imports and exports fall by a similar magnitude, the effect on the trade balance is almost zero.[3] Finally, most of the Malian diaspora reside in Côte d'Ivoire and in other countries outside of the region, leading to relatively small impacts on labor flows from the possible imposition of restrictions to freedom of movement with non-WAEMU ECOWAS countries.

3. The ECOWAS exit is expected to result in lower output growth over the medium term, while the expected impacts on inflation and fiscal revenues are likely to be small. Estimates of the GDP impact of reduced openness suggest that output per capita could be between 0.2 and 0.3 percent lower in the medium term. A similar analysis, based on the estimates of the impact of Brexit in Van Reenen (2016) leads to an estimated impact on growth of about 0.2 percentage points. As for inflation, given that food items account for almost 60 percent of the CPI consumption basket, higher import tariffs on non-WAEMU ECOWAS foodstuff imports could contribute to an increase in CPI inflation. However, UN COMTRADE data on imports by trade partners show that agricultural goods are overwhelmingly imported from either WAEMU countries, or non-ECOWAS countries. Therefore, we do not expect a significant effect from ECOWAS exit on domestic inflation in Mali. On the fiscal side, the budgetary implications from the assumed tariffs are relatively minor. Revenues would be expected to increase by US$ 9 million (i.e., less than 0.05 percent of GDP). Businesses would be expected to divert trade in response to higher costs, however, so that the overall effect on fiscal revenues is ambiguous.

4. Uncertainty, including on the likelihood of more adverse scenarios, may have raised the cost of domestic financing. Despite the relatively muted effects on trade, GDP growth, fiscal revenues, and inflation in the baseline scenario, the manner of the exit announcement—specifically the implication that the customary one-year transition period for negotiations would not be respected—raised the risk of comparable decisions affecting other existing trade agreements, including those with WAEMU countries. There are elements that support the notion that this uncertainty has led to higher interest rates on Mali's domestic debt issuances in 2024. In recent months, and even before January 28, 2024, most of Mali's debt issuances on the regional exchange platform (*UMOA-Titres*) were subscribed by Malian banks at rates above 9 percent, and for generally shorter maturities than in the past (most below 1-year). Furthermore, the subscription rate of issuances of regional debt has often been less than 100 percent. This rise in interest rates and uncertainty may extend beyond government expenditure financing, potentially also affecting both large SOEs and the private sector by limiting those firms' access to financing.

5. Additional negative spillovers on investment decisions and trade may materialize in the medium to long term. The uncertainty generated by the lack of clarity on the implementation

[3] Results are not substantially affected by using mirrored imports and reported exports data.

of the announced exit during 2024, and even today on the details of the relationship between Mali and the remainder of ECOWAS raise concerns over the region's economic and political stability, including progress on economic and financial integration. In general, uncertainty could lead to a long-term decrease in both public and private investment. The introduction of new trade barriers, if eventually considered, including the tariffs outlined above, could prompt traders to start adjusting their networks. This might not only lead to tariff revenue shortfalls but also encourage a shift in economic activity towards other WAEMU countries that remain in ECOWAS, affecting regional dynamics.

Annex VI. Table 1. Mali: Trade Shares
(In percentage points of GDP)

Exports		Imports	
World	non-WAEMU ECOWAS	World	non-WAEMU ECOWAS
Panel a: reported exports and reported imports			
23.9	0.8	38.3	0.6
Panel b: exports as mirrored imports and reported imports			
52.8	0.2	38.3	0.6

Source: DOTS, Published WEO, IMF staff calculations

Annex VI. Table 2. Mali: Effects of ECOWAS Exit on Selected Indicators
(In percentage points of GDP, unless specified otherwise)

X/GDP	M/GDP	TB/GDP	Openness	GDP per capita	Tariff revenue (million USD)
Panel a: reported exports and reported imports					
-0.14	-0.10	-0.03	-0.24	-0.30	9.1
Panel b: exports as mirrored imports and reported imports					
-0.04	-0.10	0.06	-0.14	-0.18	

Source: DOTS, Published WEO, IMF staff calculations

References

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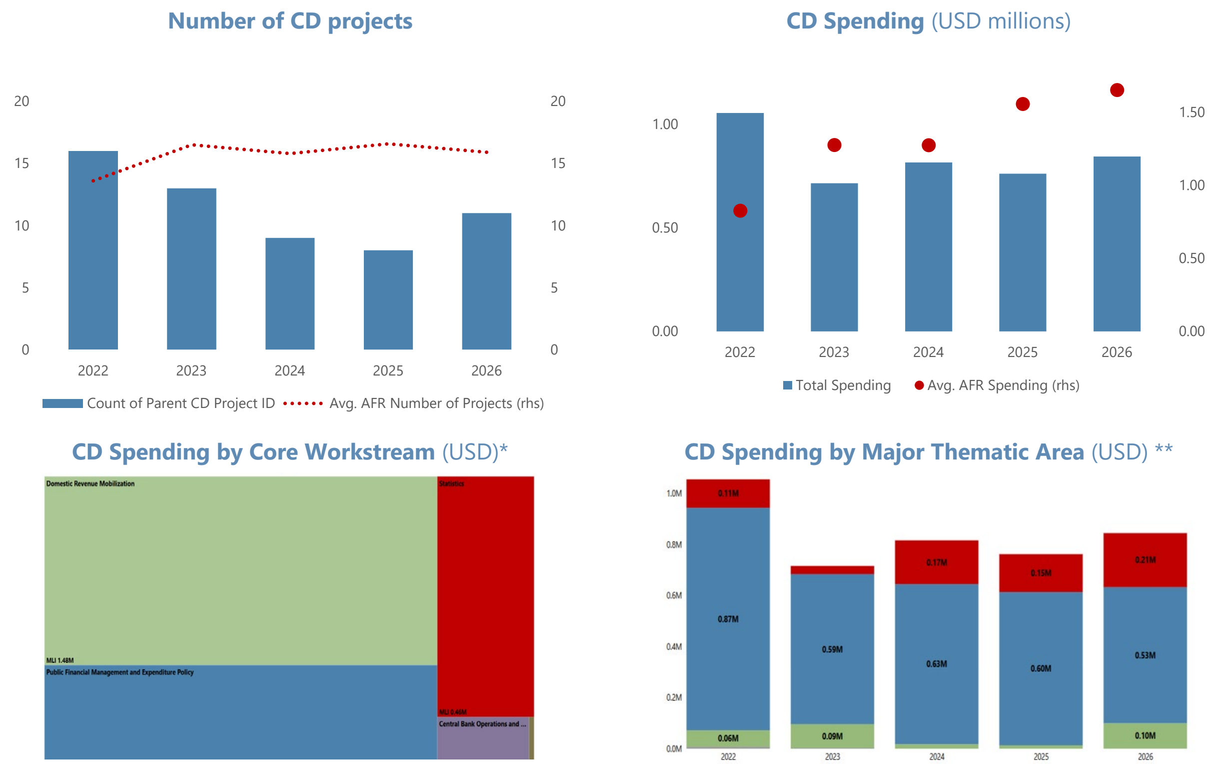
Annex VII. Capacity Development Strategy

This Annex provides an update of the capacity development strategy for Mali, building on in-depth analysis in the context of Mali's Article 2023 IV report.

1. **Capacity development priorities should be oriented towards maintaining macroeconomic stability** in a challenging context and with constrained external financing. The priorities can be classified into three main areas: (i) improving domestic revenue mobilization, (ii) improving efficiency of public expenditure and public financial management, (iii) strengthening transparency and governance, and (iv) improving quality of statistics. Following discussions with the authorities, CD assistance on macroeconomic modeling in support of modernization of INSTAT's forecasting program was identified as an additional and new priority area. This could help raise Mali's share of CD spending, which has dropped in recent years, relative to the average for Sub Saharan Africa countries (see charts).

Annex VII. Figure 1. Mali: CD Spending



Source: IMF staff calculations based on CDMAP data.

Notes: Years are fiscal years. FY22 to FY24 are actual data, FY25 onwards represent planned activities. Average number of projects and average CD spending count all single-country spending and project IDs, divided by 45. *: spending by workstream based on FY22-FY25 data. **: includes projects in approval, execution and complete stages.

2. **Improving domestic revenue mobilization is essential for long-term fiscal sustainability** given the increasing financing needs and significant financing constraints:

- ***Developing revenue administration capacity remains a priority that has the potential to bring significant benefits.*** The tax administration diagnostic and assessment tool (TADAT) assessment conducted in May 2023 showed good progress made since the first TADAT assessment (2019) with ten indicators scoring an A against only two in 2019. the authorities prepared an action plan to implement the 2023 TADAT recommendations and progress is being made to implement it. Priorities are to accelerate progress toward digitalization of Tax and customs procedure particularly by strengthening departments for large and medium-sized enterprises and fostering information sharing between Tax, customs and the Treasury. Efforts to improve revenue collection should also include: (i) rationalizing tax expenditures, as exemptions continue to heavily impact revenues, (ii) strengthening mining taxation, (iii) improving land taxation.

3. There is scope for more reforms, geared at improving the efficiency of public expenditures and public financial management. Progress has been made in recent years on expenditure and public financial management reform, despite the lack of continuity of IMF programs.

- ***Expenditure reforms.*** Given the growing share of the wage bill in the budget, the efficiency of public expenditure would be greatly enhanced by the reform of public wage policies. Improving the efficiency of the subsidy system and reforming SOEs would also lessen the need for costly transfers and subsidies and reduce associated fiscal risks.

- ***Enhancing capacity to address weaknesses in public financial management.*** Improving expenditure chain transparency and strengthening budget preparation, execution and control is a priority in order to control spending and prevent the accumulation of arrears. Improving treasury and Cash management, with a focus on the treasury single account (TSA) has been one of the priorities in recent years. The sanctions imposed on Mali caused a setback for TSA reforms and more effort is needed to implement this important reform. Building on the Public Investment Management Assessment (PIMA) prepared in 2021, public investment management could be improved, including appraisal, prioritization and execution of projects. Further strengthening capacity to manage PPPs and fiscal risks should be a priority. Finally, improving automatic data sharing between the Treasury and the revenue-collecting agencies would make the PFM system, especially budgeting, more efficient.

4. Improving data quality for national accounts, fiscal and debt statistics, should remain a priority. Given the fragility of the country, there are still somewhat significant data availability and quality issues in national accounts and fiscal- and debt statistics, which complicates surveillance and program design.

- ***Improving real and external sectors statistics***. Continued technical assistance following the rebasing of national accounts will be instrumental for the production of consistent quarterly national accounts data, and for improving the methodology for the compilation of consumer price index statistics and external sector statistics.

- ***Improving fiscal and debt statistics***. There are significant gaps in fiscal and debt statistics that hamper timely monitoring and correct reporting. These include debt flow-stock discrepancies, reliability and timely provision of external and domestic debt data, the government's position in the banking sector by level of government, classification and registration of public arrears and data on contingent liabilities. Additional improvements are also necessary for data consolidation as well as the need to expand the institutional coverage of TOFE data to include other public entities and local governments.

5. Given the high exposure of Mali to climate change, an important medium-term priority would be to gradually build up capacity to manage the economic and fiscal fallout of climate shocks and develop climate adaptation and mitigation strategies. This may include diagnostic tools such as the Climate-Public Investment Management Assessment or support debt management capacity in dealing with green debt instruments.

6. Close cooperation with development partners and coordination of TA delivery across agencies (World Bank, United Nations, African Development Bank, EU etc.) will be of utmost importance to avoid overlaps and deliver consistent advice without overburdening authorities.

Annex VIII. Data Issues

Annex VIII. Table 1. Mali: Data Adequacy Assessment for Surveillance

Data Adequacy Assessment Rating 1/							
C							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	B	A	C	C	B	C	C
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	B	A	C	C	B		
Granularity 3/	B		C	C	B		
			D		B		
Consistency			C	C		C	
Frequency and Timeliness	C	A	D	D	B		

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.

1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.

2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance* , January 2024, Appendix I).

3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund is adequate for surveillance.
B	The data provided to the Fund has some shortcomings but is broadly adequate for surveillance.
C	The data provided to the Fund has some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund has serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. Overall, the data provided to the Fund has some shortcomings that somewhat hamper surveillance, mostly related to granularity, timeliness and consistency. In the fiscal sector, reconciliation between stocks and flows could be improved, and more granularity on debt stocks and public expenditure would be welcome. In the external sector, granularity, frequency of reporting and timeliness could be improved. Staff would welcome debt statistics of SOEs, including a detailed list of government guarantees. Inter-sectoral consistency could be improved.

Changes since the last Article IV consultation. GDP statistics have been rebased historically and new statistics are now available, covering the most recent years. INSTAT also is producing quarterly GDP statistics and is working on improving the timeliness of the release.

Corrective actions and capacity development priorities. Work is ongoing with the assistance of STA, AFRITAC West and AFRISTAT to expand the coverage of the TOFE to public agencies and local governments.

Use of data and/or estimates different from official statistics in the Article IV consultation. The Staff Report includes data from Cadre Harmonisé (CH), which provides relevant, consensual, rigorous and transparent analysis on current and projected food and nutrition situations; from the Internal Displacement Monitoring Centre (IDMC), which is the world's leading source of data and analysis on internal displacement. Climate change data are drawn from the IMF climate dashboard.

Other data gaps. N/A

Annex VIII. Table 2. Mali: Data Standards Initiatives

Mali participates in the Enhanced General Data Dissemination System (e-GDDS) and first posted its metadata in September 2001 but is yet to disseminate the data recommended under the e-GDDS.

Annex VIII. Table 3. Mali: Table of Common Indicators Required for Surveillance

As of March 6, 2025

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[6]	Frequency of Reporting[6]	Expected Frequency[6,7]	Mali[8]	Expected Timeliness[6,7]	Mali[8]
Exchange Rates	Current	Current	D	M	D	D	...	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	Dec-2024	Feb-2025	M	M	M	M	1M	3M
Reserve/Base Money	Dec-2024	Feb-2025	M	M	M	M	2M	3M
Broad Money	Dec-2024	Feb-2025	M	M	M	M	1Q	3M
Central Bank Balance Sheet	Dec-2024	Feb-2025	M	M	M	M	2M	3M
Consolidated Balance Sheet of the Banking System	Dec-2024	Feb-2025	M	M	M	M	1Q	3M
Interest Rates[2]	Jan-2025	Feb-2025	W	M	M	W/M	...	1W
Consumer Price Index	Jan-2025	Feb-2025	M	M	M	M	2M	10D
Revenue, Expenditure, Balance and Composition of Financing[3]–General Government[4]	NA	NA	NA	NA	A	...	3Q	...
Revenue, Expenditure, Balance and Composition of Financing[3]–Central Government	2024Q4	Feb-2025	A,Q,M	A,Q,M	Q	A	1Q	3M
Stocks of Central Government and Central Government-Guaranteed Debt[5]	Dec-2024	Feb-2025	I	A	Q	M	2Q	6M
External Current Account Balance	2023	Feb-2025	A	A	Q	A	1Q	12M
Exports and Imports of Goods and Services	2023	Jan-2025	A	A	M	M	12W	1Q
GDP/GNP	2024Q3	Jan-2025	A,Q	A,Q	Q	A	1Q	6M
Gross External Debt	2024	Jan-2025	A	A	Q	A	2Q	7M
International Investment Position	2023	Jan-25	A	A	A	A	3Q	12M

[1] Includes reserve assets pledged or otherwise encumbered, as well as net derivative positions.
[2] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.
[3] Foreign, domestic bank, and domestic nonbank financing.
[4] The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.
[5] Including currency and maturity composition.
[6] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual.; ("SA") semiannual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later than;.
[7] Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan.
[8] Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "..."

Appendix I. Letter of Intent

Bamako, Mali

March 28, 2025

Ms. Kristalina Georgieva

Managing Director

International Monetary Fund

Washington, DC 20431

Dear Madam Managing Director:

Mali has experienced multiple shocks in the past few years, including the COVID-19 pandemic, spillovers from the war in Ukraine, and a domestic security crisis characterized by terrorism, organized crime and drug trafficking, armed rebellion, and intercommunal conflict—all of which the government continues to address.

In the second half of 2024, Mali experienced the worst in 50 years flooding, causing widespread devastation of educational, health and transport infrastructure, loss of crops and loss of livelihoods for the population in affected areas. About 465,226 people were affected, with 96 lives lost, 39,944 toilets/sanitation units destroyed, 14,627 wells flooded, 37,000 livestock lost and 4.41% of agricultural lands destroyed. The floods also damaged 79,179 homes, 570 schools and other critical health-related infrastructure. The start of the school year was delayed by one month.

In this context, on August 23, 2024, the government declared a state of national disaster, mobilizing emergency relief from the national budget and from technical and financial partners (TFPs). Despite these efforts, the scale of the devastation has left thousands of people in urgent need.

In 2024, an estimated 24 percent of the population (5.4 million people) were at severe or high risk of food insecurity, compounded by a heatwave in early 2024 followed by devastating floods later in the year. By September 2024, the number of internally displaced persons had reached 379,000.

The vulnerability analysis for the year 2024-2025 projects that during the lean season (June to August 2025) some 5,504,691 people will be food insecure (phase 2 or above), i.e. 23.39% of the country's total population, including 1,470,114 people (6.25%) in crisis or worse (phase 3 or above), of which 1,369,173 (5.82%) in crisis (phase 3) and 100,941 (0.43%) in emergency (phase 4). The number of people under stress (phase 2) may amount to 4,034,577 (17.15%).

In this context, we have adopted a prudent fiscal policy to mitigate the negative impact of these shocks. Our response in 2024 was centered on strengthening revenue mobilization and adjusting spending to address the ongoing security and humanitarian crisis. The fiscal deficit declined from 3.7 percent in 2023 to 2.6 percent in 2024. However, in the absence of budget support, we are obliged to finance the budget deficit through non-concessional domestic borrowing on the sub-regional market, which has been expensive given BCEAO's tight and non-accommodative financing conditions.

The extensive flood damage has created an additional need for foreign exchange to finance critical imports, including food, fertilizers, and materials to rebuild homes, schools, and critical water, sanitation, and hygiene (WASH) infrastructure. These additional needs will result in additional balance of payments financing.

We are therefore requesting emergency financing under the exogenous shock window of IMF's Rapid Credit Facility (RCF) for 50 percent of our quota or SDR 93.3 million, combined with an 11-month Staff-Monitored Program (SMP) starting in the first half of 2025. The Rapid Credit Facility (RCF) arrangement would cover the urgent balance of payments needs stemming from the flood crisis, finance imports of essential items for reconstruction as well as measures to address food insecurity (food, nutritional and health products) and restore basic infrastructure (schools, health centers, and WASH facilities), while the 11-month SMP will anchor our macroeconomic policies—reinforcing stability, resilience, fiscal governance and public financial management.

The attached Memorandum of Economic and Financial Policies (MEFP) presents the objectives and policies of our program, as well as transparency measures for the use of RCF resources. We remain committed to pursuing the improvement of public financial management by timely publishing quarterly and annual budget execution reports on the website of the Ministry of Economy and Finance, ensuring transparency in the use of RCF funds.

To ensure transparency and accountability, we commit to implementing the following measures under the SMP:

- **Dedicated account at the BCEAO:** We will set up a dedicated account at the Central Bank of West African States (BCEAO) to receive RCF disbursements, with quarterly reporting on account status.
- **Use for flood-related needs:** The RCF resources will be used to cover the urgent BOP needs arising from the floods. This includes financing critical spending for reconstruction, food security measures, and the rehabilitation of critical infrastructure, including WASH facilities.
- **Quarterly expenditure reporting:** These reports will include details on:
    - Institutions involved.
    - Purpose of the expenditures.
    - Goods and services acquired.
    - Budgeted versus actual spending.
    - Analysis by program.

These reports will be prepared within two months from the reporting period and will be available on the website of the Ministry of Economy and Finance.

- **Independent audit by the Office of the Auditor General (BVG):** The BVG—an independent agency—will audit the use of the RCF funds and publish the results online 14 months after the RCF disbursement (end-June 2026 if disbursement takes place in April 2025).

- **Fair and transparent procurement:** All contracts awarded under the RCF will follow strict public procurement guidelines **—**and adhere to Mali's Public Procurement Code ("Code des marchés publics et régimes dérogatoires")— ensuring fair competition and transparency. The results will be published, particularly with regard to:

  - Supplier selection process.
  - Contracts awarded.
  - Information on beneficial ownership.

The outcomes of procurement tenders and contracts will be published within two months of being awarded on the website of the *General Directorate of Public Procurement-Public Service Division* (DGMP-DSP). A dedicated section for the RCF program will be created online to track all suppliers, tender offers, and contract details.

