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**Putting Aid On Budget:  
A Case Study of Mali**

**A Study for  
the Collaborative Africa Budget Reform Initiative (CABRI)  
and  
the Strategic Partnership with Africa (SPA)**

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## **THE AID ON BUDGET STUDY**

The Collaborative Africa Budget Reform Initiative (CABRI) and the Strategic Partnership with Africa (SPA) commissioned study of "putting aid on budget" has the following outputs:

An *Inception Report*, which defines the issues and research methodology.

Ten *country studies from sub-Saharan Africa*. Of the ten country studies, *Ghana, Mali, Mozambique, Rwanda* and *Uganda* were studied in depth, and separate country reports are available. The experiences of Burkina Faso, Ethiopia, Kenya, South Africa and Tanzania were also reviewed and summary information is included in the Synthesis Report annexes. Findings from all ten countries are included in the Synthesis Report.

A *Literature Review*, which (a) documents existing good practice guidance that is relevant to the incorporation of aid in recipient country budgets; (b) reviews the policies and guidelines of the major multilateral and bilateral agencies as these affect the incorporation of their aid into government budgets; and (c) documents relevant experiences of efforts to capture aid in government budgets, including desk reviews of some additional countries, including countries from outside Africa.

A *Synthesis Report* which draws on all the other study components to develop overall findings and recommendations.

A *Good Practice Note* which distils the lessons of the study and is aimed at donors as well as partner governments.

The reports can be downloaded from the CABRI website at <http://www.africa-sbo.org/>.

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*This report was prepared by independent consultants. Responsibility for the contents and presentation of findings and recommendations rests with the study team.*

*The views and opinions expressed in the report do not necessarily correspond to the views of CABRI or SPA.*



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## Abbreviations and Acronyms

BCEAO	<i>Banque Centrale des États de l’Afrique de l’Ouest</i> (Central Bank of West Africa)
BSI	<i>Budget Spécial d’Investissement</i>
BVG	<i>Bureau du Vérificateur Général</i> (Audit institution)
CABRI	Collaborative Africa Budget Reform Initiative
CBMT	<i>Cadre Budgétaire à Moyen Terme</i> (Medium Term Budgetary Framework)
CF	<i>Contrôleur Financier</i>
CSCR	<i>Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté</i> (2 <sup>nd</sup> Generation PRSP)
CSLP	<i>Cadre Stratégique de Lutte contre la Pauvreté</i> (1 <sup>st</sup> generation PRSP)
DAF	<i>Direction Administrative et Financière</i>
DFID	UK Department for International Development
DGB	<i>Direction Générale du Budget</i> (Budget Department)
DGDP	<i>Direction Générale de la Dette Publique</i> (Public Debt Department)
DNB	<i>Direction Nationale du Budget</i> (Budget Department)
DNCF	<i>Direction Nationale de Contrôle Financière</i> (Department of Financial Controllers)
DNDP	<i>Direction National de la Dette Publique</i> (Debt Management Department)
DNTCP	<i>Direction Nationale du Trésor et de la Comptabilité Publique</i> (Department of National Treasury and Public Accountants)
DPs	Development Partners
EC	European Commission
FCFA	<i>Franc de la communauté financière d’Afrique</i> Currency of French West Africa (specifically, of the West African Economic and Monetary Union)
GFS	Government Finance Statistics
GRM	Government of the Republic of Mali
HR	Human Resources
LdF	<i>la Loi de Finances</i> (Annual Budget Law)
LdR	<i>la Loi de Règlement</i> (Annual Budget Execution Law)
MEF	<i>Ministère de l’Economie et des Finances</i> (Ministry of Economy and Finance)
MPAT	<i>Ministère du Plan et l’Aménagement du Territoire</i>
MTBF	Medium Term Budgetary Framework
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
o/w	Of which
PAGAMGFP	<i>Plan d’Action Gouvernemental pour l’Amélioration et la Modernisation de la Gestion des Finances Publiques</i> (Mali Government’s PFM Reform Programme)
PARAD	<i>Programme d’Appui à la Reforme Administrative et à la Décentralisation</i> (Mali Government’s decentralisation reform programme)
PD	Paris Declaration
PEFA	Public Expenditure and Financial Accountability (Assessment)