We believe that the measures and policies set forth in the MEFP are appropriate for meeting the objectives of the SMP. The government follows the National Strategy for Growth and Sustainable Development (SNEDD) 2024-2033, which is in line with the guidelines set out in the MEFP. It will consult with the IMF prior to the adoption of any changes to the economic and financial policies set out in the MEFP, in accordance with the Fund's policies governing such consultations. We will also provide IMF staff with all data and information needed to evaluate the economic and financial policies and reforms set out in the attached Technical Memorandum of Understanding (TMU).

We consider the SMP to be key in supporting our macroeconomic and stabilization efforts, building a track record of sound policy towards a future Fund-supported program.

In line with our commitment to transparency and accountability, we authorize the IMF to publish this letter and the staff report for the SMP and RCF disbursement request.

Please accept, Madam Managing Director, the expression of my highest respect.

/s/

The Minister

Alousséni SANOU

Commander of the National Order

Attachment I. Memorandum of Economic and Financial Policies

This memorandum provides an overview of recent developments in the Malian economy, its near-term outlook, and the government's economic policy priorities for the coming year, particularly the Staff-Monitored Program (SMP) planned from April 2025 to February 2026. It builds on reform efforts undertaken during and since the 2019-2022 Extended Credit Facility (ECF) program, as well as those outlined in Vision 2063, Mali's long-term development plan.

RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

1. Between July and November 2024, Mali experienced extreme flooding. Four percent of cropland along the Niger and Senegal rivers was submerged, displacing 150,000 people at the peak of the crisis in October and affecting about 465,226 people. The government declared a national disaster on August 23, 2024, as the floods disrupted cereals production and damaged critical infrastructure, including schools, hospitals, and transportation networks.

2. Despite these challenges, the Malian economy remained resilient in 2024. Economic growth has been affected by the effects of the energy crisis and floods. While agricultural production remained relatively strong despite the flooding shock, some food stocks were destroyed. Inflation reached 3.2 percent, primarily due to rising food prices. Tax revenues increased by about one percentage point of GDP, supported by strong collection efforts and higher payments in the mining and telecommunication sectors. Despite high expenditures on security, debt-servicing and social programs, the fiscal deficit declined to 2.6 percent of GDP. The government has also made progress in clearing domestic arrears accumulated since 2022. The external position improved, with the current account deficit narrowing to 6.3 percent of GDP, reflecting lower imports and higher official inflows.

3. GDP growth is projected to accelerate in 2025 and 2026, reflecting an expected improvement in the security situation, easing energy constraints, and increasing lithium production. The fiscal deficit is expected to widen to close to 3.5 percent of GDP in 2025 before narrowing to 3 percent in 2026. Inflation is projected to decline to 2 percent. Public debt is projected to remain stable in 2025 before declining over the medium term as the government continues to clear domestic arrears. While domestic and external debt remain sustainable, maintaining fiscal and economic stability will require continued vigilance.

ECONOMIC AND FINANCIAL POLICIES GOING FORWARD

4. The government remains firmly committed to a macroeconomic stabilization and structural reform agenda. Mali's macroeconomic policies prioritize good governance, fiscal sustainability, sound public financial management, and support to the most vulnerable households. The SMP will provide an anchor for each of these priorities, while building on progress achieved during and after the 2019-2022 ECF arrangement and in line with Mali's new long-term development plan, Vision 2063 (see annex). The government remains committed to maintaining fiscal sustainability and will set a ceiling for the net primary fiscal deficit of CFAF 225 billion at end-September 2025 and CFAF 300 billion at end-December 2025 (**quantitative targets**). Ongoing revenue mobilization will be required to finance necessary spending needs while maintaining fiscal discipline. The government will therefore also set a floor for tax revenues excluding exceptional mining payments of CFAF 1521 billion at end-September 2025 (**indicative target**) and CFAF 2077 billion at end-December 2025 (**quantitative target**).

A. Recovery from the 2024 Flooding

5. To recover from the 2024 floods and meet basic needs, the authorities activated a national response plan. In addition to direct budget support, the government mobilized additional support from multilateral institutions, including the World Bank, the World Food Program (WFP), and other United Nations agencies and bilateral partners. However, USAID's withdrawal may create additional unmet needs if the government is unable to step in to fully compensate for the lost resources. Response measures will focus on tackling food insecurity and malnutrition, assisting internally displaced people, and targeted support to farmers to restore productive capacity and repair damaged infrastructure.

6. To further support the recovery efforts, the authorities will implement targeted economic support measures in 2025. The government will increase public investment in the repair and rehabilitation of critical infrastructure. Priority areas include the restoration of transport networks (roads and bridges), rehabilitation of water, sanitation and hygiene (WASH) systems, and the reconstruction of essential public services such as schools, health centers and housing. These measures aim at accelerating reconstruction, building resilience, and restoring economic activity after the 2024 floods.

B. Strengthening Fiscal Policy

Increase Fiscal Revenues

7. The government remains committed to continuing tax administration reforms to enhance the sustainability of public finances, building on the progress made under the 2019-2022 ECF program. As part of these efforts, the government is committed to increase domestic revenue mobilization to support higher public investment in the coming years. Two major reforms are planned:

- Expanding the use of electronic filing, electronic payment, and mobile taxation procedures, and systematically use the Integrated Standardized System of Tax Administration (SIGTAS). These efforts are aligned with broader initiatives to promote digitalization and strengthen data governance. To enhance tax compliance and efficiency, online payments will be gradually introduced for most businesses that are subject to VAT. Currently, most large taxpayers already use online the tax payment system, and the government aims to increase the participation of medium-sized taxpayers. The target is to increase the share of tax revenues collected via electronic payments to 40 percent for all enterprises by end-2025, compared to 30 percent in 2024 **(structural benchmark for end-December 2025).**

- Connecting databases and establishing systematic exchange data between the Treasury (DNTCP), Customs (DGD), and Direction Générale des Impôts (DGI). An official instruction on the exchange of computerized data between the DGTCP, the DGD and the DGI on liquidations, issuances, and receipts will have to be signed by the Minister of Economy and Finance before the end of 2025 **(structural benchmark for December 2025).**

Enhancing Public Financial Management (PFM)

8. The government will strengthen expenditure planning and coordination to ensure efficient budget execution, safeguard priority expenditures, and prevent the accumulation of new domestic arrears. To this end, efforts will be focused on better aligning spending commitments, public procurement planning, and cash flow management. This approach aims to optimize spending decisions based on available cash, ensuring that critical programs remain adequately funded while maintaining a fiscal discipline.

9. The authorities are committed to preventing the accumulation of new domestic and external arrears as part of their overall strategy to strengthen fiscal sustainability. A medium-term plan has been developed by the DGTCP to gradually reduce the stock of domestic arrears. A similar plan will be prepared for external arrears. To reinforce this commitment, the government set indicative targets of zero net accumulation of new domestic arrears for September and December 2025 such that that the level of domestic arrears does not exceed the end-2024 level (CFAF 282.8 billion). Additionally, the government pledges to respect the quantitative objective of non-accumulation of external arrears, which will have to be respected on a continuous basis, such that the level of external arrears does not exceed at any moment, for the duration of the SMP, the level recorded as of February 28, 2025 (CFAF 103.5 billion). This objective will be verified at the September 2025 and December 2025 test dates (see Table 1 and the Technical Memorandum of Understanding for further details).

C. Helping the Most Vulnerable

10. The government is committed to strengthening social safety nets to mitigate the impact of recent shocks and alleviate poverty. To this end, it will continue to expand social programs that improve living conditions, reduce food insecurity, and enhance social inclusion, with a particular focus on the most vulnerable. This will involve developing activities and initiatives that generate income and create economic opportunities for communities through targeted financing, support, and technical assistance for projects geared toward young people and women. Finally, in the short term, the distribution of food kits and financial aid to families affected by malnutrition and food insecurity should continue, ensuring that critical aid reaches those most in need. This commitment is reinforced by an **indicative target** on priority social spending, which underscores the government's commitment to protecting the most vulnerable populations.

D. Promoting Good Governance

11. The government remains steadfast in its efforts to promote good governance. Indeed, a National Economic and Financial Pole was recently created to strengthen the fight against economic and financial crimes. Reforms concerned the establishment of a coordination mechanism between specialized structures such as the National Financial Information Processing Unit (CENTIF), the Office of the Auditor General (BVG) and the Central Office for Combating Illicit Enrichment (OCLEI). Additionally, other governance reforms are being implemented, including the adoption of a national anti-corruption strategy and the establishment of the Court of Auditors, as advocated under the new constitution.

12. The government is committed to enhancing transparency and accountability. To this end, the government commits to implementing the following measures:

- **Dedicated account at the BCEAO**: The government will set up a dedicated account at the Central Bank of West African States (BCEAO) to receive RCF disbursements, with quarterly reporting on account status.

- **Use for flood-related needs**: RCF resources will be allocated to needs arising from the flood crisis. This includes financing critical spending for reconstruction, food security, and the rehabilitation of essential infrastructure, including WASH facilities.

- **Quarterly expenditure reporting and publication**: These reports will be prepared within two months from the reporting period and made available on the website of the Ministry of Economy and Finance. They will include: the institutions concerned, the purpose of expenditure, goods and services acquired, budgeted and actual expenditures, and an analysis by program **(structural benchmarks).**

- **Independent audit by the BVG**: The government will ask the BVG—an independent body—to audit the use of RCF funds and publish the results online 14 months after the RCF funds have been disbursed.

- **Fair and transparent public procurement:** All contracts awarded under the RCF will follow strict public procurement guidelines, ensuring fair competition and transparency. The procurement process will be aligned with Mali's Public Procurement Code and the derogatory regimes, and the results will be published, including those related to the supplier selection process, the contracts awarded, and beneficial ownership information. The results of calls for tenders and contracts will be published within two months of the award of contracts on the website of the *General Directorate of Public Procurement and Public Service Division* (DGMP-DSP). A dedicated section dedicated to the RCF-related procurement will be created online to track all suppliers, tenders, and contract details **(structural benchmark).**

13. Enhancing transparency of fiscal transactions remains a government priority. The current system of multiple bank accounts for payment to suppliers and collection of revenues combined with an account at the regional central bank could complicate cash management operations. An audit of public sector bank accounts was conducted in 2019. To further improve cash flow oversight, the Treasury will conduct a new census of these accounts. Preliminary findings from this assessment will be shared with IMF staff by end-September 2025 (**structural benchmark for end-September 2025)**. Based on these findings, an action plan will be validated to implement the recommended measures, including a focus on dormant and inactive accounts (**structural benchmark for end-December 2025).**

PROGRAM MONITORING

14. The 11-month SMP, starting in the first half of 2025, will be monitored based on 5 quantitative targets, **5 indicative targets (Table 1) and six structural benchmarks (Table 2)**. The first review will be based on the targets for September 30, 2025, while the second review will focus on those for December 31, 2025. The Technical Memorandum of Understanding (TMU) further describes indicative and quantitative targets and structural benchmarks as well as reporting requirements to the Fund.

Table 1. Mali: Indicative and Quantitative Targets for the SMP
(in CFAF billions)

	September 2025
Indicative targets	
Floor on net tax revenue excluding exceptional mining payments[1]	1521
Floor on priority social and development spending[2]	400
Ceiling on net accumulation of government domestic payment arrears[3]	0
Quantitative target	
Ceiling on net primary fiscal deficit[4]	225
Continuous quantitative target	
Ceiling on net accumulation of government arrears on external debt obligations[5]	0
	December 2025
Indicative targets	
Floor on priority social and development spending[2]	671
Ceiling on net accumulation of government domestic payment arrears[3]	0
Quantitative targets	
Ceiling on net primary fiscal deficit[4]	300
Floor on net tax revenue excluding exceptional mining payments[1]	2077
Continuous quantitative target	
Ceiling on net accumulation of government arrears on external debt obligations[5]	0

Source: Malian authorities; IMF staff projections.

[1] The floor on net tax revenues, excluding exceptional mining payments, is given by total tax revenues less any payments received from mining companies following the implementation of previous tax protocols. The floor on net tax revenue will be adjusted downward (upward) to the extent that tax refunds exceed (fall short of) the projected amount. Based on IMF staff forecasts for tax revenues, exceptional mining revenues and nominal GDP (not rebased), tax revenues excluding exceptional mining payments of CFAF 2,077 billion in 2025 would be equivalent to 14.1 percent of GDP.

[2] Priority social spending is defined as the sum of expenditure in the sectors of basic education, secondary and higher education, scientific research, health, and social development other than transfers to the Malian Social Security Fund. It includes priority development spending, such as on roads, but excludes project-related capital expenditure financed by foreign technical and financial partners. Based on IMF staff forecasts for priority social and development spending and nominal GDP (not rebased), priority social and development spending of CFAF 671 billion in 2025 would be equivalent to 4.6 percent of GDP.

[3] Domestic arrears correspond to payments that have been overdue for more than 90 days to private sector suppliers. For new domestic arrears, the indicative target for September 2025 and December 2025 is to achieve a net accumulation of zero, without exceeding the level recorded at the end of 2024 (CFAF 283 billion).

[4] In-year estimates of the primary fiscal deficit are volatile due to seasonality and data inconsistencies. Deficit estimates for 2025Q3 will therefore be preliminary. Based on IMF staff forecasts for the fiscal deficit, interest payments and nominal GDP (not rebased), a net primary deficit of CFAF 300 billion in 2025 would be equivalent to 2 percent of GDP.

[5] Notwithstanding the quantitative performance criterion on the net accumulation of external debt obligations, the government is negotiating in good faith with external creditors and will abide by all relevant policies governing IMF financing, including the non-toleration policy on external arrears. For external arrears, the continuous quantitative target is that the level does not exceed that observed in February 2025 (CFAF 103.5 billion).

Table 2. Mali: List of Structural Benchmarks Under the SMP		
Proposed Measures	**Test Dates**	**Objective**
Structural benchmarks		
1. The committee overseeing the digitalization of tax payments in the tax administration should set and meet a target to increase the share of receipts via electronic payment to 40 percent by end-2025, compared with 30 percent in 2024.	End-December 2025	Improve revenue mobilization
2. Prepare and publish quarterly reports on usage of RCF disbursements in line with the authorities' commitment that spending should be consistent with the plans set out in the LOI within two months after reporting period.*	End-September 2025 End-December 2025	Enhance good governance and transparency
3. Publish procurement contracts, supplier selection processes, and beneficial ownership for contracts related to RCF spending (within two months of contract awarded)**	End-September 2025 End-December 2025	Promote good fiscal governance
4. Undertake a new census of public sector bank accounts through official request to the Treasury and share report with staff.	End-September 2025	Promote good fiscal governance
5. Share the Treasury's action plan to implement the recommendations from the new census of public sector bank accounts with staff, including a focus on dormant and inactive accounts.	End-December 2025	Promote good fiscal governance and enhance fiscal transparency
6. Sign a directive ("instruction") by the Minister of Economy and Finance to start the exchange of data between the General Directorate of the Treasury and Public Accounting (DGTCP), the General Directorate of Customs (DGD) and the General Directorate of Taxes (DGI), relating to liquidations, issuance and collection of tax liabilities.	End-December 2025	Promote good fiscal governance and performance management

* The quarterly reports on Q2, Q3 and Q4 2025 usage of RCF disbursements will need to be published respectively by end-August 2025, end November-2025 and end February 2026.
** The structural benchmark (SB) on publishing procurement contracts within two months of contracts being awarded is a continuous SB, meaning that it must be consistently implemented and monitored throughout the entire program.

Annex I. Overview of the Reform Program

This annex to the MEFP describes past reforms under previous IMF programs, highlights the progress made, and details the government's next steps in the medium-term, including initiatives under the long-term development plan Mali's Vision 2063.

Overview of Ongoing Reforms

1. **Fiscal policy remains guided by a gradual convergence towards the WAEMU target of 3 percent of GDP to safeguard fiscal sustainability while preserving growth.** To achieve this objective, the government focuses on enhancing domestic revenue mobilization through tax policy measures, improving tax and customs administration, strengthening public financial management, and improving the quality of spending.

2. **Despite the missed completion of the last two reviews under the ECF arrangement in February 2021 and the subsequent political turmoil, the authorities have made significant efforts to maintain a balanced budget and have continued to advance structural reforms.** All fiscal performance criteria (PCs) are estimated to have been met for what would have been the fourth, fifth, and sixth program reviews (covering end-2020 to end-2021). The authorities have achieved half of the 14 outstanding structural benchmarks, including RCF-related transparency commitments, adoption of commitment plans across all ministries, and the expansion of electronic tax filing and e-payment to all large companies. A fragile political environment has made mobilizing support for governance and wage bill reforms more difficult. However, the government wage bill as a share of revenue has stabilized and declined since the 2023 Article IV consultation.

3. **The government is committed to continue reforms aimed at broadening the tax base and rationalizing tax expenditures.** The following steps have been taken, and others are underway:

- **The draft General Tax Code (CGI)** currently under government review, seeks to consolidate and modernize Malian tax legislation by creating a single, comprehensive code. Key improvements include the integration of uncodified tax provisions, the removal of obsolete regulations, the elimination of redundancies, and alignment with regional and international commitments to the West African Economic and Monetary Union (WAEMU) and Organization for the Harmonization of Business Law in Africa (OHADA) commitments. The Code introduces significant reforms in various areas:
  - ***Direct taxes***: Clarifies tax territoriality, modernizes corporate income tax rules, strengthens anti-tax avoidance measures, and introduces capital gains taxation.
  - ***Indirect taxes**:* Redefines taxable transactions, clarifies VAT rules and safeguards the VAT base.

  - ***Recording and stamp taxes**:* Simplifies and updates provisions, defines taxable acts, and eliminates inefficient exemptions.

  - ***Local taxation**:* Codifies existing laws governing local tax resources.

  - ***Procedures**:* Modernizes accounting, e-filing, tax audits and taxpayer rights, while strengthening penalties.

- ***Property taxation***: The government plans to enhance property tax efficiency by adopting a new law establishing an Act establishing a tax on real estate.

- ***Tax exemptions:*** The government is making progress in streamlining tax exemptions. In this regard, under the new mining code, large mining companies are exempted only during the development phase and no exemption is applicable during the production phase. In addition, to control VAT credits, a dedicated application has just been put in place between Customs and Taxes to implement the new list of equipment, materials and other products imported by mining companies and their mining subcontractors. This mining list will be renewed every 3 years.

- ***Strengthening of the taxation of petroleum products***: The government intends to enhance taxation on imported petroleum products. To this end, it plans to introduce color marking of tax-exempt petroleum products.

- ***Mobile tax payments***: Tax payment via mobile banking is already included in the 2020 Tax Procedures Code. The government is committed to gradually roll out a system to facilitate the use of mobile phones for tax payments by small taxpayers in all tax offices. This initiative should enable taxpayers in the informal sector to contribute to the broadening of the tax base and reduce the weight of the informal economy.

- ***Improving VAT credit refund processing***: To streamline the VAT process and mitigate its impact on businesses' cash flow, the government is committed to key reforms to ensure its efficiency and neutrality. These measures include: (i) differentiated monthly treatment of requests based on risk (already implemented by an instruction); (ii) restrict the application of deferred payment of VAT on imports (or self-taxation of VAT) to low-risk businesses that frequently find themselves in a VAT credit situation due to their activity; and (iii) sufficient replenishment of the special account for the reimbursement of VAT credits in resources and expenditures by means of an advance decree consistent with the regulations.

- ***Cleaning up the central taxpayer register**:* the government is committed to continuing cleaning up the central taxpayer register by deactivating the tax identification numbers (TINs) and tax accounts of inactive taxpayers. In addition, it is committed to continuing its efforts to increase the use of the TIN as the sole reference among taxpayers and to facilitate online access of the general taxpayer database by departments of the Ministry of Economy and Finance and by all partner departments and organizations.

- **The new Mining Code**: On August 29, 2023, Mali enacted Law No. 2023-040 to replace the 2019 Mining Code to better protect the interests of the State and ensure a fairer distribution of the mineral rent. Despite innovations introduced in 2019, a more robust framework to regulate the relationship between the state and mining companies was needed to close some loopholes. The main fiscal changes are summarized in Box 1.

Box 1. Mali: The New Mining Code of 2023

This box summarizes the main fiscal changes of the 2023 Mining Code.

In 2023, Mali adopted a new mining code, which replaced the previous mining code from 2019. The main changes with respect to fiscal are as follows:

Two Establishment Agreements

- Mining operations are governed by two separate conventions, ensuring better negotiation for each phase:
- Research Phase: Defines the exploration conditions, valid for the duration of the exploration permit (up to 9 years). Approval is subject to confirmation by the Ministry of Mines and the Ministry of Finance, followed by a decree.
- Exploitation phase: Regulates mining operations, valid for up to 12 years, including development. Rollovers are subject to renegotiation and capped at a maximum of 10 years. All agreements should be published on the Ministry of Mines website to ensure transparency (as required by EITI and incorporated in the Mining Code).

Period of Reduced Fiscal Stability

- Research permits: Fiscal stability covers the entire period of validity of the permit, including renewals.
- License to mine: Fiscal stability ends 10 years after first commercial production

Tax Reforms

- Transfer of mining titles: Indirect transfers, which were not previously taxed, will now be subject to tax.
- Overproduction royalty: Businesses must adhere to their production plans. If they exceed the expected production by more than 30%, they must pay an additional royalty to the government of 20% to 40% depending on the level of overproduction.
- Super-Profit Tax: Income from substances not declared in the exploitation permit is taxed at 50% of the turnover, payable to the State.
- Ad valorem tax: based on the value of production, with rates indexed to market prices as defined by the provisions of the Mining Code and its implementing decree.

Domestic Participation in Mining Projects

- Building on the new Mining Code, the government always holds 10 percent of mining company shares free of charge and has the option to acquire an additional 20 percent stake, allowing Mali to benefit more directly from resource exploitation.
- National investors will be able to purchase an additional 5 percent stake.

A. Changes in Tax and Customs Administrations

4. The 2023 assessment of the tax administration system showed significant improvements. The authorities requested an assessment using the Tax Administration Diagnostic Assessment Tool (TADAT), which revealed significant progress in 2023 compared to the previous assessment in 2019. The number of A-rated areas increased from 3 to 10 between 2019 and 2023, and the specific area of promoting tax compliance, for example, improved the completed Form D to A. Improvements have focused on: development of plans to promote tax literacy and improve the variety and accessibility of information and services; deployment of the integrated IT system and electronic reporting and payment platforms; modernization of dispute resolution procedures; identification and assessment of non-compliance risks; a robust plan to improve compliance; Staff integrity assurance mechanism in place; the implementation of recommendations of the independent external oversight and the publication of reports on financial and operational performance.

5. **The authorities have adopted an action plan to address remaining weaknesses identified in the 2023 TADAT assessment.** In addition, the authorities have reorganized the TADAT committee responsible for following up on the recommendations of the 2023 TADAT tool. Areas for improvement include: the unreliability of the taxpayer register and lack of initiatives to detect potential taxpayers; the lack of a mechanism for managing operational and human resource-related risks; the low rate of compliance with the deadlines for filing tax returns; the lack of control over unpaid recoverable amounts; the absence of a large-scale automated data collection and cross-checking system; and long processing times for tax disputes and VAT refunds.

6. **The government intends to further improve the organizational and functional structure of customs and strengthen deficient procedures.** To this end, it intends to implement the following key measures:

- *Transaction value*. The government has taken the necessary measures (structural, technical and IT) to ensure that the transaction is strictly governed by nationwide rules. The entry into operation of the ASYCUDA WORLD "value" module and the application of the transaction value to 45 tariff lines at the beginning of 2021. The automatic updating of the data on the value of the products targeted in the module is scheduled for the end of April 2021. To this end, the authorities intend to make available swiftly the additional resources needed to ensure the timely operationalization of the customs valuation module, in collaboration with IMF Technical Assistance Center West Africa and UNCTAD.

- *New Customs Code*. The National Assembly adopted a law on the customs code to reflect international best practices, improve the efficiency of the administration and modernize its procedures. The government plans to issue all the regulations (decrees, orders, instructions) needed to implement the new customs code by end-2025.

- *Interconnection of the Interconnected System for the Management of Goods in Transit (SIGMAT):* the interconnection with Côte d'Ivoire and Senegal has been established. The government is working to improve connectivity links with Benin, Burkina Faso, Guinea, Niger, and Togo.

- *Automated risk management for all operational directorates*: work is under way to improve its reliability, particularly through the computerization of disputes (TAC). The staff of the Intelligence and Risk Analysis Division (DRAR) was increased in the second half of 2019 (five IT agents). The World Bank conducted a diagnostic mission on risk management in 2023 and made recommendations to improve this function, with the aim of strengthening risk management within the Malian customs administration. These include rolling out a new risk management strategy, restructuring the selectivity committee to improve its functioning, updating legislative frameworks to support risk management, improving data governance, and advancing technology integration with systems such as ASYCUDA and SIGMAT. In addition, it suggests strategic human resource planning and targeted training to strengthen risk analysis and management skills. There is also a need to improve the intelligence function.

- *Human Resource Management:* The implementation of an automated human resources management (HRM) system, coupled with the adoption of competency-based HR practices, will streamline HR processes. The government's plan to develop and implement a comprehensive training policy is crucial to enhance the skills of customs officials and empower them to assume their responsibilities. To retain a competent and motivated workforce, it is essential to establish a clear recruitment policy that is geared to the needs of the organization and favors services based on its merits and competencies. These initiatives play a vital role in improving the efficiency and effectiveness of customs.

- *Data digitization and governance:* The government is making progress in the area of digitalization, data governance, and improved interfaces between tax systems. It is essential to improve current applications such as SIGECOD (Integrated Prior Document Control Management System) and PEDONIA (Human Resource Management).

B. Improvements in Efficiency of Spending

7. The Government of Mali, in accordance with the recommendations of the National Conference on the Refoundation, has decided to implement a human resources management system integrating biometric data for the benefit of the public services of the State and the local authorities.

8. The project, which was launched on May 24, 2022, under the chairmanship of the President of the Transition, will provide the public services of the State and local authorities with a human resources management system integrating biometric data from the RAVEC.

C. Improvements to Fiscal Sustainability

9. The government intends to strengthen the public-private partnership (PPP) framework. The government intends to prepare a road map to strengthen the assessment, quantification and monitoring of public investments covering both PPP and conventional (non-PPP) investment projects. This will include ensuring that all PPP projects undergo a prior appraisal to ensure the economic, financial, environmental, and fiscal sustainability of the project to strengthen public investment management.

10. Reforming Mali's electricity company is critical to ensure a reliable, affordable, and financially viable energy sector. The reform should focus on improving operational efficiency, reducing technical and commercial losses, and strengthening financial management to ensure cost recovery. Recently, the government has partially recapitalized the electricity company and signed an agreement with local banks to reschedule its debt load. Moreover, diversifying the energy mix by increasing the share of renewables will help reduce reliance on expensive fuel imports and strengthen energy security.

11. The government remains committed to implement a prudent borrowing strategy to safeguard debt sustainability. Regarding domestic borrowing on the regional market, emphasis will be placed on issuing longer maturity bonds to enhance debt sustainability and gradually reduce the stock of domestic payment arrears as well as existing external arrears. In addition, the government continues to negotiate in good faith with international lenders and is committed to abiding by all relevant IMF policies in this regard.

D. Strengthening of Prudential Compliance

12. Ceiling on non-operating fixed assets. To enhance compliance with the 15 percent of tier-one capital prudential ceiling on non-operating fixed assets on banks' balance sheets, the government encouraged the creation of the Non-Operating Fixed-Assets Management Company (SGIHE), with the participation of seven banks. All bodies of the SGIHE (board of directors, general management, statutory auditors, etc.) have been established.

E. Building Resilience to Climate Shocks

13. The Government of Mali has prioritized climate change adaptation policies to build resilience and promote sustainable development. Efforts are underway to strengthen climate-smart agriculture, improve the management of water resources, and combat desertification to safeguard livelihoods and food security. The government's strategy also calls for the development of renewable energy sources, especially solar and hydroelectric power, to reduce dependence on fossil fuels. In addition, climate considerations are being mainstreamed into national planning, with a focus on improving disaster risk management and mobilizing international financing to support green initiatives. Collaboration with development partners and the private sector remains essential for implementing effective climate policies and ensure long-term environmental sustainability in Mali.

National Development Plan: Vision 2063

14. The Malian government is committed to inclusive and sustainable development through a long-term vision covering the period from 2024 to 2063, driven by the lessons learned from past strategies and national studies. The overarching goal is to build "a sovereign, united, well-governed, and secure nation with a strengthened, integrated and advanced economy, a high level of human development, and a sustainable and preserved environment." This vision to eradicate poverty, accelerate double-digit economic growth, and reach high-income status by 2063. Vision 2063 is structured in four phases, each guiding progress towards this long-term transformation. The first phase of this vision is the National Strategy for Emergence and Sustainable Development (SNEDD 2024-2033).

15. The Stratégie Nationale pour l'Émergence et le Développement Durable (SNEDD 2024-2033) lays out an overall development plan for Mali over the next decade, with ambitious objectives set in key sectors. The SNEDD is articulated around the following five pillars:

i. **Strengthening sovereignty and consolidating peace and security**: The government's strategy includes (i) strengthening the country's defense and security capacities, (ii) preserving and consolidating social cohesion, including through the implementation the recommendations of the inter-Malian dialogue.

ii. **Governance reform**: The government’s strategy focuses on strengthening democracy, the rule of law, and decentralization to empower local communities. Strengthening the judiciary, combating corruption, and improving public administration will be key to fostering a more transparent government.

iii. **Structural transformation of the economy and growth**: The government aims to shift from a predominantly agrarian economy to an industrialized and more diversified economy. This vision favors investment in agriculture, mining, energy, and manufacturing to create value-added industries. Developing infrastructure, especially transportation, digital connectivity, and access to energy, will be crucial to unlock economic potential and attract domestic and foreign investment.

iv. **Enhancing human capital and developing resilient territories**: Investing in education, health, gender, and social protection is a key pillar of the government’s strategy to build a skilled and productive workforce. Expanding access to quality education, especially in science, technology, and vocational training, will prepare Mali's youth for the jobs of tomorrow. Universal health care coverage and social protection programs will ensure a healthier and more inclusive society.

v. **Sustainable environmental management, adaptation to climate change, and resilience**: Given Mali's vulnerability to climate change, the SNEDD focuses on environmental protection, water resource management, and sustainable agriculture. Strategies for afforestation, the development of renewable energy and adaptation to climate change will contribute to ensuring the ecological balance and food security in the long term.

vi. **The government will pursue a proactive fiscal policy to implement the SNEDD**. Thanks to strong revenue mobilization and efforts to contain current spending, the fiscal deficit is expected to gradually decline to about 1 percent of GDP in 2033, which will help preserve debt sustainability. Financing of the SNEDD will come from public resources, investment funds, foreign direct investment (FDI), public-private partnerships (PPPs), and support from development partners.

vii. **The government intends to ensure that the objectives of the SNEDD are effectively reflected in ministerial departments and other administrative structures across the various development sectors**. To achieve this objective, the Ministerial Policy Letter (MPL) was drawn up for four ministerial departments with a view to test implementation before being generalized throughout the administration. The MPL serves as a tool for decision-making, programming, monitoring/evaluation of the actions of a ministerial department and defines the sector's contribution to achieving the goals of the SNEDD.

viii. **In the area of optimal policy formulation and implementation, work has begun on the establishment of a Directorate of Economy with a view to the institutional organization of economic management and development planning to ensure the quality, viability, and effectiveness of public development policies**. To this end, most of the draft texts relating to the creation of the General Directorate of Economy and Planning (DGEP) were prepared to be submitted for internal validation before being introduced into the government adoption process.

Attachment II. Technical Memorandum of Understanding

This Technical Memorandum of Understanding (TMU) defines the concepts, definitions, and reporting procedures referred to in the Memorandum of Economic and Financial Policies (MEFP) for the period covered by the SMP arrangement. It also presents reporting procedures, definitions and calculation methods, indicative and quantitative targets, structural benchmarks and other commitments under the MEFP.

1. The program exchange rates will be determined based on the official rates used by the IMF as of April 16, 2025.

REPORTING OF DATA TO THE FUND

2. Data on all variables subject to quantitative targets will be reported periodically to the IMF as outlined in the SMP timetable set out in the MEFP. Any updates outside the specified schedule indicated in Table 1 should be reported promptly (within one week). In addition, the authorities will consult IMF staff if any new information or data emerge, not specifically defined in this TMU, but relevant for monitoring or measuring performance against the program objectives.

VARIABLE DEFINITIONS

3. Unless otherwise indicated, **government** is defined as the central administration of the Republic of Mali and does not include local authorities, the central bank, or any public entity with autonomous legal status not included in the table detailing the financial operations of the State (TOFE).

4. The definition of debt is set out in **IMF Executive Board Decision No. 15688-(14/107), Point 8**, as published on the IMF website. "**Debt**" will be understood to mean all current, i.e., not contingent, liabilities created under a contractual arrangement through the provision of value in the form of assets (including currency) or services, and which requires the obligor to make one or more payments in the form of assets (including currency) or services, according to a given repayment schedule; These payments will discharge the principal and/or interest liabilities incurred under the contract. Debt can take various forms, with the primary types outlined below:

(i) **loans**, i.e., advances of money to the obligor by the lender made on the basis of an undertaking that the obligor will repay the funds in the future (including deposits, bonds, debentures, commercial loans and buyers' credits) and temporary exchanges of assets equivalent to fully collateralized loans under which the obligor is required to repay the funds, and usually pay interest, by repurchasing the collateral from the buyer in the future (such as repurchase agreements and official swap arrangements);

(ii) **suppliers' credits**, i.e., contracts where the supplier permits the obligor to defer payments after the delivery of goods or services are provided; and

(iii) **leases,** i.e., arrangements under which property is provided which the lessee has the right to use for one or more specified period(s) of time that are usually shorter than the total expected service life of the property, while the lessor retains the title to the property. For the purpose of these guidelines, the debt is the present value (at the inception of the lease) of all lease payments expected to be made during the period of the agreement, excluding those payments necessary for the operation, repair, or maintenance of the property.

5. Under the definition of debt set out above, arrears, penalties, and judicially awarded damages arising from the failure to make payment under a contractual obligation that constitutes debt are debt. Failure to make payment on a contractual obligation that is not considered a debt according to this definition (e.g., payment on delivery) does not constitute a debt.

6. **External debt**. For the purposes of the relevant assessment criteria, external debt is defined as debt denominated, or requiring payment, in a currency other than the CFA franc (with the exception of the West African Development Bank (BOAD), which is considered external debt). This definition also applies to debt contracted among WAEMU member countries.

QUANTITATIVE TARGETS

7. Unless otherwise indicated, the following targets will serve as quantitative targets at end-December 2025 (MEFP Table 1). These objectives are key components of the 11-month SMP, April 2025–February 2026.

A. Ceiling on Net Primary Fiscal Deficit

8. The net primary fiscal balance (commitment basis) is defined as the difference between total budgetary revenue and total expenditure and net lending, as recorded in the TOFE, excluding interest payments. This quantitative target will be verified at the September 2025 and December 2025 test dates.

B. Floor on Net Tax Revenue, Excluding Mining-Related Exceptional Payments

9. Government net tax revenue, excluding mining-related exceptional payments, is the total tax revenue of the national budget as reported in the table detailing government financial operations (TOFE), after deduction of tax refunds generated during the year, in particular VAT credits. Mining-related exceptional payments are also deducted from this measure, which relates to any payment received from mining companies after the implementation of previous fiscal protocols.

C. Ceiling on the Net Accumulation of Government Arrears on External Debt Obligations

10. External arrears are defined as external debt obligations of the government that have not been paid when due in accordance with the relevant contractual terms (taking into account any contractual grace periods). Under the program, the government agrees not to accumulate external payment arrears on its debt, except for arrears arising from external payment obligations being renegotiated with creditors, including bilateral non-Paris Club creditors. The quantitative target of non-accumulation of external payment arrears must be respected on a continuous basis, such that the level of external arrears does not exceed at any moment for the duration of the SMP, the level recorded as of February 28, 2025. This quantitative target will be verified at the September 2025 and December 2025 test dates.

INDICATIVE TARGETS

11. Unless otherwise indicated, the targets below will serve as indicative targets for end-September 2025.

A. Floor on Net Tax Revenue, Excluding Mining-Related Exceptional Payments

12. Government net tax revenue, excluding mining-related exceptional payments, is the total tax revenue of the national budget as reported in the table detailing government financial operations (TOFE), after deduction of tax refunds generated during the year, in particular VAT credits. Mining-related exceptional payments are also deducted from this measure, which relates to any payment received from mining companies after the implementation of previous fiscal protocols.

B. Floor on Priority Social and Development Spending

13. Priority social spending for 2025 and beyond is defined as the sum of spending on basic education, secondary and tertiary education, scientific research, roads, and health and social development, excluding transfers to the Malian Social Security Fund (CMSS). Also excluded are capital expenditures associated with projects financed by foreign technical and financial partners. In response to the catastrophic floods in 2024, priority social spending now includes investments in reconstruction and climate resilience, particularly WASH facilities and food security programs to support affected populations and restore essential services. These indicative targets will be applied following the test dates at end-September 2025 and end-December 2025.

C. Ceiling on the Government's Net Accumulation of Domestic Payment Arrears

14. Domestic government payment arrears arise when the date of payment is more than 90 days after the date of settlement of an undisputed debt to a third party, except in cases where the terms and conditions of the transaction stipulate a longer period. For domestic bank or financial market debt service, arrears arise 30 days after the due date. For purposes of the program, the government undertakes not to accumulate domestic payment arrears. "Domestic" is defined as the residence of the creditor. These indicative targets will be applied following the test dates of end-September 2025 and end-December 2025.

STRUCTURAL BENCHMARKS

15. Information concerning the implementation of measures constituting structural benchmarks will be communicated to IMF staff at the time of implementation.

ADDITIONAL INFORMATION FOR PROGRAM MONITORING

16. To facilitate program monitoring, the following summary table will provide IMF staff (in Excel format for all quantitative data).

Table 1. Mali: Summary of Reporting Requirements for the SMP

Sectors	Type of data	Frequency	Reporting lag
Real Sector	National Accounts	Annual	Year-end + 19 months
	Revised National Accounts	Variable	8 weeks after revision
	National Accounts	Quarterly	End of quarter + 12 weeks
	Disaggregated consumer price indexes	Monthly	End of month + 2 weeks
Public finance	TOFE for the central government	Quarterly	End-quarter + 6 weeks
	Table of Monthly Revenues	Monthly	End of month + 3 weeks
	Table of monthly expenditures	Monthly	End of month + 3 weeks
	Information on execution of priority social and development expenditure	Quarterly	End of quarter + 4 weeks
	Table of all payments made by mining companies to the government under tax protocols, by type of tax	Quarterly	End-quarter + 6 weeks
Monetary and financial data	Banks' survey, financial institutions survey	Monthly	(provisional); End of month + 8 weeks (final)
	Foreign assets and liabilities and details of net foreign assets (NFA) of the BCEAO and commercial banks	Monthly	End of month + 8 weeks
	Lending and deposit interest rates, BCEAO policy rate, BCEAO reserve requirement	Monthly	End of month + 4 weeks
	Banks' prudential ratios	Monthly	End of month + 6 weeks
Balance of Payments	Balance of payments outturn	Annual	End-year + 12 months
	Balance of payments estimates and revisions	Quarterly	4 weeks after each

Table 1. Mali: Summary of Reporting Requirements for the SMP
(concluded)

Sectors	Type of data	Frequency	Reporting lag
External debt	Debt service including breakdown of principal, interest and HIPC relief	Quarterly	End of month + 4 weeks
	Updated information on borrowing plans, including when all new external debt will be contracted.	Quarterly	End of month + 4 weeks
Domestic debt	Debt service with principal breakdown, interest	Monthly	End of month + 4 weeks
	Up-to-date information on regional debt issuances and syndicated loans, including interest rates, amounts, and maturities.	Monthly	End of month + 4 weeks
EDM	Detailed financial statements showing EDM's total revenues, including subsidies received; total expenditure; the level of debt owed to suppliers	Quarterly	End of month + 4 weeks

Note: Preliminary national accounts data will be shared with IMF staff at the time of reviews.