PFM	Public Financial Management
PIU	Project Implementation Unit
PRODEC	<i>Programme Décennal de Développement de l'Éducation</i> (Mali Government's sector-wide approach in education)
PRODEJ	<i>Programme Décennal de Développement de la Justice</i> (Mali Government's sector-wide approach in the justice sector)
PRODESS	<i>Programme Décennal de Développement Social et Sanitaire</i> (Mali Government's sector-wide approach in health)
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
SdC	<i>Section des Comptes</i> (Audit institution)
SPA	Strategic Partnership with Africa
SWAp	Sector-Wide Approach
TOFE	<i>Tableau des Opérations Financières de l'État</i> (Consolidated Fiscal Table)
UN	United Nations
US	United States





## **1. Introduction**

1.1 This case study provides an overview of the practices and emerging lessons of the experience in Mali of attempts to reflect external aid resources in the budget and the public financial management system. The study covers the reflection of aid resources at each stage of the PFM system, including: planning, budgeting, appropriation (through Parliament), flows (through Treasury), accounting, reporting, and auditing. It is an input into the wider cross-country study on “Putting Aid on Budget”, commissioned by DFID on behalf of CABRI (the Collaborative Africa Budget Reform Initiative) and SPA (the Strategic Partnership with Africa).<sup>1</sup> The aim of the wider research is to study existing practices amongst African countries for reflecting aid resources in the budget (and throughout the PFM process) and identify the challenges in doing so. The study will produce a good practice note to help governments in Sub-Saharan Africa to strengthen their systems to facilitate the reflection of more aid in the budget.

1.2 The case study report is based on interviews with a variety of stakeholders, conducted during a field visit to Bamako from 27<sup>th</sup>-31<sup>st</sup> August (see Annex C), as well as on a review of relevant documents collected before and during the visit.<sup>2</sup>

1.3 The rest of the case study provides: a description of the background country context for the case study, particularly in terms of the scale and scope of aid resources, the institutions responsible for managing external assistance, and an overview of how the PFM system works, particularly the context for the interaction with external resources (Section 2); a discussion of how and how well external resources are currently reflected in the PFM system (Section 3); an analysis of factors encouraging greater resources to be reflected in the PFM system and those which make it more difficult to do so (Section 4); and brief conclusions (Section 5).

1.4 A number of annexes follow the main part of the case study, including a summary matrix of evidence and assessment of aid capture (Annex A), bibliographic references and persons met (Annexes B and C), more detailed analyses of aid allocations by sector (Annex D), and excerpts from the 2007 PEFA exercise on aid coverage in the budget system (Annex E).

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<sup>1</sup> See Inception Report

<sup>2</sup> See Annex C for list of persons met.



## 2. Aid Transparency Context

### Aid management in Mali

#### *Overall level and modalities of aid*

2.1 Total disbursements of external aid reached 540 million Euros (around 40% of budgetary revenues<sup>3</sup>) in 2006 (Table 1), from 455 million Euros two years earlier, an increase of just under 20%. Currently, there are three types of external assistance provided in Mali: (i) project support;<sup>4</sup> (ii) general budget support; and (iii) sector budget support. In recent years, Mali has experienced a trend towards higher levels of budget support and hence the potential for an increased reflection of external resources in the PFM system.

2.2 Table 1 shows that disbursements of budget support have increased from 93 million Euros (20% of total aid disbursements) in 2004 to 179 million (more than 33% of total disbursements) in 2006. Within these totals, general budget support has increased to around 118 million Euros in 2006 (22% of total disbursements and 66% of total budget support), with sector budget support doubling in Euro terms between 2005 and 2006 and increasing its share of total budget support from 25% to 33% in one year. The recent increase in sector budget support has come about with the switch from pooled funding arrangements to sector budget support, largely from donors who previously had contributed to the pooled funding arrangements, including the EC, Netherlands, and Sweden.<sup>5</sup> Sector budget support is currently given in the sectors of health, education, PFM, and concerning cross-sector issues such as decentralisation and institutional development.

2.3 This trend towards giving sector budget support is an evolution of efforts in the late 1990s to move toward more programmatic approaches and to establish pooled funding arrangements initially in the health and education sectors. Two such arrangements, PRODESS and PRODEC in health and education, respectively, were centred on sector programme matrices and included a number of bilateral agencies. More recently, a programmatic approach was added in the justice sector, in the form of the PRODEJ. In 2006, with a number of agencies wishing to move towards the provision of sector budget support as a way of boosting government leadership of these programmes and/or in line with their agencies' desire to meet Paris declaration objectives, sector budget support replaced these pooled funding arrangements. As indicated above, the difference with the programmatic approaches is that the sector budget support funds are routed through the Treasury in the same way as are domestic funds, rather than being managed by an arrangement that was based on one or more development partners.

2.4 Looking ahead, disbursements of general budget support are expected to be between 80 and 90 million Euros between 2007 and 2009. Sector budget support is also expected to increase in the medium term, with additional donors such as Canada and France starting to

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<sup>3</sup> As a proportion of 2006 receipts shown in the Budget d'Etat 2007.

<sup>4</sup> In Mali, a project is considered to be a set of activities with a common objective managed by a project implementation unit and financed by resources which are kept in separate bank accounts (usually government-designated) not linked to the Treasury.

<sup>5</sup> With France and Canada expected to provide sector budget support from 2007.

provide sector budget support during this period. In total, disbursements of sector budget support are expected to reach 85 million Euros this year.

	2004	2005	2006	2007	2007
	Actual	Actual	Actual	Projected	in LdF
Project assistance	361.5	367.6	360.8	435.3 <sup>a</sup>	374.9
Budget support	93.1	128.8	179.0	166.8	75.0
o/w general	N/A	97.5	118.4	81.1	N/A
Sectoral	N/A	31.3	60.6	85.7	75.0
<b>Total disbursements</b>	<b>454.6</b>	<b>496.4</b>	<b>539.8</b>	<b>602.1</b>	<b>525.0</b>
Budget support as % of disbursements	20.5%	25.9%	33.2%	27.7%	14.3%

Note: a. Derived from projected totals and projected figures for budget support. Under-projections of budget support will lead to over-projections of project assistance.

Sources: *Matrice Financière, Rapport Intermédiaire*, Pool Technique, June 2007. Final column: *La Loi de Finances*, 2007

### Key development partners

2.5 In 2006, the five largest donors (covering two-thirds of total aid flows) were the European Commission, the World Bank, the African Development Bank, UN agencies, and the Netherlands (Table 2). Other important donors include France, Canada, Germany, the US, and Sweden. Multilateral support represents just over 58% of total ODA, whilst bilateral support covers just over 40% of the total.

	2004	2005	2006	2007	2006
	Actual	Actual	Actual	Projected	Share
EC	92.5	103.7	102.2	109.1	18.9%
World Bank	66.7	95.3	84.4	93.7	15.6%
African Development Bank	34.5	40.5	67.2	57.3	12.5%
UN agencies	52.2	40.1	47.7	55.4	8.8%
Arab Funds	11.6	19.3	9.4	21.4	1.7%
Other multilaterals	2.3	6.9	4.7	3.1	0.9%
<b>Sub-total multilaterals</b>	<b>259.7</b>	<b>305.8</b>	<b>315.6</b>	<b>340.1</b>	
France	50.8	41.3	36.8	36.5	6.8%
Netherlands	33.7	39.1	49.1	50.0	9.1%
Canada	26.8	18.0	33.9	44.2	6.3%
Germany	18.2	18.1	27.5	30.0	5.1%
USA	34.1	30.6	25.6	44.3	4.7%
Sweden	10.8	22.0	25.9	27.3	4.8%
Other bilaterals	20.4	21.6	25.4	29.8	4.7%
<b>Sub-total bilaterals</b>	<b>194.8</b>	<b>190.6</b>	<b>224.2</b>	<b>262.0</b>	
<b>TOTAL</b>	<b>454.6</b>	<b>496.4</b>	<b>539.8</b>	<b>602.1</b>	100.0%
Share of bilaterals in total	43%	38%	42%	44%	

Source: *Matrice Financière, Rapport Intermédiaire*, Pool Technique, June 2007.

*Aid distribution by sector*

2.6 Table 3 provides a summary of external aid disbursements by CSCRP (PRSP) sector/focal areas,<sup>6</sup> whilst Table 4 shows the sector breakdown for budget support. Annex C provides a more detailed sector analysis of sector-specific external support (both budget support and project assistance). The broad sector areas receiving the highest level of disbursements include infrastructure development and productive sectors (32% of total disbursements), the social sectors (30%), and macro support (including general budget support) at 27%. Amongst more detailed sectors, disbursements to the top four sectors of rural development and food security, education, transport, and health and social development account for nearly 70% of total disbursements. Adding decentralisation takes the coverage to more than 80%.