INTERNATIONAL MONETARY FUND

MALI

April 1, 2025

REQUEST FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY AND REQUEST FOR A STAFF-MONITORED PROGRAM—INFORMATIONAL ANNEX

Prepared By

African Department (in Consultation with other Departments)

CONTENTS

RELATIONS WITH THE FUND

(As of February 28, 2025)

Membership Status: Joined: September 27, 1963; Article VIII

General Resources Account:

	SDR Million	%Quota
Quota	186.60	100.00
IMF's Holdings of Currency (Holdings Rate)	153.28	82.14
Reserve Tranche Position	33.33	17.86

SDR Department:

	SDR Million	%Quota
Net cumulative allocation	268.21	100.00
Holdings	208.93	77.90

Outstanding Purchases and Loans:

	SDR Million	%Quota
RCF Loans	146.67	78.60
ECF Arrangements	177.96	95.37

Latest Financial Commitments:

Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
ECF	Aug 28, 2019	Aug 21, 2022	139.95	80.00
ECF	Dec 18, 2013	Dec 17, 2018	186.60	186.60
ECF	Dec 27, 2011	Jan 10, 2013	30.00	6.00

Outright Loans [1]:

Type	Date of Commitment	Date Drawn/Expired	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
RCF	Apr 30, 2020	May 04, 2020	146.67	146.67
RCF	Jun 10, 2013	Jun 18, 2013	10.00	10.00
RCF	Jan 28, 2013	Feb 04, 2013	12.00	12.00

[1] Undrawn outright disbursements (RFI and RCF) expire automatically 60 days following the date of commitment, i.e. Board approval date.

Overdue Obligations and Projected Payments to Fund[2]
(SDR Million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2025	**2026**	**2027**	**2028**	**2029**
Principal	54.79	72.35	70.65	57.99	45.33
Charges/Interest	1.78	1.85	1.85	1.85	1.85
Total	56.57	74.20	72.50	59.85	47.19

Implementation of HIPC Initiative:

I. Commitment of HIPC assistance	**Original Framework**	**Enhanced Framework**	**Total**
Decision point date	Sep 1998	Sep 2000	
Assistance committed			
by all creditors (US$ Million) [3]	121.00	417.00	
Of which: IMF assistance (US$ million)	14.00	45.21	
(SDR equivalent in millions)	10.80	34.74	
Completion point date	Sep 2000	Mar 2003	
II. Disbursement of IMF assistance (SDR Million)			
Assistance disbursed to the member	10.80	34.74	45.54
Interim assistance	--	9.08	9.08
Completion point balance	10.80	25.66	36.46
Additional disbursement of interest income [4]	--	3.73	3.73
Total disbursements	**10.80**	**38.47**	**49.27**

Decision point - point at which the IMF and the World Bank determine whether a country qualifies for assistance under the HIPC Initiative and decide on the amount of assistance to be committed.

Interim assistance - amount disbursed to a country during the period between decision and completion points, up to 20 percent annually and 60 percent in total of the assistance committed at the decision point (or 25 percent and 75 percent, respectively, in exceptional circumstances).

Completion point - point at which a country receives the remaining balance of its assistance committed at the decision point, together with an additional disbursement of interest income as

[2] When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

[3] Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

[4] Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

defined in footnote 2 above. The timing of the completion point is linked to the implementation of pre-agreed key structural reforms (i.e., floating completion point).

Implementation of Multilateral Debt Relief Initiative (MDRI):

I.	**MDRI-eligible Debt (SDR Million)** [5]	75.07
	Financed by: MDRI Trust	62.44
	Remaining HIPC resources	12.63

II. Debt Relief by Facility (SDR Million)

Delivery Date	Eligible Debt		
	GRA	PRGT	Total
January 2006	N/A	75.07	75.07

Implementation of Catastrophe Containment and Relief (CCR):

Date of Catastrophe	Board Decision Date	Amount Committed (SDR million)	Amount Disbursed (SDR million)
N/A	Apr 13, 2020	7.30	7.30
N/A	Oct 30, 2020	7.50	7.50
N/A	Apr 01, 2021	7.70	7.70
N/A	Oct 06, 2021	5.70	5.70
N/A	Dec 15, 2021	1.80	1.80

As of February 4, 2015, the Post-Catastrophe Debt Relief Trust has been transformed to the Catastrophe Containment and Relief (CCR) Trust.

Safeguards Assessments:

The Central Bank of West African States (BCEAO) is a common central bank of the countries of the West African Economic and Monetary Union (WAEMU). The most recent safeguards assessment conducted in August 2023 confirmed that the BCEAO continues to maintain a robust audit framework and a strong control environment. Progress has been made in aligning its operational practices with evolving institutional frameworks, including the 2019 cooperation agreement with France. All recommendations from the 2018 safeguards assessment have been implemented.

Exchange Rate Arrangements:

Mali is a member of the West African Economic and Monetary Union (WAEMU). Effective January 1, 1999, the CFA franc was pegged to the Euro at a rate of CFAF 655.96 = EUR 1.

[5] The MDRI provides 100 percent debt relief to eligible member countries that qualified for the assistance. Grant assistance from the MDRI Trust and HIPC resources provide debt relief to cover the full stock of debt owed to the Fund as of end-2004 that remains outstanding at the time the member qualifies for such debt relief.

As of June 1, 1996, Mali and other members of WAEMU accepted the obligations of Article VIII, Sections 2, 3, and 4 of the Fund's Articles of Agreement. Mali's exchange system has no restrictions on making payments or transfers for current international transactions and the country does not engage in multiple currency practices.

Sharing a common trade policy with other members of WAEMU, Mali has shifted key trade policy-making to the sub-regional level. The common external tariff (CET) was adopted in January 2000. Mali complies with the union's tariff rate structure and has effectively dismantled internal tariffs. Between 1997 and 2003, WAEMU tariff reform reduced the simple average custom duty from 22 percent to 15 percent; the maximum rate is currently 20 percent on most items. Imports to Mali are not subject to quantitative restrictions.

Mali's exports to the European Union generally enjoy non-reciprocal preferential treatment in the form of exemption from import duties under the Everything but Arms initiative. Malian goods enjoy nonreciprocal preferential access to the markets of developed countries other than the European Union under the Generalized System of Preferences. Mali is also eligible to benefit from the United States' African Growth and Opportunity Act. Mali imposes no de jure restrictions on exports.

Article IV Consultations:

Mali's Article IV consultation cycle is governed by the provisions of the decision on consultation cycles, Decision No. 14747–(10/96) (9/28/2010), as amended. The Executive Board completed the last Article IV consultation (Country Report No. 2023/209) on May 26, 2023.

Resident Representative Ben Hassine, Moez

Mr. Moez Ben Hassine has been the Fund Resident Representative in Bamako since November 2024.

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

- World Bank: https://www.worldbank.org/en/country/mali
- African Development Bank: https://www.afdb.org/en/countries/west-africa/mali
- Regional Technical Assistance Center for West Africa 1: https://www.afritacouest.org/

TECHNICAL ASSISTANCE[1]

Purpose	Dates	Department
Improving quality and frequency of national accounts, balance of payment statistics and government finance statistics	4 TA missions in FY24 5 TA missions in FY25	Statistics
Public financial management, including: - Budget preparation, macro-fiscal and PIM - TSA, accounting, asset and liability management	 2 TA missions in FY24, 1 TA mission in FY25 4 TA missions in FY24, 2 TA missions in FY25	Fiscal Affairs
Revenue and tax administration	8 TA missions in FY24 5 TA missions in FY25	Fiscal Affairs
Debt management: Training on issuance calendar preparation and implementation, DSA training	1 TA mission in FY 24 1 TA mission in FY25	Monetary and Capital Markets

Source: Staff calculations based on Capacity Development Management and Administration Program.
Note: FY24 = May 2023-April 2024, FY25 = May 2024-April 2025. Snapshot as of March 5, 2025.

[1] Since 2023 Article IV.

INTERNATIONAL MONETARY FUND

MALI

April 1, 2025

REQUEST FOR DISBURSEMENT UNDER THE RAPID CREDIT FACILITY AND REQUEST FOR A STAFF-MONITORED PROGRAM —DEBT SUSTAINABILITY ANALYSIS

Approved By
Montfort Mlachila and Tokhir Mirzoev (IMF) and Abebe Adugna and Manuela Francisco (IDA)

Prepared by the Staff of the International Monetary Fund and the International Development Association.

Mali: Joint Bank-Fund Staff Debt Sustainability Analysis	
Risk of external debt distress	*Moderate*
Overall risk of debt distress	*Moderate*
Granularity in the risk rating	*Substantial space to absorb shocks*
Application of judgment	*No*

Mali's risk of external and overall debt distress is assessed to be moderate, although downside risks have increased since the 2023 debt sustainability analysis (DSA).[1] For external debt, no breaches occur in either the baseline scenario or in any of the stress tests when the conventional currency-based definition is adopted. However, the debt service-to-exports and debt service-to-revenue indicators persistently breach their respective thresholds under a customized scenario where external debt is classified as quasi-residency-based to better account for ownership of regional debt. For overall debt, the present value of public debt-to-GDP ratio remains below the relevant threshold in the baseline scenario. However, it incurs a prolonged and substantial breach of its benchmark under several stress tests, including a commodity price shock stress test and a contingent liability stress test designed to account for the possibility that the largest SOEs may add to the public debt burden. Mali's space to absorb shocks is assessed to be substantial. Nonetheless, the country is subject to several downside risks arising from both domestic and geopolitical challenges, including tighter regional and global financing conditions. To ensure debt sustainability, resolving disputes with regional partners, making progress on security and domestic political issues, improving the profitability and financial situation of SOEs, maintaining a reliable and stable regulatory environment and continued fiscal discipline will be important for restoring investor confidence and creating a more conducive business environment. Finally, it is crucial to engage with creditors to clear external and domestic arrears in a timely fashion.

[1] The DSA analysis reflects a debt carrying capacity of medium considering Mali's composite indicator index of 2.84, based on the IMF's October 2024 World Economic Outlook and the 2023 World Bank Country Policy and Institutional Assessment (CPIA).

PUBLIC DEBT COVERAGE

1. **Mali's public debt covers the external and domestic obligations of the central government** (Text Tables 1 and 2).[2] Local government entities do not borrow on their own. A detailed and updated breakdown of the debt of all state-owned enterprises (SOEs) is currently not available. Total SOE liabilities are estimated to be large, and staff is therefore supporting the authorities' efforts to broaden public debt reporting coverage to include the debt of SOEs and other public institutions.[3] Improvements in debt recording and reporting are critical for a robust evaluation of debt sustainability. Owing to data limitations, and consistent with the practice of all countries in the WAEMU, external debt is classified by currency denomination.[4] Nevertheless, estimates based on auction data suggest that the amount of external debt as defined by creditor residency is likely to be significantly larger (see ¶12 for more details). Consequently, the DSA's model-based output for external debt sustainability is complemented with a fully-customized scenario designed to broaden the definition of external debt, to better account for risks.

2. **A contingent liability test with tailored magnitude of shocks is applied to reflect the potential impacts of additional liabilities** (Text Table 2). The component of the contingent liability shock related to SOEs, which fall outside public sector coverage, is assumed to be 12 percent of GDP, 10 percentage points higher than the default setting of 2 percent of GDP. The size of this shock reflects the possibility that SOE liabilities (outside of those for which an explicit guarantee from the Malian government already exists) could add to public debt.[5] Liabilities of loss-making and highly indebted SOEs in Mali include:

- **The balance-sheet liabilities of *Energie du Mali* (EDM) amounted to over 7.5 percent of GDP at end-2024**. Debts of EDM, including towards banks and to key suppliers of electricity and fuel, amounted to CFAF 562 billion or almost 4.1 percent of GDP, while the provisional balance sheet at end-2024 reveals a negative equity position amounting to about 3.5 percent of GDP. In

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[2] The coverage of public debt in this DSA is the same as in the 2023 Article IV DSA.

[3] Efforts have been made with the support from the IMF (AFRITAC mission on debt reporting) and the World Bank. Under the World Bank Sustainable Development Finance Policy (SDFP) Policy Priority Actions (PPA), the government has published the debt situation of the ten largest SOEs with financial risks for 2021.

[4] The only exception to this rule is borrowing from the West African Development Bank (BOAD), which is considered external debt despite being local-currency-denominated. Note that information on the residency of the banks subscribing Malian issues of regional debt on the UMOA-Titre exchange is available from quarterly reports. However, this information only pertains to flows at origination, while the ownership of the entire stock may be different due to trading on secondary market. To note, one of the FY2025 SDFP PPAs requires publication of a debt bulletin of recent issuances with information on the residency of holders.

[5] The latest available information on the debt of the 10 largest SOEs points to an exposure to outstanding debts of about CFAF 750 billion at end-2021, considering the equity share owned by the government. Total debt of these SOEs amounted to almost CFAF 2,600 billion. Since then, the financial situation of EDM, SOMAGEP, and SOMAPEP has worsened considerably, while more updated data on outstanding debt is not available.

2024, the Ministry of Finance spearheaded a restructuring of some of EDM's debt with commercial banks.[6]

- **The *Société Malienne de Gestion de l'Eau Potable* (SOMAGEP) and the *Société Malienne de Patrimoine de l'Eau Potable* (SOMAPEP) had debts amounting to about 0.7 percent of GDP at end-2024**. Chronic underinvestment, inadequate tariff levels, uncompensated quasi-fiscal activities, and electricity shortages have dented the operations and profitability of SOMAGEP and SOMAPEP, which are the SOEs tasked with potable water pumping and distribution. This has led to a deterioration of their profitability and debt positions.[7]

3. The shock from the financial sector is set at the default level of 5 percent of GDP. According to the World Bank's Public-Private Partnerships (PPP) database, the capital stock of PPPs in Mali is estimated to be 3.7 percent of GDP, so the PPP component of the contingent liability stress test is calibrated to be 1.3 percent of GDP. As a result, total contingent liabilities are therefore assumed to be 18.3 percent of GDP for the purposes of the stress test.

Text Table 1. Mali: Coverage of Public Debt

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	X
3	Other elements in the general government	
4	o/w: Social security fund	
5	o/w: Extra budgetary funds (EBFs)	
6	Guarantees (to other entities in the public and private sector, including to SOEs)	
7	Central bank (borrowed on behalf of the government)	
8	Non-guaranteed SOE debt	

Text Table 2. Mali: Size of Contingent Liability Shock

1	The country's coverage of public debt	The central, state, and local governments		
		Default		Used for the analysis
2	Other elements of the general government not captured in 1.	0	percent of GDP	0.0
3	SoE's debt (guaranteed and not guaranteed by the government)	2	percent of GDP	12.0
4	PPP	35	percent of PPP stock	1.3
5	Financial market (the default value of 5 percent of GDP is the minimum value)	5	percent of GDP	5.0
	Total (2+3+4+5) (in percent of GDP)			18.3

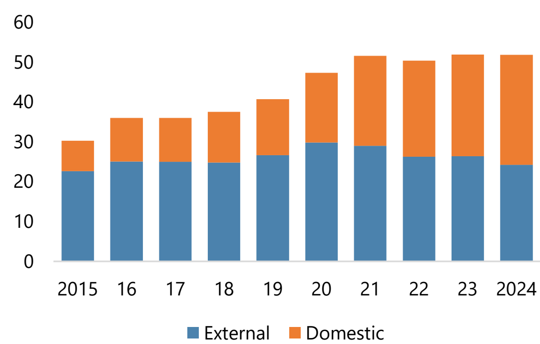
[6] EDM is structurally loss-making, which is attributed to a negative operating margin with high production costs, as well as alleged mismanagement and corruption. The total debt position at end-2024 comprised CFAF 241 billion of bank debt and CFAF 321 billion of debt to suppliers. In June 2024, the Ministry of Economy and Finance implemented an agreement between EDM and prominent domestic banks to reprofile CFAF 241 billion of short-term debt into a 10-year maturity at 6 percent nominal rate, with an initial 1-year grace period on principal and interest repayment. The remainder of EDM's debt consists of both short-term bank debt and debt to suppliers. At end-2023, the government proceeded to compensate EDM's losses by a total amount of CFAF 144 billion, by reducing tax and other credits outstanding. This effectively recapitalized the company, but without injecting new funds. The rate of accumulation of losses has slowed significantly in 2024, but the negative equity of the company has risen over the past year.

[7] SOMAGEP and SOMAPEP were created after a reform of the water sector in 2010. SOMAGEP is tasked with the distribution and commercialization of potable water, while SOMAPEP is in charge of the infrastructure.

DEBT BACKGROUND

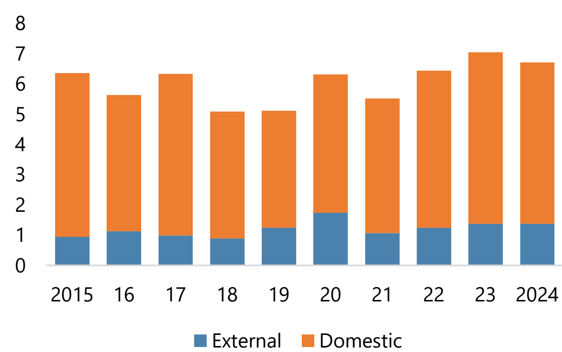
4. **At end-2024, Mali's public debt stock stood at 51.8 percent of GDP, with external debt at 24.2 percent of GDP** (Text Figure 1 and Text Table 3). External debt amounted to CFAF 3,340 billion (24.2 percent of GDP), of which CFAF 2,604 billion (18.9 percent of GDP) was owed to multilateral creditors and CFAF 735 billion (5.3 percent of GDP) to bilateral creditors. The main external creditors—accounting for over 90 percent of the external debt stock— included the IMF, World Bank, African Development Fund, West African Development Bank, Islamic Development Bank, as well as the governments of France (French Development Agency), China, India, and Abu Dhabi (Abu Dhabi Development Fund) (Text Table 3). Around 30 percent of Mali's external debt is denominated in euros, which is not exposed to exchange rate risk given the CFAF's peg to the euro. External debt is generally contracted on concessional terms, with an average weighted interest rate of 1 percent and a maturity exceeding 10 years. Public debt service stood at 6.7 percent of GDP in 2024 (Text Figure 2).

Text Figure 1. Mali: Public Debt Stock
(Percent of GDP)



Source: Malian authorities, IMF staff calculations.

Text Figure 2. Mali: Public Debt Service
(Percent of GDP)



Source: Malian authorities, IMF staff calculations.

5. **Domestic public debt consists mostly of short- and medium-term treasury securities.** These instruments are predominantly held by banks in Mali and in the rest of the West African Economic and Monetary Union (WAEMU).[8] Domestic debt has built up rapidly, increasing from a low base of 7.6 percent of GDP in 2015 to 27.6 percent of GDP in 2024 (Text Figure 1). This trend was driven by a variety of factors including, among others: (1) the development of regional debt markets in this period and deeper regional financial integration; (2) several shocks hitting Mali's economy that generated a need for additional financing, including security issues, the COVID-19 pandemic, and reductions in budget support and sanctions; (3) the issue of stock-flow adjustments, where below-the-line operations generate financing needs not properly accounted for by the fiscal deficit. Domestic debt primarily comprises treasury bills and bonds issued on the WAEMU regional market,

[8] The Bank-Sovereign nexus has strengthened in recent years in Mali, with the banks' exposure to the public sector rising from 15 percent of assets in 2015 to about 25 percent of assets in 2023. Beyond increasing the risk of a financial crisis, this trend may also have reduced the availability of financing to the private sector.

but also includes syndicated bonds from groups of regional banks. The increasing share of Mali's debt servicing costs for domestic debt is due to its average effective interest rate, which is significantly higher than that paid on external debt (Text Figure 2). Over 90 percent of Mali's domestic debt stock issued by the Treasury consists of bonds or syndicated loans with a maturity of more than one year. In 2021, the SDR allocation was received by the regional central bank (BCEAO) and then on lent to WAEMU member countries in CFA francs, and it is recorded as domestic debt for the purpose of the DSA.

6. **Mali has accumulated sizable domestic arrears and relatively smaller external arrears** (Text Table 3). Domestic arrears on payments to suppliers amounted to 2.6 percent of GDP at end-2024, a substantial increase since the end of 2023.[9] Domestic arrears to suppliers contributed significantly to the increase in the debt stock in recent years. Arrears on payments of external debt are much lower and reported at approximately 0.7 percent of GDP in 2024, higher than the estimate of 0.1-0.2 percent of GDP observed during the 2023 Article IV consultation. As of February 28, 2025, about 76 percent of this amount was due to official bilateral lenders for payments of either principal or interest, including China, France, India, Iraq, Kuwait, Libya, Saudi Arabia, and the United Arab Emirates.[10] The remainder of the external arrears were due to multilateral and international financial institutions, including the Arab Bank for Economic Development, the European Investment Bank, the Islamic Development Bank, the ECOWAS Investment and Development Bank, the West African Development Bank, the International Fund for Agricultural Development, the OPEC Development Fund. The authorities have formulated a credible plan to clear external arrears to IFIs contingent on available financing to be raised on the regional debt market.