	2005	2006	2006
	Actual	Actual	Share (%)
Macro support	105	146	27.0%
Infrastructure and productive sectors	170	173	32.0%
Structural reforms	59	59	11.0%
Social sectors	138	162	30.0%
Cross-sectoral/other	24	0	0.0%
<b>TOTAL</b>	<b>496</b>	<b>540</b>	<b>100.0%</b>

Source: *Matrice Financière, Rapport Intermédiaire, Pool Technique, June 2007.*

	2005	2006	2007	2006
	Actual	Actual	Projected	Share (%)
General budget support	97.5	118.4	81.1	66.1%
Sectoral budget support	31.3	60.6	85.7	33.9%
o/w Decentralisation	0.0	20.0	14.1	11.2%
Education	21.9	32.8	46.3	18.3%
Health	9.4	7.8	12.7	4.3%
PFM	0.0	0.0	2.7	0.0%
Institutional dev. (admin reform)	0.0	0.0	1.9	0.0%
Other	0.0	0.0	8.0	0.0%
<b>TOTAL</b>	<b>128.8</b>	<b>179.0</b>	<b>166.8</b>	<b>100.0%</b>

Source: *Matrice Financière, Rapport Intermédiaire, Pool Technique, June 2007.*

*Aid Institutions*

2.7 Responsibility for the management of aid resources is scattered amongst five different institutions. At the executive level, broad aid co-ordination is managed through the Development and Co-operation Initiative (*la Mission de développement et de coopération*) in the President's Office. It is responsible for managing the Aid Harmonisation Action Plan.

<sup>6</sup> The PRSP is known locally as *Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté (CSCR)*.

2.8 The Ministry of Economy and Finance (*le Ministère de l'Economie et des Finances [MEF]*) is the main Government institution responsible for debt management. MEF's Debt Management Department (*la Direction Nationale de la Dette Publique [DNDP]*) has the primary responsibility for maintaining, analysing and managing information on debt flows, including advising on borrowing strategies, and maintaining debt databases on planned and actual disbursements.

2.9 At the broad strategic level, MEF is responsible for co-ordinating development policy. As the basis for its medium-term budget plans, the Government has recently adopted its second PRSP, known as the Growth and Poverty Reduction Strategic Framework (*le Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté [CSCR]*), which covers 2007-2011<sup>7</sup> and includes both domestic and external resources.

2.10 The Ministry of Planning and Land Management (*le Ministère du Plan et de l'Aménagement du Territoire*) is responsible for putting together and reporting on the three-year investment budget (*le Budget Spécial d'Investissement [BSI]*), more than 70% of which is financed from external resources (for more on the BSI, see below). It is responsible for liaising with MEF for the inclusion of annual investments in the LdF.<sup>8</sup>

2.11 Finally, the Ministry of Foreign Affairs and International Co-operation (*le Ministère des Affaires Etrangères et de la Coopération Internationale*) is responsible for negotiating aid agreements and also acts as *ordonnateur* (Government fiscal liaison) for EC aid funds.

#### *Aid Structure/Processes*

2.12 The CSCR is the main strategic document intended to drive the Government's medium-term budget priorities. As part of the CSCR process, the Government of Mali (GRM) holds biannual meetings with the country's main donors through a Joint Government-development partners Commission (*la Commission Mixte Mali/Partenaires Techniques et Financiers*), chaired by the Minister of Economy and Finance. These meetings discuss progress on the CSCR and general aid issues. Recent meetings have included discussions on the Aid Harmonisation Action Plan, progress on the Government's PFM reform programme, and the results of the most recent survey of Paris Declaration indicators. Apart from the broad discussions surrounding the activities in the Aid Harmonisation Action Plan, the specific challenges raised by increasing the share of aid resources reflected in the budget and passing through the PFM system do not appear to have been a recent agenda item.

2.13 Donors also meet among themselves on a monthly basis, with the chair rotating every six months and alternating between bilateral and multilateral partners. In addition, joint sectoral Government-donor co-ordination groups exist for the sectors with sector budget support (previously, SWAs/pooled funds), for example in health and education. These groups participate in sector reviews and in medium-term sector programming.