7. **The government of Mali faced considerable liquidity pressures in 2022 and 2023.** The ECOWAS sanctions in the first half of 2022 cut Mali off from the regional securities market (Text Figure 3), and more broadly from the regional payments and financial system. Its gross financing needs in 2022 and 2023 were 9.7 and 9.1 percent of GDP, respectively, which it had to meet largely through regional markets and syndicated bonds given the drying up of most external financing in the aftermath of the socio-political turmoil.[11] Even after the sanctions were lifted in July 2022, it was difficult to meet the large annual financing needs within the span of the remaining six months. Therefore, Mali accumulated sizable arrears in 2022. Despite substantial efforts to repay its debts to major external and domestic creditors, which allowed it to regain access to the regional market, domestic arrears to suppliers accumulated quickly and persisted in 2023.

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[9] Domestic arrears are defined as outstanding payments that are more than 90-day past due, and their outstanding value at end-2024 constitutes the relevant outturn data used as starting point for the debt projection. They are recorded as part of domestic debt following the same methodology adopted during the 2023 Article IV consultation. At end-2024, domestic arrears comprised CFAF 283 billion to the private sector, and CFAF 80 billion of arrears to other entities of the state or SOEs.

[10] The Fund's Non-Toleration Policy applies in this case, and it requires the non-objection of bilateral creditors.

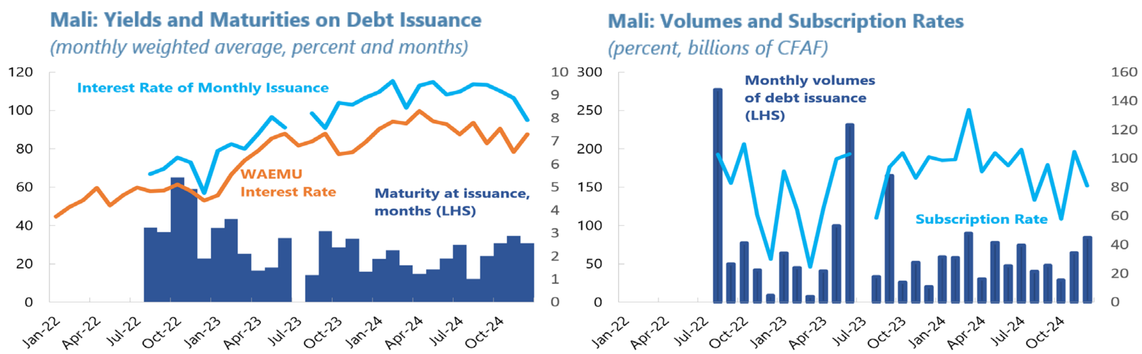
[11] Note that syndicated loans issuances declined substantially in 2023 after their large increase in 2022 (Text Table 3). Given this reduction in issuances, the domestic debt projection does not separately account for syndicated loans, although the refinancing assumptions implicitly account for higher interest rates on longer-term debt (see footnote 14 below for more details).

Text Table 3. Mali: Debt Stock at Year-End, 2019-2024
(Billions of CFAF)

	2019	2020	2021	2022	2023	2024	2024 (percent of GDP)
Total	4,123	4,758	5,521	6,053	6,666	7,140	51.8
(percent of GDP)	41	47	52	50	52	52	
External	2,699	2,995	3,107	3,156	3,389	3,340	24.2
Multilateral	2,061	2,313	2,370	2,384	2,601	2,604	18.9
IMF	190	297	331	323	294	271	2.0
World Bank	1,086	1,153	1,180	1,177	1,382	1,429	10.4
African Development Fund	410	437	451	449	482	496	3.6
West African Development Bank	122	151	142	138	161	149	1.1
Islamic Development Bank	98	130	123	156	143	130	0.9
Others	155	145	143	142	139	130	0.9
Official Bilateral	638	682	737	772	788	735	5.3
Paris Club	87	136	141	196	176	164	1.2
France	73	98	104	122	139	130	0.9
Korea	8	33	33	3	33	30	0.2
Austria	3	3	3	2	2	2	0.0
Belgium	2	2	2	68	2	1	0.0
Non-Paris Club	551	546	596	576	612	571	4.1
China	249	270	281	291	282	245	1.8
India	58	53	61	33	69	61	0.4
Abu Dhabi	165	150	162	171	169	171	1.2
Kuwait	27	31	34	31	33	42	0.3
Others	53	41	59	50	59	52	0.4
Arrears[1]	0	0	0	7	64	99	0.7
Domestic	1,424	1,763	2,414	2,897	3,277	3,800	27.6
Treasury	1,424	1,763	2,272	2,567	2,966	3,295	23.9
Short term (1 year or less)	127	119	128	94	244	304	2.2
Long term (more than 1 year)	1,298	1,644	2,145	2,473	2,722	2,991	21.7
Syndicated bonds	389	579	671	944	953	n.a.	n.a.
SDR Onlending	0	0	142	142	142	142	1.0
Arrears[2]	0	0	0	188	169	363	2.6

Sources: Malian authorities, Cbonds, and staff calculations.
1 \ Arrears on external debt include principal and interest repayments.
2 \ Domestic arrears include unpaid bills to suppliers of the Government more than 90-day past due.

Text Figure 3. Mali: Regional Debt Issuance



Source: UMOA-Titres Mali, IMF staff calculations.
Note: Data do not include the BRVM syndicated market.

8. **Financing conditions tightened in 2023, and remained constrained in 2024, following consecutive rate hikes and waning investor demand for Mali's debt issuances.**[12] In response to

[12] Tightened financial conditions affected all WAEMU countries, and were driven by several factors: WAEMU-wide monetary policy tightening; BCEAO's withdrawals of COVID-related support; risk-off sentiments complicating

(continued…)

high inflation and global monetary policy tightening, the BCEAO raised the WAEMU policy rate from 2 percent in 2022 to 5.5 percent in 2024. Despite BCEAO purchasing almost CFAF 2 trillion of regional debt in the secondary half of 2023, financing conditions in the regional securities market remained tight.[13] Many of Mali's recent debt issuances have been significantly undersubscribed (Text Figure 3.B), often with short maturities and at significantly elevated interest rates (Text Figure 3.A). Immediately following the ECOWAS exit announcement in January 2024, debt issuances have generally been fully subscribed, albeit in relatively small amounts. However, interest costs have increased sharply, with rates on three-year bonds exceeding 8 percent and spreads on regional market average yields widening. The heavy reliance on domestic banks underwriting most of these issuances has raised risks around the bank-sovereign nexus.

UNDERLYING MACROECONOMIC ASSUMPTIONS

9. The baseline scenario reflects the impact of recent developments. In particular:

- **Growth is estimated to have slowed to 4.4 percent in 2024 from 4.7 percent the previous year, with a recovery to 4.9 percent anticipated in 2025.** In 2023, GDP growth improved to 4.7 percent after averaging 1.8 percent annually during 2020-2022, on the back of robust gold production and improving terms of trade. Inflation was higher in 2024, averaging 3.2 percent for the year, and is expected to average 3.0 percent in 2025. In 2024, continued increases in gold prices slowed the reduction in export revenues as gold production declined sharply in volume terms. However, several shocks hit the economy, including the flooding, worsening electricity outages, escalating security incidents and the departure of MINUSMA in December 2023. Specifically, the flooding contributed to lower growth by about 0.3 percentage points, with the bulk of the negative impact through damages to agriculture. The contribution of the services sector to growth, while still high compared to the primary and secondary sectors, was lower in 2024 compared to 2023. The modest recovery for 2025 is predicated on the expectation that electricity outages will ease, and that lithium production, which started in December 2024, proceeds as planned, but is negatively impacted by detrimental effects of the 2024 flooding (through higher import needs). In the medium term, the economy is assumed to grow at its potential, which is assumed to be 5.1 percent in real terms, concentrated in the secondary and tertiary sectors. Finally, Mali has been shown to be particularly exposed to the detrimental effects of climate change, with food insecurity exacerbated by higher temperatures, floods and droughts. In turn, this generates a need to invest in critical adaptation measures (see Selected

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Eurobond issuance and persistent undersubscription in the WAEMU-wide regional securities market; and BCEAO's restoration of liquidity provision under revised refinancing criteria (variable rate, fixed allotment), which restricted Mali and regional banks' access to central bank funds; and, following the ECOWAS exit announcement, interest rates on Mali's regional debt issuances reached record highs, similar to those of Burkina Faso and Niger.

[13] This monetary easing led to a significant increase in the monthly auction volume in the regional securities market, which leapt to a record CFAF 1.7 trillion in June 2023, or nearly three times the average of the previous three months. The long-run impact of this monetary easing appeared muted, however, as the auction volume fell back to normal levels in July, 2023 and the interest rate of sovereign securities fell only marginally from 7.3 percent to 6.8 percent.

Issues Paper for the 2023 Article IV consultation). These higher expenditures are not explicitly factored into the baseline scenario.

- **The impact on growth from the ECOWAS exit is assessed to be relatively small.** In January 2024, Mali, Burkina Faso, and Niger announced their decision to exit the ECOWAS trading bloc, a decision that became fully effective in January 2025. As Malian authorities declared in multiple instances their commitment to remain in the WAEMU, the baseline scenario for the framework assumes this will be the case going forward. The assessed impacts from the ECOWAS exit appear to be small. The announcement in early 2024 and lack of clarity on implementation details that persisted during the 1-year negotiation period are assessed to have contributed to policy uncertainty, adversely affecting financing conditions. Importantly, negative effects from trade disruptions are expected to be minimal, given the low share of Mali's foreign trade with non-WAEMU ECOWAS countries.

- **The fiscal deficit was above the 3-percent WAEMU convergence criteria at 3.6 of GDP in 2023, but came down to 2.6 percent of GDP in 2024.** A combination of external and domestic shocks created a challenging fiscal environment in recent years. While some measures have been undertaken to boost tax revenues, no major policy changes are currently envisaged to cut current spending in the near term. Financing needs stood at 7.9 percent of GDP in 2024, with financing conditions remaining challenging amid reduced support from the international community and limited investor demand for domestic debt issuances. Going forward, staff envisions a loosening of the fiscal position in 2025 to 3.1 percent of GDP, driven by higher flood-related expenditure. However, the impact on the deficit will be partially offset by revenue administration measures and the activation of delayed reforms to broaden the tax base and improve compliance.[14] Since the adoption of the revised 2023 mining code, several foreign mining companies have made one-off payments related to past taxes that bolstered fiscal revenues in 2024, and similar payments are expected to boost revenues in 2025. From 2026 onwards, the implementation of the revised code is expected to account for about half of the medium-term increase in revenue collection. Total revenues—including grants—are expected to rise from 21.3 to 22 percent of GDP between 2023-26, while budgetary expenditure is projected to remain broadly flat, from 24.8 to 25 percent of GDP in the same period. As a result, the fiscal deficit is expected to return to 3 percent of GDP in 2026.[15]

- **Gross financing needs are assumed to be met in large part by domestic issuances through 2025, while the share of external financing is expected to recover in the medium term.** Between 2022 and 2024, Mali has not received external budget support, with available external

[14] Specific policy changes include changes in taxation of coffee, perfumes and cosmetics. Extra revenue mobilization comes through various legislative and administrative reforms including the 2023 mining code, reducing tax exemptions, as well efforts to tax the agricultural and informal sectors. In some cases, revenue mobilization measures represent improved implementation of existing measures, for example boosting compliance through ongoing digitalization. Notably, efforts on digitalization are supported by technical assistance provided by the World Bank.

[15] This DSA assumes that domestic arrears will be reduced starting in 2026, at a pace of CFAF 60bn over a period of 6 years. This is broadly consistent with the plans outlined by the authorities. As for external arrears, the total amount is assumed to remain stable at end-2025 compared to end-2024, at 0.7 percent of GDP, and to decrease by about CFAF 49bn by end-2026 (or half of the end-2024 value) to 0.3 percent of GDP to be finally cleared in 2027.

financing entirely allocated to project support. Despite considerable uncertainty, external budget support is expected to return only gradually starting in 2027. This implies that gross financing needs will have to be met in large part by domestic sources.[16] In the medium term, external financing is projected to rise, partly reflecting the IDA credit disbursements from the World Bank under new IDA borrowing terms.[17] In the long term, external funding is projected to decline as a share of total financing, in part because fewer IDA credit disbursements are expected to be required as Mali's economic and social conditions improve.

- **External imbalances are expected to ease over the medium term, with the current account deficit narrowing to reach 1.7 percent of GDP in 2028.** Based on preliminary data for 2024, the current account deficit is expected to have decreased from 7.7 percent of GDP in 2022 to 6.1 percent of GDP in 2024. This improvement is mainly driven by a decline in the import bill of petroleum products, which more than offsets the decline in exports as a share of GDP. In 2025, record-high gold prices and a strong dollar will buoy gold exports, while shipments of lithium-rich minerals are expected to further contribute to higher exports. Higher exports will be offset by higher projected imports of construction materials, machinery, food, and services related to the reconstruction efforts following the flooding. Over the medium term, the deficit is projected to decline gradually on the back of strong exports of lithium-rich minerals, sustained high prices of gold, and, more generally, improved terms of trade. The differences in the current account projections between the current and past versions of the DSA arise mainly from updated assumptions on the path of gold and lithium exports.

10. Realism tool comparisons show that projections are broadly in line with historical precedent and the experiences of comparable countries (Figures 3 and 4).[18]

- ***Debt dynamics.*** The dynamics of public debt as a percentage of GDP show a gradual decline in the near to medium term relative to the past five years, due to the projected growth rebound relative to 2020-22, and to the reduction in the pressures arising from primary deficits which offset the negative contribution of the higher real interest rates (Figure 3). Past debt increases are partly due to a residual which can be attributed to "stock-flow adjustments," a common phenomenon across WAEMU countries, whereby government spending not captured by the

[16] Considering the observed tight financing conditions in 2023-24, the assumed interest rates for domestic financing has been revised upward for 2024 and 2025 relative to the May 2023 DSA, in the range of 50-240 basis points depending on the maturity. Specifically, interest rates on short-term domestic debt of maturity less than or equal to 1 year are assumed to be 9 percent on average for 2024, and 8.5 percent on average for 2025. For longer-term domestic debt, interest rates range between 9-9.5 percent in 2024 and 2025. This is consistent with yields observed in recent domestic debt issuances, especially on shorter maturities, as well as global developments in financial conditions. Despite the projected decline in EUR interest rates based on market-implied indicators for the year 2025 onward, financing conditions are assumed to be conservatively tight for the DSA.

[17] As Mali is classified as an IDA-only country with a moderate risk of debt distress, it has access to concessional 50-year credits and Shorter-Maturity Loans (SMLs). The former has 50-year final maturity, a 10-year grace period, and zero interest or service charge; the latter (12 percent of the country allocation) a 12-year final maturity, a 6-year grace period, zero interest or service charge.

[18] Realism tools help scrutinize baseline macroeconomic and debt projections, for example by comparing them to previous outturns or to cross-country experiences. These are used as a cross-check for the baseline projections to ensure that the assessment of debt sustainability is based on credible assumptions.

fiscal deficit contributes to debt accumulation. Higher growth and favorable price and exchange rate effects are also expected to contribute to the reduction in external debt as a percentage of GDP.

- ***Fiscal adjustment.*** The projected three-year change in the primary balance as a share of GDP (1.0 percentage points in the years 2024-26) lies below the 75th percentile of the distribution of approved Fund-supported programs for LICs since the 1990s, suggesting the adjustment in the primary fiscal balance is in line with the other countries' experiences (Figure 4). Furthermore, growth projections in the context of the assumed fiscal consolidation are largely consistent with a variety of assumptions about the size of the fiscal multiplier.
- ***Public investment and growth.*** Public investment as a share of GDP is lower than previously forecast for 2025 onwards, reflecting capital spending cuts undertaken in 2023 and 2024 due primarily to the difficult financing conditions (Figure 4). Outturns for 2022 and 2023 private investment are higher than previously anticipated.

COUNTRY CLASSIFICATION AND DETERMINATION OF STRESS TESTS

11. Mali's debt carrying capacity is assessed as "medium." Based on the October 2024 WEO and World Bank's 2023 CPIA, Mali's composite indicator score is 2.84. Any score below 2.69 would be classified as "Weak," and any score above 3.05 would be "Strong," with the relevant thresholds used to assess the external debt risk rating portrayed below (Text Table 5). The assessment is largely unchanged from the previous DSA.

12. The debt sustainability analysis relies on six standardized stress tests. It includes a tailored commodity price shock,[19] a separate customized scenario using residency-based definition of external debt, and another separate customized scenario with stock-flow adjustments for below-the-line fiscal operations. It also uses a historical scenario as a robustness check for the baseline scenario. The standardized stress tests use the default settings except for the size of the SOE debt shock, set at 12 percent of GDP rather than the default of 2 percent of GDP to account for the specific situation of EDM, and other state-owned enterprises (see ¶2 above) . The historical scenario produces the path of debt with key macroeconomic variables in the baseline projection that are permanently replaced by their 10-year historical averages.

13. The customized scenario for external debt sustainability analysis relies on a residency-based definition of external debt. Due to data limitations, and consistent with the practice adopted for WAEMU countries, staff has applied a currency-based definition of external debt in DSA in the baseline assessment. Government securities issued in the WAEMU regional market are treated as domestic debt. According to auction data from UMOA-Titres, the regional exchange, slightly less than two thirds of Mali government securities are bid by banks resident in other WAEMU member

[19] The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

countries.[20] To assess external debt sustainability under a quasi-residency-based definition, a customized scenario is constructed where two thirds of government securities are classified as external debt. This scenario allows to better appraise external debt sustainability by taking into account the higher debt service costs associated to issuances on regional markets.

14. The customized scenario for public debt sustainability analysis takes into account "stock-flow adjustments," where below-the-line operations contribute to debt increases. Across WAEMU countries, public debt has increased beyond the level that can be explained by the overall fiscal deficits in recent years. These "stock-flow adjustments" (SFA) can be caused by several factors, including extra-budgetary funds, differences in accounting methods between the fiscal balance and public debt, valuation effects, government guarantees, or a materialization of contingent liabilities. SFAs have averaged 1.5 percent of GDP across the currency union, and about 0.9 percent of GDP in Mali.[21] Since such discrepancies between below and above the line fiscal accounts may be difficult to project going forward, staff assesses the likelihood of continued stock-flow adjustments (SFA) by assuming that the true overall deficits are consistently 0.9 percent of GDP higher than reported each year over the forecasting horizon.

DEBT SUSTAINABILITY ANALYSIS

A. External Debt Sustainability

15. External debt is projected to decline as a share of GDP between 2025-30 (Table 1). Under the baseline scenario, the public and publicly guaranteed (PPG) external debt-to-GDP ratio is projected to fall in 2025 relative to the previous year, driven primarily by the continued reduction in bilateral and multilateral lending. External debt is projected to stabilize around 20.7 percent of GDP by 2029, as official aid as a share of GDP will remain far below its values in the previous DSA until at least 2029 (Text Table 4). In the long term, the ratio gradually converges to 15.6 percent of GDP at the end of the projection period in 2045, as growth converges to its potential and reliance on domestic debt continues to rise relative to the available supply of concessional official loans.

16. The risk of external debt distress is moderate, with substantial space to absorb shocks. All external debt indicators remain below their corresponding indicative thresholds under the baseline scenario and standardized stress tests (Figure 1). Under the baseline scenario, the PV of the external debt-to-GDP ratio is projected to decline from 16.8 percent of GDP in 2025 to 13.3 percent of GDP in 2035. This is well below the indicative threshold of 40 percent. The PV of the external debt-to-exports ratio is projected at 54.5 percent in 2025. It will then gradually moderate to 48.4 percent in 2030 before rising again to 54.9 percent in 2035, due to declining exports as a share of

[20] For reference, the median share of domestic buyers of sovereign issuances on regional markets is 36.5 percent in 2023Q4.

[21] The estimate of this historical average is slightly higher than the number used in the May 2023 DSA. This estimate is based on more updated data used for the analysis in the Selected Issues Paper published as part of the 2023 IMF Article IV Consultation Staff Report.

GDP in the medium to long term, a trend largely driven by assumed capacity constraints to gold extraction. Nevertheless, this indicator remains comfortably below the 180 percent threshold.

17. Indicators of external debt service costs are all stable and below their corresponding threshold limits. Under standardized stress tests, which include the most extreme shock scenarios, the PV of external debt-to-GDP and debt-to-exports ratios, and the debt service-to-exports and debt service-to-revenue ratios also remain comfortably below their respective thresholds. By contrast, in the customized scenario using a residency-based definition of external debt, the expected paths of debt service-to-exports ratio and debt service-to-revenue ratio exceed their corresponding thresholds for a prolonged period from 2025 onward, respectively (Table 3). Because of higher interest rates of government securities, the impact on debt service indicators is disproportionately strong, compared to the impact on the PV of external debt under this definition. Indeed, the PV of debt-to-GDP and PV of debt-to-export indicators also rise close to their respective thresholds toward the end of the projection horizon without causing a breach. Breaches of relevant thresholds in this customized scenario highlight the sensitivity of the debt sustainability assessment to the definition of external debt. According to the moderate risk tool, which relies on the baseline currency-based definition of external debt to provide a more granular assessment, there is substantial space to absorb shocks (Figure 5).

Text Table 4. Mali: Evolution of Selected Projected Macroeconomic Indicators

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030-42 Avg
Real GDP Growth										
Current DSA	3.1	3.5	4.7	4.4	4.9	5.1	5.1	5.1	5.1	5.1
Previous DSA	3.1	3.7	5.0	5.1	5.3	5.1	5.0	5.0	5.0	5.0
GDP Deflator										
Current DSA	3.4	8.5	2.1	2.7	2.0	2.0	2.0	2.0	2.0	2.0
Previous DSA	4.9	4.9	3.0	2.8	2.0	2.0	2.0	2.0	2.0	2.0
Overall fiscal balance (including grants, percent of GDP)										
Current DSA	-4.9	-4.7	-3.6	-2.6	-3.1	-3.0	-3.0	-3.0	-3.0	-3.0
Previous DSA	-4.8	-4.8	-4.8	-4.3	-3.6	-3.0	-3.0	-3.0	-3.0	-3.0
Export of goods and services (percent of GDP)										
Current DSA	27.9	30.3	28.9	26.2	30.8	31.7	30.7	30.7	29.7	23.8
Previous DSA	27.2	28.6	29.0	27.7	28.7	27.7	26.8	26.0	23.5	18.2
Import of goods and services (percent of GDP)										
Current DSA	39.3	41.2	38.1	33.1	36.1	33.5	33.1	32.8	32.6	30.4
Previous DSA	38.4	39.1	38.2	37.1	36.8	36.3	35.8	35.2	34.5	32.4
Current account (including grants, percent of GDP)										
Current DSA	-7.6	-7.7	-7.6	-6.1	-5.1	-1.6	-2.1	-1.7	-2.6	-10.9
Previous DSA	-7.5	-6.9	-6.1	-5.5	-3.4	-3.7	-4.0	-4.4	-6.4	-13.8
Official aid[1] (percent of GDP)										
Current DSA	1.7	0.8	1.3	0.2	1.7	2.1	2.6	3.1	3.4	3.0
Previous DSA	1.7	0.8	1.9	2.4	4.0	4.1	4.6	4.1	4.0	3.5
of which										
Grants (percent of GDP)										
Current DSA	0.7	0.4	0.7	0.1	0.3	0.3	0.6	1.0	1.2	1.3
Previous DSA	0.7	0.4	0.7	0.9	1.6	1.6	1.6	1.6	1.6	1.6
Loans (percent of GDP)										
Current DSA	1.1	0.5	0.6	0.1	1.4	1.8	2.0	2.2	2.2	1.7
Previous DSA	1.0	0.5	1.3	1.6	2.5	2.6	3.0	2.5	2.5	1.9

Sources: Malian authorities; and IMF Staff estimates and projections.
Note: The "previous DSA" vintage is 2023, attached to the Staff Report for the 2023 AIV Consultation. The projection years for the 2023 DSA are 2022-2042.
1/Defined as the sum of concessional grants and loans.

Text Table 5. Mali: Debt Carrying Capacity and Thresholds

Country	Mali
Country Code	678

Debt Carrying Capacity	Medium

Final	Classification based on current vintage	Classification based on the previous vintage	Classification based on the two previous vintages
Medium	Medium 2.84	Medium 2.85	Medium 2.85

Calculation of the CI Index

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.385	3.242	1.25	44%
Real growth rate (in percent)	2.719	3.721	0.10	4%
Import coverage of reserves (in percent)	4.052	39.462	1.60	56%
Import coverage of reserves^2 (in percent)	-3.990	15.573	-0.62	-22%
Remittances (in percent)	2.022	5.524	0.11	4%
World economic growth (in percent)	13.520	2.967	0.40	14%
CI Score			2.84	100%
CI rating			Medium	

Applicable thresholds

APPLICABLE	
EXTERNAL debt burden thresholds	
PV of debt in % of	
Exports	180
GDP	40
Debt service in % of	
Exports	15
Revenue	18

APPLICABLE	
TOTAL public debt benchmark	
PV of total public debt in percent of GDP	55

New framework			
	Cut-off values		
Weak	CI <	2.69	
Medium	2.69	≤ CI ≤	3.05
Strong	CI >	3.05	

B. Public Debt Sustainability

18. The public debt-to-GDP ratio is projected to decline to about 47.8 percent by 2030 from 51.7 percent in 2025. For 2022 and 2023, the public debt-to-GDP ratio decreased compared to the 2023 Article IV DSA. This is primarily driven by upward revisions to nominal GDP in 2022-23 and the reduction in newly accumulated external debt. This occurred despite the accumulation of domestic and external arrears between 2022-24 (see ¶6 and ¶7 above). In 2025, public debt is projected to remain broadly stable at 51.7 percent of GDP, with the assumed fiscal deficit at 3.1 percent of GDP. The expected fiscal consolidation and return to the 3-percent WAEMU deficit ceiling in 2026 implies a sizable reduction in the primary fiscal deficit and a steady decline in public debt over the medium term. Robust projected growth in nominal GDP will also contribute to lowering the debt-to-GDP ratio over the medium term.

19. The risk of public debt distress is moderate. Under the baseline scenario, the PV of the public debt-to-GDP ratio is expected to be below the 55 percent indicative threshold throughout the projection period (Figure 2). By contrast, stress tests indicate potential breaches of the threshold. In the default adverse scenario of the combined contingent liability shock, the PV of the public debt-to-GDP ratio would breach the 55 percent threshold in 2026 and remain above the threshold through 2035. The commodity price shock, which is chosen as the most extreme shock by virtue of the high terminal PV of public debt-to-GDP ratio, would generate a persistent increase in the debt ratio and cause a breach by 2030. Finally, in the customized scenario of stock-flow-adjustments, the public debt-to-GDP ratio is also set on an upward trajectory, but does not breach the threshold (Table 4). These stress tests clearly outline key risks to public debt sustainability in Mali.[22,23] These include the financial conditions of SOEs, the exposure to fluctuations in global commodity prices, and the crucial benefits arising from a conservative fiscal stance.

20. Domestic debt has increased substantially in recent years. The most salient feature of Mali's debt evolution since the onset of the COVID-19 pandemic has been its rapid buildup, with the debt-to-GDP ratio increasing from 41 percent of GDP in 2019 to almost 52 percent at end-2024. This increase was achieved primarily by relying on regional debt financing (Figure 6), with domestic debt rising from 14 to 27.6 percent of GDP during the same timeframe (including domestic arrears). While the ability to issue debt on regional markets should be interpreted as a sign of healthy financial development for WAEMU member countries, it also carries important risks to debt sustainability, as the refinancing costs and maturities are typically worse than for the more traditional concessional debt that Mali has contracted in the past. This trend has been exacerbated since the onset of the 2022 ECOWAS sanctions and the ensuing tightening of financial conditions in 2023-24. As Figure 6 shows, despite the projected stabilization of the domestic debt-to-GDP ratio over the medium term, and the projected fall in net domestic debt issuance, the domestic debt-service-to-revenue ratio is projected to increase sharply in future years, absorbing a rising share of public resources. To note, both the domestic debt-to-GDP and the debt service-to-GDP ratios are substantially above the median of LIC-DSF countries for the projection horizon. Furthermore, the projection assumes that financing on domestic debt markets will be available, albeit at high rates, from the usual market participants, which traditionally include commercial banks from across the WAEMU. However, as discussed in ¶7 and footnote 8 specifically, recent auctions on UMOA Titres

[22] The design of DSA stress test can overstate the persistency of commidty price shocks by assuming zero elasticity of expenditure relative to GDP in the long run.

[23] Note that the combined contingent liability shock, despite the sizable contribution of the SOE debt shock, is not selected as the most extreme shock. While it has a larger short-run impact on the debt-to-GDP ratio (Table 4), the commodity price shock eventually pushes this metric at a higher level in the projection horizon and is mechanically selected as the most extreme shock.

have been undersubscribed and mostly participated by Malian banks given that tight financing conditions have affected all countries to some extent. This shortfall poses a key downside risk to the ability of Mali to finance its expenditures and clear both domestic and external arrears.

C. Risk Rating and Vulnerabilities

21. Mali's risk of external and overall debt distress is assessed as moderate.[24] Although the four external debt indicators remain comfortably below their respective thresholds under the baseline scenario and standardized stress tests, two indicators breach their thresholds under the customized scenario that uses a residency-based definition of external debt. Therefore, the risk of external debt distress is assessed to be moderate. As for public debt, no breach of the PV of the public debt to GDP ratio is observed in the baseline scenario. In the adverse scenario of the combined contingent liability shock, the projected path of the PV of the public debt-to-GDP ratio diverges and breaches the 55 percent threshold between 2025 and 2035. Therefore, the risk of domestic debt distress is assessed as moderate. While the overall economic situation in Mali has arguably worsened since the last published DSA in May 2023, several mitigating factors have contributed to maintaining an unchanged rating. These include the authorities' commitment to reducing the fiscal deficit, the limited accumulation of external debt due to the retrenchment of traditional partners, actions taken to tackle the financial difficulties of EDM, including the restructuring of its short-term debt—which arguably lowers the short-term risk of EDM substantially increasing public debt—and the progress in clearing domestic arrears.

22. Protracted policy uncertainty, still-tight financing conditions, and the difficult financial situation of EDM and other SOEs pose medium-term risks around debt sustainability. Mali's continued isolation from its traditional development partners and the heavy reliance on expensive regional debt for financing poses significant fiscal risks. Such risks are assessed as further tilted to the downside, compared to the previous DSA. Specifically:

- **Political and economic policy uncertainty have led to higher risk premia**. The postponement of Mali's presidential elections, escalating security risks, the withdrawal of MINUSMA, the abrupt announcement of the ECOWAS exit and lack of clarity on its implementation, ongoing electricity shortages and intensifying climate risks have heightened the risk of negative impacts on economic activity.
- **Tight financing conditions at the WAEMU level continue to lead to high borrowing costs amid a lack of concessional financing**. High interest rates and frequent undersubscription have curtailed Mali's access to funding and pose a significant risk to debt sustainability. These developments are especially worrisome given that under the most extreme scenario for overall public debt, the PV of public debt-to-revenue and debt service-to-revenue ratios rise to high

[24] According to the LIC-DSF Guidance Note (¶90), external arrears do not trigger a debt distress rating if they can be considered *de minimis*, that is, if they amount to less than one percent of GDP. This is the case for Mali using the latest available information on external arrears. As for domestic arrears, they only trigger a debt distress rating under very limited circumstances. Since the majority of Mali's domestic arrears are unpaid bills to suppliers, these do not trigger a debt distress rating.

levels, with the latter rising to about 50 percent over the medium term. This implies that a significant portion of revenues needs to be spent on covering recurrent expenditures (see also ¶20 above). Given the baseline assumption of no resumption of budget support until 2027, Mali's reliance on the regional debt markets as the main source of financing constitutes a continued liquidity risk that the government has to contend with.

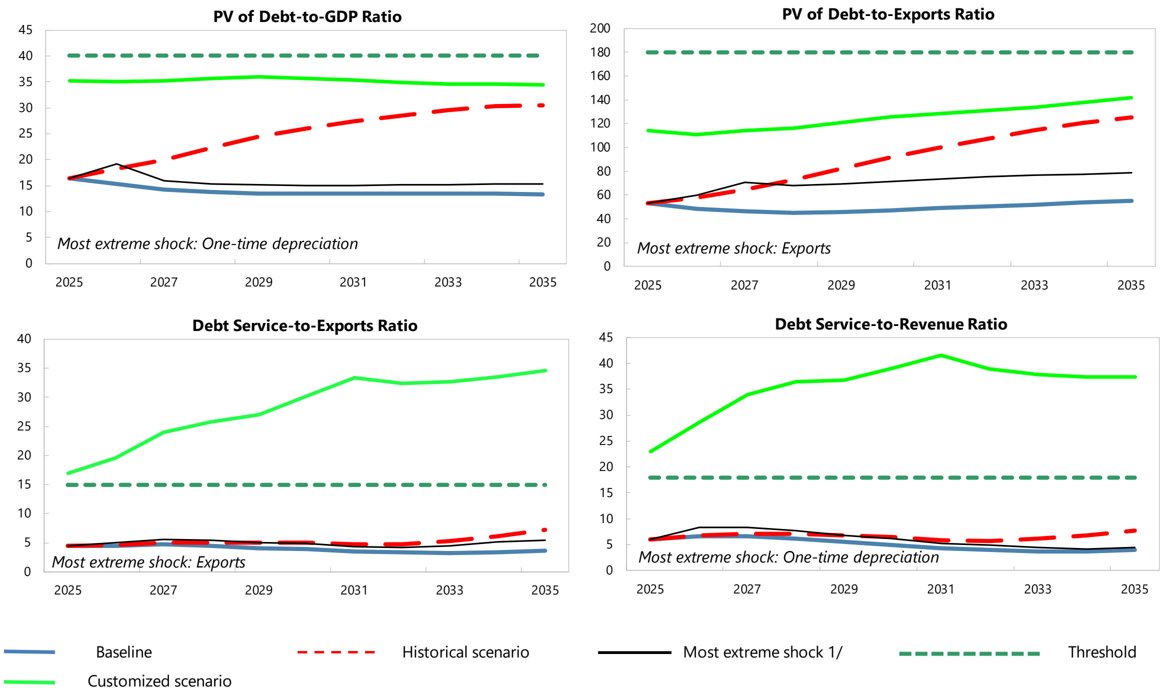
- **The large debt, extant need for recapitalization, and structural losses of EDM also pose significant emerging downside risks.** Frequent power cuts have led to a reduction in economic activity and, at the very least, increased production costs across many industries and households. Furthermore, in the contingent liability stress test, the PV of the debt-to-revenue ratio increases substantially as early as 2025. While the recent debt restructuring at EDM has averted further financial repercussions in the short term, the authorities need to address the persistent operating losses arising from a tariff structure that fails to cover production and other operational costs, as well as other operational inefficiencies.

23. To reduce risks to debt sustainability, resolving disputes with regional partners, making progress on security and domestic political issues, improving the profitability of EDM and working towards reducing electricity outages, and maintaining fiscal discipline will be important. These elements are also conducive to rebuilding investor confidence and restoring a more conducive business environment. The adoption of the 2023 mining code and the related tax audits of mining companies resulted in significant uncertainty. Enhancing transparency around the application of the new code and ensuring a stable regulatory environment going forward will be crucial to safeguard the economic viability of the mining sector, which is a large source of revenues for the government. These elements are key to attract financing and investment. Existing external and domestic arrears should be cleared in a timely manner and communication with relevant creditors should continue.

Authorities' Views

24. The authorities agreed that Mali's debt is sustainable, with moderate risk of debt distress. They underscored the impact of the considerably tighter financial conditions on liquidity and interest rates since 2023, which in their view is due in large part to the tight monetary policy of the BCEAO. They acknowledged that persistently higher interest rates on domestic debt and the low availability of external concessional financing have increased the debt service cost in recent years and could reduce fiscal space in future years. They indicated that they are actively working on resolving the financial difficulties faced by EDM and other SOEs. They maintain that the accumulation of sizable domestic and external arrears is primarily due to the ECOWAS sanctions of 2022, which have impacted their ability to make payments in a timely fashion, and to the continued scarcity of liquidity on regional markets. They committed to clearing external arrears and to progressively reduce the stock of domestic arrears.

Figure 1. Mali: Indicators of Public External Debt Under Alternative Scenarios, 2025–35



Customization of Default Settings	Size	Interactions
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	No	No
Market financing	n.a.	n.a.

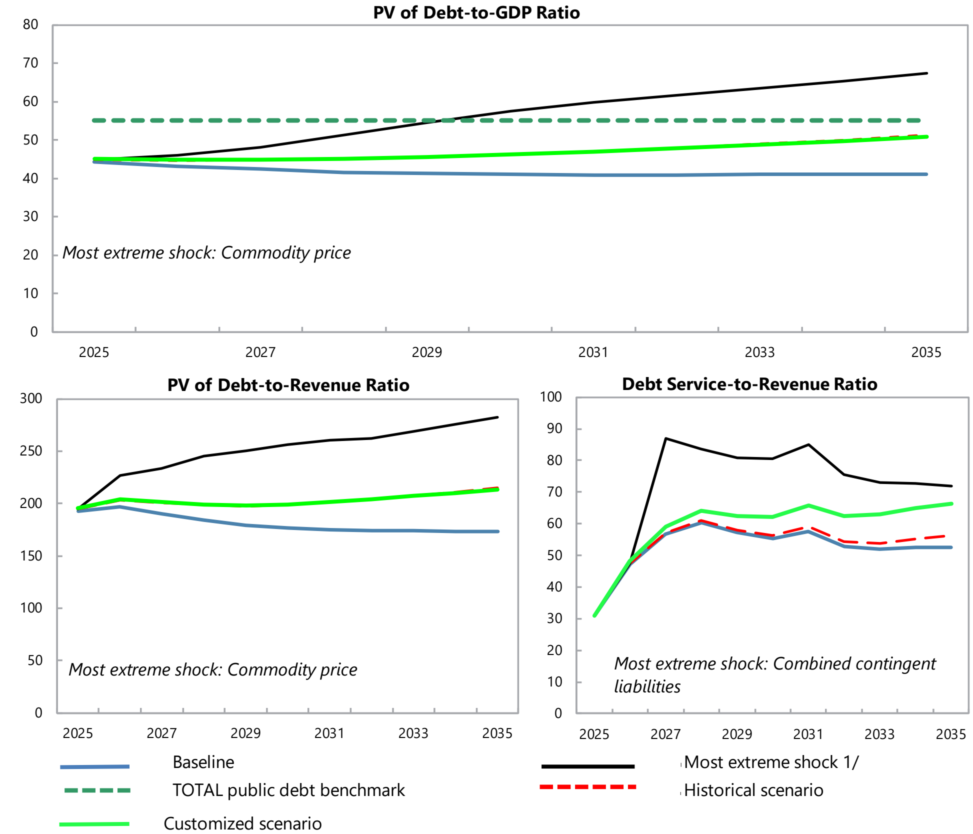
Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	1.3%	1.3%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	29	29
Avg. grace period	6	6

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.
1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.
Note: 1) The customized scenario is based on residency-based definition of external debt; and 2) the magnitude of shocks used for the commodity pirce shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Figure 2. Mali: Indicators of Public Debt Under Alternative Scenarios, 2025–35



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	15%	15%
Domestic medium and long-term	66%	66%
Domestic short-term	19%	19%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	1.3%	1.3%
Avg. maturity (incl. grace period)	29	29
Avg. grace period	6	6
Domestic MLT debt		
Avg. real interest rate on new borrowing	6.0%	6.0%
Avg. maturity (incl. grace period)	5	5
Avg. grace period	0	0
Domestic short-term debt		
Avg. real interest rate	5.1%	5.1%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

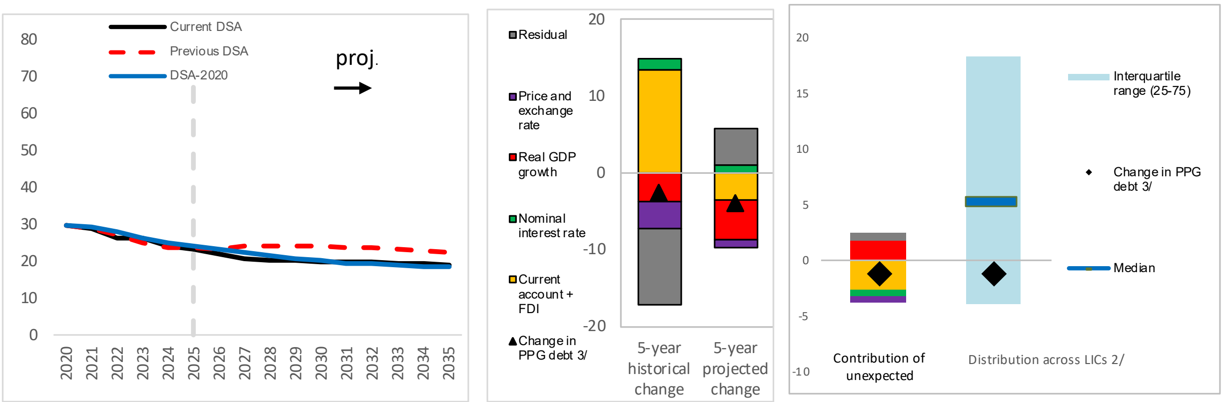
1/ The most extreme stress test is the test that yields the highest ratio in or before 2035. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Note: The customized scenario is the stock-flow adjustment scenario.

Figure 3. Mali: Drivers of Debt Dynamics—Baseline Scenario

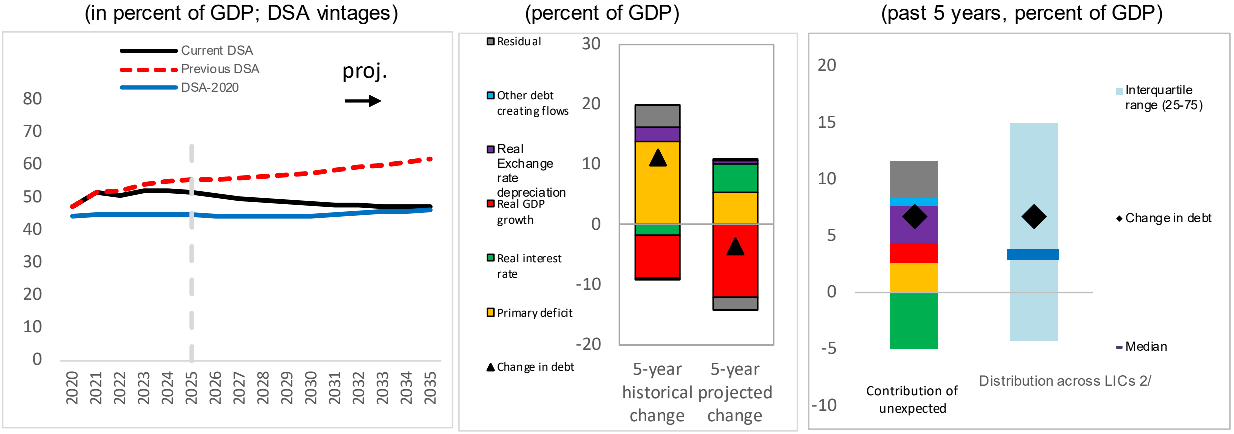
External Debt

Gross Nominal PPG External Debt (in percent of GDP; DSA vintages) | Debt-Creating Flows (percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



Public Debt

Gross Nominal Public Debt (in percent of GDP; DSA vintages) | Debt-Creating Flows (percent of GDP) | Unexpected Changes in Debt 1/ (past 5 years, percent of GDP)



1/ Difference between anticipated and actual contributions on debt ratios.

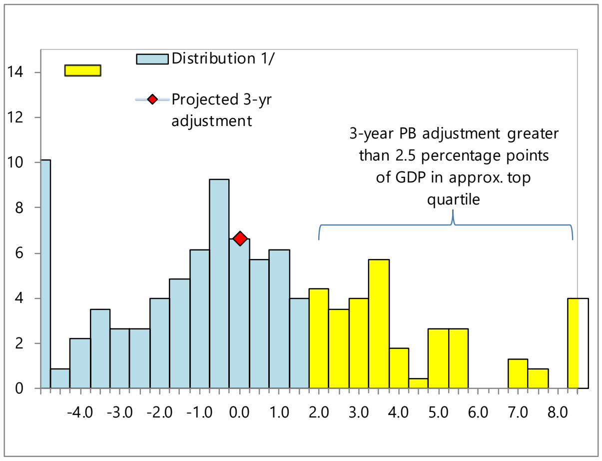
2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

Sources: Malian authorities and staff estimates and projections.

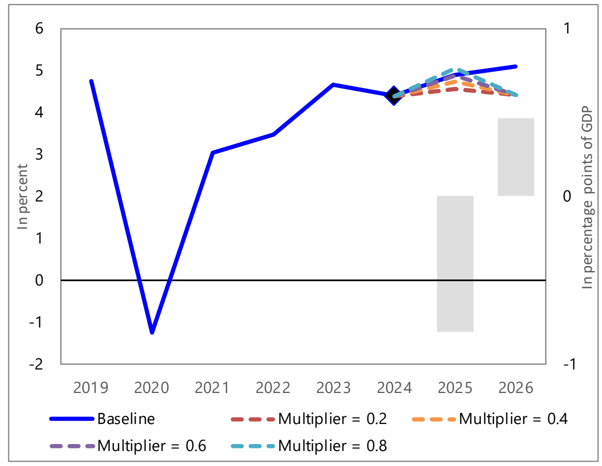
Figure 4. Mali: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



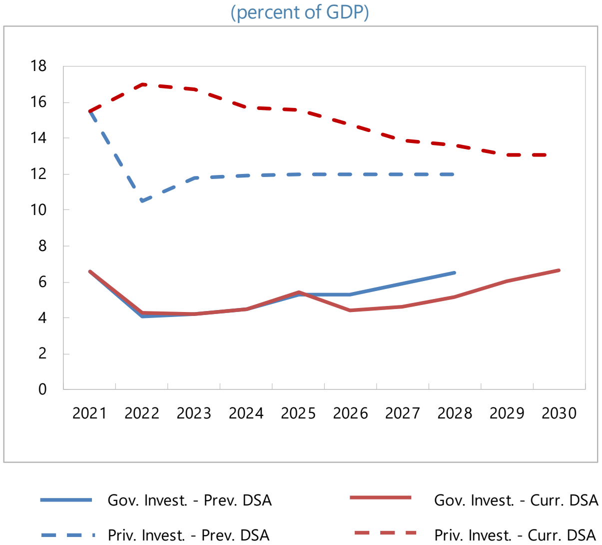
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/

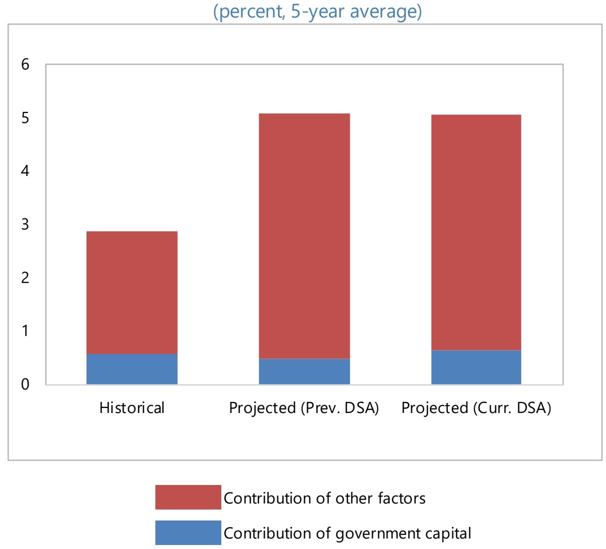


1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)

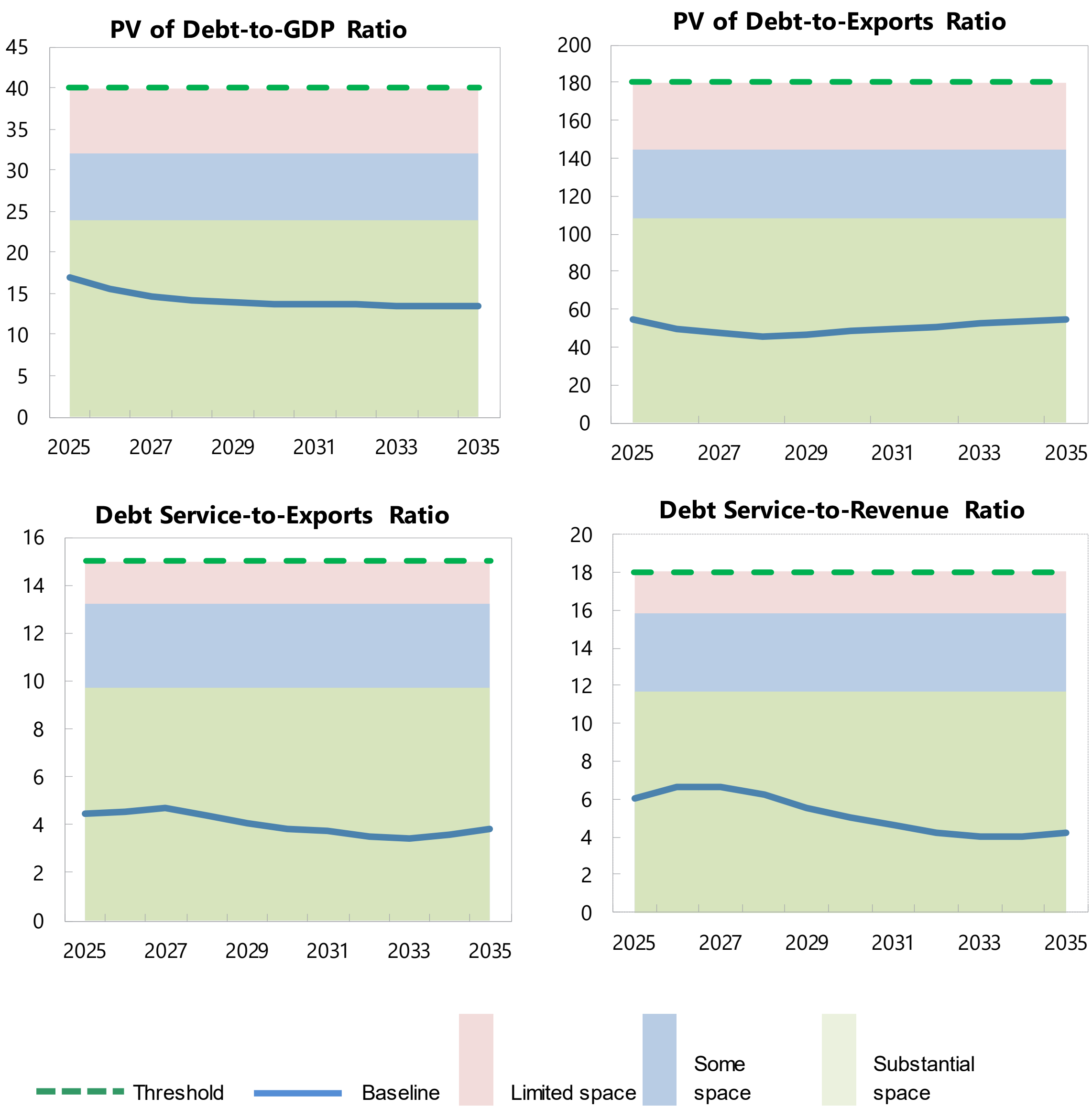


Contribution to Real GDP growth
(percent, 5-year average)



Sources: Malian authorities and staff estimates and projections.

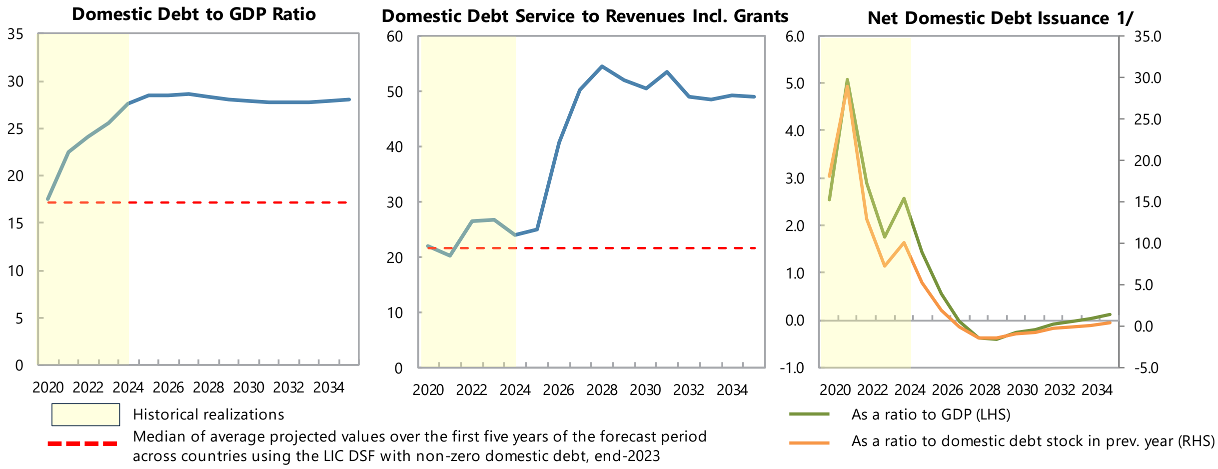
Figure 5. Mali: Qualification of the Moderate Category, 2025–2035[1]



Sources: Country authorities; and staff estimates and projections.

1/ For the PV debt/GDP and PV debt/exports thresholds, x is 20 percent and y is 40 percent. For debt service/Exports and debt service/revenue thresholds, x is 12 percent and y is 35 percent.

Figure 6. Mali: Indicators of Domestic Public Debt, 2020-2034
(Percent)



Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	77%
Short-term	23%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	6.0%
Avg. maturity (incl. grace period)	5
Avg. grace period	0
Domestic short-term debt	
Avg. real interest rate	5.1%

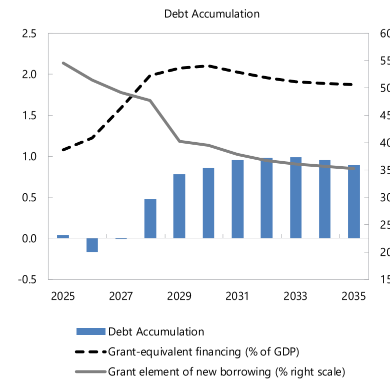
Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.

Table 1. Mali: External Debt Sustainability Framework. Baseline Scenario, 2022–45
(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
External debt (nominal) 1/	26.2	26.4	24.2	23.3	21.9	21.0	20.5	20.3	20.1	19.0	15.6	**26.0**	**20.4**
of which: public and publicly guaranteed (PPG)	26.2	26.4	24.2	23.3	21.9	21.0	20.5	20.3	20.1	19.0	15.6	**26.0**	**20.4**
Change in external debt	-2.8	0.1	-2.1	-1.0	-1.3	-1.0	-0.4	-0.2	-0.2	-0.3	-0.3		
Identified net debt-creating flows	4.2	2.1	0.8	0.8	-2.6	-2.0	-2.4	-1.5	-0.5	1.3	6.4	**2.1**	**-0.5**
Non-interest current account deficit	7.4	7.4	5.9	4.8	1.4	1.9	1.5	2.4	3.4	6.6	11.5	**6.1**	**3.9**
Deficit in balance of goods and services	10.8	9.1	6.9	5.2	1.8	2.4	2.1	2.9	3.7	6.3	10.2	**11.4**	**4.1**
Exports	30.3	28.9	26.2	30.8	31.7	30.7	30.7	29.7	28.4	24.3	18.1		
Imports	41.2	38.1	33.1	36.1	33.5	33.1	32.8	32.6	32.1	30.6	28.3		
Net current transfers (negative = inflow)	-7.2	-5.9	-4.1	-3.5	-3.6	-3.7	-3.7	-3.6	-3.5	-2.9	-1.9	**-8.6**	**-3.4**
of which: official	-2.5	-2.0	-0.1	-0.1	-0.1	-0.3	-0.5	-0.5	-0.5	-0.6	-0.6		
Other current account flows (negative = net inflow)	3.8	4.1	3.1	3.1	3.2	3.2	3.2	3.1	3.1	3.2	3.3	**3.3**	**3.2**
Net FDI (negative = inflow)	-3.5	-3.2	-3.6	-3.1	-3.1	-3.1	-3.1	-3.1	-3.1	-4.6	-4.6	**-3.1**	**-3.5**
Endogenous debt dynamics 2/	0.3	-2.1	-1.5	-0.9	-0.9	-0.9	-0.8	-0.8	-0.8	-0.7	-0.5		
Contribution from nominal interest rate	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2		
Contribution from real GDP growth	-1.0	-1.1	-1.1	-1.2	-1.1	-1.0	-1.0	-1.0	-1.0	-0.9	-0.8		
Contribution from price and exchange rate changes	1.0	-1.2	-0.7	...	...	...	...	...	...	...	...		
Residual 3/	-6.9	-2.0	-2.9	-1.8	1.3	1.0	2.0	1.3	0.3	-1.6	-6.7	**-1.7**	**0.0**
of which: exceptional financing	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	16.8	16.5	15.2	14.2	13.7	13.5	13.4	13.3	11.6		
PV of PPG external debt-to-exports ratio	...	...	64.0	53.4	48.1	46.3	44.7	45.5	47.3	54.9	64.1		
PPG debt service-to-exports ratio	4.1	4.8	5.1	4.4	4.5	4.7	4.4	4.1	3.9	3.6	5.0		
PPG debt service-to-revenue ratio	6.5	6.8	6.1	6.0	6.6	6.6	6.2	5.5	5.0	3.9	4.0		
Gross external financing need (Million of U.S. dollars)	994.2	1180.3	825.8	720.7	-67.6	69.3	-58.8	152.4	449.5	1356.8	7294.8		
Key macroeconomic assumptions													
Real GDP growth (in percent)	3.5	4.7	4.4	4.9	5.1	5.1	5.1	5.1	5.1	5.1	5.1	**4.1**	**5.1**
GDP deflator in US dollar terms (change in percent)	-3.4	4.8	2.7	-2.6	1.8	1.9	1.9	2.0	2.0	2.0	2.0	**0.8**	**1.5**
Effective interest rate (percent) 4/	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	1.2	1.5	**1.1**	**1.0**
Growth of exports of G&S (US dollar terms, in percent)	8.8	4.6	-2.9	20.2	9.9	3.7	7.1	3.8	2.3	4.0	4.2	**6.5**	**6.1**
Growth of imports of G&S (US dollar terms, in percent)	4.6	1.4	-6.8	11.4	-0.8	5.9	6.2	6.5	5.5	6.3	6.4	**3.5**	**6.0**
Grant element of new public sector borrowing (in percent)	...	...	...	54.5	51.4	49.2	47.7	40.3	39.6	35.3	32.1	**...**	**42.2**
Government revenues (excluding grants, in percent of GDP)	19.3	20.6	22.0	22.7	21.7	21.7	21.7	21.9	22.0	22.5	22.5	**18.8**	**22.1**
Aid flows (in Million of US dollars) 5/	68.5	144.4	18.8	202.8	221.0	380.5	525.1	601.8	680.2	884.6	1517.6		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	1.1	1.2	1.6	2.0	2.1	2.1	1.9	1.8	**...**	**1.8**
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	63.0	58.9	60.8	63.7	61.5	62.6	63.3	63.9	**...**	**62.3**
Nominal GDP (Million of US dollars)	19,319	21,184	22,724	23,208	24,821	26,587	28,486	30,541	32,752	46,372	92,957		
Nominal dollar GDP growth	0.0	9.7	7.3	2.1	7.0	7.1	7.1	7.2	7.2	7.2	7.2	**4.9**	**6.7**
Memorandum items:													
PV of external debt 7/	...	...	16.8	16.5	15.2	14.2	13.7	13.5	13.4	13.3	11.6		
In percent of exports	...	...	64.0	53.4	48.1	46.3	44.7	45.5	47.3	54.9	64.1		
Total external debt service-to-exports ratio	4.1	4.8	5.1	4.4	4.5	4.7	4.4	4.1	3.9	3.6	5.0		
PV of PPG external debt (in Million of US dollars)			3811.7	3821.5	3783.0	3780.9	3907.4	4130.4	4391.3	6189.9	10784.9		
(PVt-PVt-1)/GDPt-1 (in percent)				0.0	-0.2	0.0	0.5	0.8	0.9	0.9	0.7		
Non-interest current account deficit that stabilizes debt ratio	10.1	7.2	8.0	5.8	2.7	2.9	2.0	2.6	3.6	6.9	11.8		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**Yes**



Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

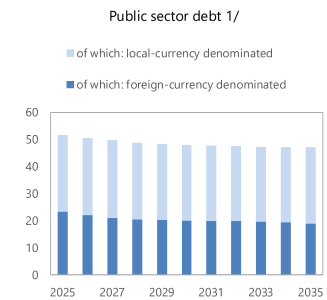
8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

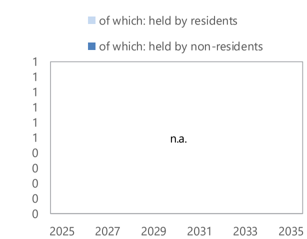
Table 2. Mali: Public Debt Sustainability Framework. Baseline Scenario, 2022–45

(In percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2035	2045	Historical	Projections
Public sector debt 1/	50.3	51.9	51.8	51.7	50.5	49.6	48.9	48.4	48.0	47.0	46.7	43.7	48.5
of which: external debt	26.2	26.4	24.2	23.3	21.9	21.0	20.5	20.3	20.1	19.0	15.6	26.0	20.4
Change in public sector debt	-1.2	1.5	-0.1	-0.1	-1.3	-0.9	-0.7	-0.5	-0.4	-0.2	0.1		
Identified debt-creating flows	0.7	-0.5	-0.2	0.2	-0.6	-0.2	-0.4	-0.3	-0.2	-0.2	0.1	1.2	-0.2
Primary deficit	3.3	2.0	0.8	1.7	1.2	0.9	0.7	0.8	0.9	0.9	0.9	2.5	1.0
Revenue and grants	19.6	21.3	22.1	23.1	22.0	22.3	22.7	23.1	23.2	23.8	23.7	20.0	23.1
of which: grants	0.4	0.7	0.1	0.3	0.3	0.6	1.0	1.2	1.3	1.3	1.3		
Primary (noninterest) expenditure	22.9	23.3	23.0	24.7	23.2	23.2	23.4	23.8	24.1	24.7	24.6	22.5	24.1
Automatic debt dynamics	-2.5	-2.5	-1.0	-1.6	-1.8	-1.1	-1.1	-1.1	-1.1	-1.1	-0.8		
Contribution from interest rate/growth differential	-3.9	-2.1	-2.0	-1.9	-1.8	-1.2	-1.2	-1.1	-1.1	-1.1	-0.8		
of which: contribution from average real interest rate	-2.2	0.1	0.2	0.5	0.7	1.3	1.2	1.3	1.2	1.2	1.5		
of which: contribution from real GDP growth	-1.7	-2.2	-2.2	-2.4	-2.5	-2.4	-2.4	-2.4	-2.3	-2.3	-2.3		
Contribution from real exchange rate depreciation	1.4	-0.4	0.9	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization receipts (negative)	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)*	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	-1.9	2.0	0.2	0.1	-0.6	-0.6	-0.3	-0.2	-0.1	0.0	0.0	1.3	-0.1
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	44.3	44.4	43.3	42.4	41.6	41.2	41.0	41.2	42.8		
PV of public debt-to-revenue and grants ratio	...	...	200.2	192.5	196.6	190.2	183.8	178.8	176.3	173.0	180.1		
Debt service-to-revenue and grants ratio 3/	32.9	33.2	30.2	31.0	47.3	56.6	60.3	57.2	55.3	52.6	59.0		
Gross financing need 4/	9.7	9.1	7.5	8.8	11.6	13.5	14.4	14.0	13.7	13.4	14.9		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	3.5	4.7	4.4	4.9	5.1	5.1	5.1	5.1	5.1	5.1	5.1	4.1	5.1
Average nominal interest rate on external debt (in percent)	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	1.2	1.5	1.1	1.0
Average real interest rate on domestic debt (in percent)	-2.7	3.1	2.4	2.8	3.2	5.6	5.4	5.6	5.4	5.2	5.3	2.5	5.0
Real exchange rate depreciation (in percent, + indicates depreciation)	5.4	-1.5	3.7	...	...	...	...	...	...	...	...	1.9	...
Inflation rate (GDP deflator, in percent)	8.5	2.1	2.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.7	2.0
Growth of real primary spending (deflated by GDP deflator, in percent)	-7.2	6.4	2.9	12.9	-1.4	5.1	6.0	7.2	6.4	5.5	5.0	6.2	5.8
Primary deficit that stabilizes the debt-to-GDP ratio 5/	4.5	0.5	0.9	1.8	2.4	1.8	1.5	1.3	1.3	1.1	0.8	2.0	1.4
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**Yes**





Sources: Country authorities; and staff estimates and projections.
1/ Coverage of debt: The central, state, and local governments . Definition of external debt is Currency-based.
2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.
4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.
5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.
6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.
* CCRT-related debt relief is included in the revenue as *a capital grant* in the fiscal account, and thereby included in the primary deficit but not in the "debt relief (HIPC and other)".

Table 3. Mali: Sensitivity Analysis for Key Indicators of Public External Debt, 2025–2035

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	16.5	15.2	14.2	13.7	13.5	13.4	13.4	13.4	13.4	13.4	13.3
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	16	18	20	22	24	26	27	29	30	30	30
Customized scenario: residency-based definition of external debt	35	35	35	36	36	36	35	35	35	35	34
B. Bound Tests											
B1. Real GDP growth	16	16	16	15	15	15	15	15	15	15	15
B2. Primary balance	16	15	15	14	14	14	14	15	15	15	15
B3. Exports	16	17	19	18	18	17	17	17	17	17	16
B4. Other flows 3/	16	17	18	18	17	17	17	17	17	16	16
B5. Depreciation	16	19	16	15	15	15	15	15	15	15	15
B6. Combination of B1-B5	16	19	19	18	18	18	18	18	17	17	17
C. Tailored Tests											
C1. Combined contingent liabilities	16	17	16	16	16	17	17	17	18	18	18
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	16	18	19	19	18	18	18	18	17	17	16
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	40	40	40	40	40	40	40	40	40	40	40
PV of Debt-to-Exports Ratio											
Baseline	53	48	46	45	46	47	49	50	52	54	55
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	53	58	65	72	82	92	99	107	114	121	125
Customized scenario: residency-based definition of external debt	114	111	114	116	121	126	129	131	134	138	142
B. Bound Tests											
B1. Real GDP growth	53	48	46	45	46	47	49	50	52	54	55
B2. Primary balance	53	49	48	47	48	50	52	55	57	59	60
B3. Exports	53	60	71	68	69	72	73	75	77	78	78
B4. Other flows 3/	53	55	60	58	58	60	62	63	65	66	66
B5. Depreciation	53	48	41	40	40	42	43	45	47	49	50
B6. Combination of B1-B5	53	60	55	58	58	60	62	64	65	66	67
C. Tailored Tests											
C1. Combined contingent liabilities	53	53	53	53	55	58	62	65	68	71	74
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	53	64	69	66	66	67	67	68	69	69	69
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	180	180	180	180	180	180	180	180	180	180	180
Debt Service-to-Exports Ratio											
Baseline	4	5	5	4	4	4	3	3	3	3	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	4	5	5	5	5	5	5	5	5	6	7
Customized scenario: residency-based definition of external debt	17	20	24	**26**	**27**	**30**	**33**	**32**	**33**	**33**	**35**
B. Bound Tests											
B1. Real GDP growth	4	5	5	4	4	4	3	3	3	3	4
B2. Primary balance	4	5	5	4	4	4	4	3	3	4	4
B3. Exports	4	5	6	5	5	5	4	4	4	5	5
B4. Other flows 3/	4	5	5	5	4	4	4	4	4	4	5
B5. Depreciation	4	5	5	4	4	4	3	3	3	3	3
B6. Combination of B1-B5	4	5	5	5	5	4	4	4	4	4	5
C. Tailored Tests											
C1. Combined contingent liabilities	4	5	5	5	4	4	4	4	3	4	4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	4	5	5	5	5	5	4	4	4	5	5
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	15	15	15	15	15	15	15	15	15	15	15
Debt Service-to-Revenue Ratio											
Baseline	6	7	7	6	6	5	4	4	4	4	4
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	6	7	7	7	7	6	6	6	6	7	8
Customized scenario: residency-based definition of external debt	**23**	**29**	**34**	**36**	**37**	**39**	**41**	**39**	**38**	**37**	**37**
B. Bound Tests											
B1. Real GDP growth	6	7	7	7	6	5	5	4	4	4	4
B2. Primary balance	6	7	7	6	6	5	4	4	4	4	4
B3. Exports	6	7	7	7	6	5	5	4	4	5	5
B4. Other flows 3/	6	7	7	7	6	5	5	4	4	5	5
B5. Depreciation	6	8	8	8	7	6	5	5	5	4	4
B6. Combination of B1-B5	6	7	8	7	6	6	5	5	5	5	5
C. Tailored Tests											
C1. Combined contingent liabilities	6	7	7	6	6	5	5	4	4	4	4
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	6	7	8	7	7	6	5	4	5	5	5
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Threshold	18	18	18	18	18	18	18	18	18	18	18

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Mali: Sensitivity Analysis for Key Indicators of Public Debt, 2025–2035

	Projections 1/										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
PV of Debt-to-GDP Ratio											
Baseline	44	43	42	42	41	41	41	41	41	41	41
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	45	45	45	45	46	46	47	48	49	50	51
Customized scenario: stock-flow adjustment	45	45	45	45	46	46	47	48	49	50	51
B. Bound Tests											
B1. Real GDP growth	45	47	50	51	53	55	**56**	**58**	**60**	**62**	**64**
B2. Primary balance	45	46	48	47	47	46	46	46	46	46	46
B3. Exports	44	45	47	46	45	45	45	45	45	44	44
B4. Other flows 3/	44	45	46	46	45	45	44	44	44	44	44
B5. Depreciation	45	45	42	40	39	37	36	35	34	33	33
B6. Combination of B1-B5	45	45	45	43	43	42	42	42	42	42	42
C. Tailored Tests											
C1. Combined contingent liabilities	45	**61**	**60**	**59**	**58**	**57**	**57**	**56**	**56**	**56**	**56**
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	45	46	48	51	55	**57**	**60**	**62**	**64**	**65**	**67**
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL public debt benchmark	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Revenue Ratio											
Baseline	192	197	190	184	179	176	175	174	174	173	173
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	195	203	201	199	198	199	201	204	207	211	215
Customized scenario: stock-flow adjustment	31	48	59	64	62	62	66	63	63	65	66
B. Bound Tests											
B1. Real GDP growth	195	213	225	226	228	233	240	247	254	260	267
B2. Primary balance	195	210	215	208	202	199	197	196	194	193	192
B3. Exports	192	205	210	202	197	193	192	190	189	187	186
B4. Other flows 3/	192	206	208	201	195	192	191	189	188	186	185
B5. Depreciation	195	207	191	179	169	161	156	151	146	141	137
B6. Combination of B1-B5	195	203	202	192	186	183	181	179	178	176	176
C. Tailored Tests											
C1. Combined contingent liabilities	195	277	268	259	251	246	243	241	238	236	234
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	195	227	233	245	250	256	260	262	269	275	282
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service-to-Revenue Ratio											
Baseline	31	47	57	60	57	55	58	53	52	53	53
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2025-2035 2/	31	47	57	61	58	56	59	54	54	55	56
Customized scenario: stock-flow adjustment	31	48	59	64	62	62	66	63	63	65	66
B. Bound Tests											
B1. Real GDP growth	31	50	64	71	70	71	77	75	76	79	82
B2. Primary balance	31	47	61	69	64	63	66	61	59	59	59
B3. Exports	31	47	57	61	58	56	58	53	53	54	54
B4. Other flows 3/	31	47	57	61	58	56	58	53	53	54	54
B5. Depreciation	31	45	55	56	54	52	54	49	49	49	49
B6. Combination of B1-B5	31	46	56	63	59	57	60	55	54	54	54
C. Tailored Tests											
C1. Combined contingent liabilities	31	47	87	84	81	81	85	76	73	73	72
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	31	52	63	68	71	72	78	75	78	82	85
C4. Market Financing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Statement by Mr. Ouattara Wautabouna, Executive Director for Mali, Mr. Oumar Diakite, Alternate Executive Director and Mr. Abdoulaye Tall, Senior Advisor to the Executive Director (OEDAW) on Mali
April 16, 2025

On behalf of Mali's authorities, I would like to thank Staff for the constructive discussions held in Bamako and in Washington regarding the Staff Monitored Program (SMP) and the Rapid Credit Facility (RCF) arrangement requests. We also appreciate the continued support from Management, and Executive Directors for the Fund's support to Mali.

Recent Economic Developments

Mali has faced multiple shocks, including the Covid-19 pandemic, the impact of the war in Ukraine on food prices, political instability, security challenges from terrorist insurgencies, intercommunal conflicts and climate-related events.

Recently, a once-in-fifty-year flooding tragically impacted 465,226 people, causing 96 deaths, significant livestock loss, and extensive damage to homes, schools, and health-care infrastructure, leaving thousands in urgent need.

Food insecurity remains a critical issue, with over 23 percent of the population, or 5.5 million people, estimated to be food insecure during the upcoming lean season starting in June 2025.

Despite these challenges, Mali's economy showed resilience, owing to the authorities' forceful response and prudent policies. GDP growth slowdown was contained, from 4.7 percent in 2023 to 4.4 percent in 2024, and inflation to 3.2 percent driven by food prices.

Although the IMF-supported 2019 Extended Credit Facility (ECF) was suspended, and against a particularly difficult backdrop, the authorities strived to implement the forward-looking commitments they had made under the suspended ECF, demonstrating a strong program ownership. As assessed by staff, all the ECF quantitative performance criteria, and three quarters of the structural benchmarks under the suspended ECF arrangement were met. The fiscal deficit was contained within the regional target, and significant progress was achieved on structural fiscal benchmarks, as recognized by the tax administration assessment TADAT. On governance, the authorities overhauled their strategic framework to combat anti-corruption and promote good governance, drawing on international best practice.

Outlook and Growth Prospects

The outlook for 2025 and beyond is more promising, driven by improvements in security, easing energy supply constraints, recovery spending, and increased mining sector activity, particularly in lithium and gold production. Inflation is projected to decline to 2 percent while debt ratios are expected to improve.

To address the flood emergency, the authorities implemented their emergency response plans, providing humanitarian support to local communities impacted by the crises, with the support of the international community. On fiscal reforms, the authorities have made significant efforts to preserve fiscal sustainability amidst increased spending pressures and limited budget support. Key measures include containing the public wage bill growth, reforms aimed at broadening the tax base, and rationalizing tax expenditures. In result, the fiscal deficit declined from 3.6 percent in 2023 to 2.6 percent in 2024.

Request under the RCF - Exogenous Shock window

The floodings, generated an urgent balance of payment gap amounting to 0.5ercent of GDP in 2025. The RCF would finance essential imports to restore basic infrastructure, and address food insecurity.

Program design

Reflecting the authorities' commitment to ensuring transparency and strong controls in the use of public resources, enhanced safeguards are built into the design of this RCF request.

The first layer relies on regional safeguards mechanisms. All the IMF resources disbursement will be made directly to a dedicated account at the BCEAO, the regional central bank

A second layer of safeguards is built-in, at the national level, through enhanced transparency and accountability in the use of RCF disbursement. Hence, all emergency related expenditure will be: i) reported on a quarterly basis and published on the Ministry of Economy and Finance's website, ii) subject to fair and transparent public procurement rules, and iii) audited by the BVG, an independent audit institution.

The third layer involve the Staff Monitoring Program (SMP) currently in place, which incorporates sound policies and reforms that will help make the most efficient use of the RCF disbursement and help build the track record for an ECF-supported arrangement.

Policies for 2025 and beyond

Economic policies and reforms going forward will be guided by the Staff-Monitored Program (SMP), focusing on three pillars: (i) ensuring fiscal sustainability while rebuilding and fostering growth; (ii) strengthening governance and Public financial management (PFM); and (iii) protecting the most vulnerable.

Strengthening fiscal policy

The authorities will pursue growth-friendly fiscal consolidation efforts, with the view to achieving the regional 3 per cent deficit target by 2026, while financing priority outlays. In this respect, they will step up revenue mobilization efforts with a focus on net tax revenues excluding exceptional mining payments targets. They are resolved in advancing tax code reforms, and leveraging digitalization to improve revenue collection, including through better interconnexion between Treasury, Customs, and Tax administrations.

On public financial management reforms, the authorities aim to enhance PFM by strengthening spending planning and execution, better aligning spending commitments with available cash flows, ensuring priority spending is fully funded, preparing an action plan to address dormant public accounts and advance treasury single account reforms, and preventing the accumulation of arrears.

On spending, the authorities are committed to protecting the most vulnerable households and targeting spending towards priority sectors. To achieve this objective, they are committed to protecting priority social spending and strengthening the social safety net to broaden its reach and focus on the most vulnerable households.

On debt, the authorities' prudent policies helped maintain a moderate risk of debt distress rating, against a particularly difficult backdrop. Going forward, they are resolved to implement further reforms to preserve debt sustainability. Priorities in this respect include advancing revenue-led fiscal consolidation reforms, shoring up the financial position of SOEs, like EDM, leveraging concessional financing, including the IMF's balance sheets, and maintaining debt ratios on a declining path. They are committed to ensuring that no new debt arrears are accumulated and will continue good-faith efforts to normalize relations with all creditors.

Structural reforms

Structural reforms will focus on enhancing governance and fiscal transparency, implementing SOE's reforms particularly in the electricity sector, and deepening regional integration.

Continuing to improve governance is the second pillar of Mali's strategic Vision and a key focus of the SMP. Demonstrating the authorities' strong ownership, important reforms to promote good governance and fiscal transparency were implemented since the suspension of the 2019 ECF program, notwithstanding the dire situation the country faced. The 2023 Constitution provided for the creation of an independent supreme audit institution, the "*Cour des Comptes*", in charge of auditing public accounts to ensure that public resources are well spent. Amongst other attributions, this Court is mandated to receive asset declarations from a category of high officials mentioned in the Constitution, and can initiate audits on its own motion, as well as at the request of the President or the Prime Minister.

The authorities also implemented a comprehensive overhaul of the national anti-corruption strategy and adopted a detailed action plan for 2023–2027 to reform governance, prevent, repress and raise awareness on corruption acts. Several weaknesses in the anti-corruption framework were addressed: i) the statute of limitations of corruption offenses involving public resources have no longer a time limit for prosecution; ii) privileges and immunities from prosecution of senior public officials due to their official functions are now lifted; iii) whistle-blower protection was enacted into law; iv) active international cooperation, including in the context of the United Nation's Convention Against Corruption, and iv) prosecution is now mandatory following auditors' referrals.

On anti-money laundering and counter-terrorism financing (AML/CFT), the authorities have made significant inroads to implement the Financial Action Task Force's (FATF) recommendations. The February 2025 plenary of the FATF concluded that Mali has made significant progress in addressing the strategic deficiencies in its AML/CFT framework. An on-site assessment is expected next, which will pave the way for Mali to be removed from the FATF's gray list.

Going forward, the authorities are committed to deepening the reforms underway, including by i) implementing the new national anti-corruption strategy and its 2023-2027 action plan; ii) fully operationalizing the *Cour des Comptes*; iii) conducting a census of public sector bank accounts and adopting an action plan to close dormant accounts, as well as iv) improving data exchange between departments. They will also leverage the National Economic and Financial Pole of the Judiciary, and the enhanced inter-agency coordination mechanisms to improve enforcement of governance laws.

Reforms of key SOEs, notably the electricity utility, EDM, will be deepened to ensure the provision of much needed public utilities and contain fiscal risks.

On regional integration, the authorities remain committed to deepen regional integration. After exiting ECOWAS, Burkina, Mali and Niger reiterated their commitment to the WAEMU and formed the Sahel States Alliance (AES) to pool resources to address common challenges in security, energy, and development. Discussions are underway between ECOWAS and the AES on a framework for economic, security, and diplomatic cooperation.

Conclusion

Mali faces significant challenges, including recovering from recent flooding and food insecurity, in a context of conflict, fragility, and tighter global and regional financing conditions. To address these challenges, the authorities are resolved to implementing sound policies, as demonstrated by their adoption of the SMP and their track record of implementing Fund-supported policies under difficult circumstances.

Since 2022, the authorities have been requesting Fund support to help support their recovery efforts from the succession of shocks. The IMF's disbursement will be contributing to the international community's efforts to support Mali. The SMP will have a signaling effect of the authorities' commitment to sound policies and provide a catalytic effect down the road by helping build further the track record towards an eventual ECF program and an arrangement under the Resilience and Sustainability Facility to build resilience to extreme climate events.

Mali clearly meets the criteria for access to the RCF and the country would benefit tremendously as it urgently needs more funding for recovery and repair from the flooding disaster late last year. Given the scale of the disaster caused by the flooding and the substantial development and balance of payment needs, coupled with the authorities' commitment to enhanced governance and fiscal transparency, I urge Directors to support Mali's requests for RCF arrangement.

Amid heightened global uncertainty, the recent cuts in USAID and UN agencies' funding, as well as the announced development assistance and budget support declines, we call for mobilizing additional support for Mali at this critical juncture.