2.14 The Government's Aid Harmonisation Action Plan, adopted in December 2006, covers activities to be implemented during 2007-2009. The Action Plan is organised around five strategic areas, including: (i) developing national development strategies, including CSCR; (ii) aligning external aid to national strategies; (iii) utilising common procedures and

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<sup>7</sup> The first PRSP, covering 2002-2006 was known as the *le Cadre Stratégique de Lutte contre la Pauvreté [CSLP]*, whilst the second, the CSCR, covers the 2007-2011 period.

<sup>8</sup> It is to be noted that there does not appear to be a 1:1 correspondence between what's in the first year of the BSI and what is included in the Loi de Finances (LdF).

reducing the incidence of separate donor missions; (iv) implementing results-oriented framework; and (v) joint responsibility for monitoring and evaluation.

2.15 The most recent OECD Paris Declaration survey (PD) is dated March 2007 and provides data and information for the 2005 fiscal year. The survey provides a useful overview of the issues regarding harmonisation and alignment. Many of the observations of weaknesses in the PFM system (e.g. lack of prioritisation of the poverty reduction strategy, and weaknesses in operationalising medium-term policy objectives) are well made, and the descriptions of aid mechanisms are comprehensive. However, the lack of specificity of sources of data (i.e. what is included for each type of analysis, such as the definition of “aid” at each stage) makes it difficult to confirm/replicate the data. This is an area where annotating specific data sources in the report would be recommended.

### **Overview of Mali’s PFM system**

2.16 Mali’s PFM system is based on the francophone system, which features strong internal controls, and is based on the principle of the separation of the person authorising expenditures (the authorising officer) from the person making the payment (the Treasury accountant).

#### *Legal Framework*

2.17 In accordance with the Constitution, the legal basis for budgeting in Mali is the 1996 Organic Budget Law, which sets out the framework for the preparation and execution of the annual budget, as well as relations between the National Assembly and the government on budget issues and their respective areas of jurisdiction. It specifies that the Minister of Economy and Finance, under the authority of the head of government, prepares the draft budget appropriation laws that are subsequently adopted by the National Assembly; the Prime Minister allots the appropriations; the Minister of Economy and Finance is responsible for budget execution; the executive branch may increase appropriations only through a supplementary budget, except in specific cases involving emergencies or other requirements deemed to be in the national interest; the Minister of Economy and Finance may authorise transfers of appropriations (*virement*) under certain, specified conditions.

2.18 The basic principles of government accounting are defined by law, notably the 1996 Public Accounting Law, together with the 1997 Application Decree. These principles include: (i) a strict separation between the authorising officers (*les ordonnateurs*) and the public accountants who execute the budget of each agency; (ii) the existence of *ex ante* control of expenditures by each agency’s financial controller (*le contrôleur financier*), an officer of MEF; and (iii) a clear distinction between the phases of budget execution (commitment [*engagement*], verification [*liquidation*], the submission of the payment order [*ordonnancement*] and payment [*paiement*]). The separation in the different steps is demonstrated by the fact that the authorising officers are responsible for the phases of commitment and verification, and the public accountant responsible for payment.

#### *Budget calendar*

2.19 The annual budget preparation calendar tends to follow a stable pattern, which is shown in Table 4. The fiscal year runs from January 1 to December 31.

Table 5: Annual budget preparation calendar	
Budget Stage	Date
Ministry review of budget-programmes	April
Preparation of macro-fiscal framework as part of the Medium Term Budget Framework (MTBF) ( <i>Cadre Budgétaire de Moyen Terme [CBMT]</i> )	April
Preparation of Budget Circular ( <i>Lettre Circulaire</i> ) <sup>9</sup>	May
Preparation by sector ministries of draft annual budget estimates, including the detailed budget-programmes, on the basis of sector expenditure ceilings in line with the CBMT	May-July
MEF review of ministries' budget requests, including the budget-programmes	July
Budget negotiations and finalisation of draft <i>Budget d'Etat</i>	July-August
Adoption of draft Budget by Council of Ministers	September
Government submits the draft <i>Budget d'Etat</i> to the National Assembly	First Monday of October
Examination and adoption of the <i>Loi de Finances</i> by the National Assembly	Second half of December
Fiscal Year begins	1 January

### *Budget structure and classification*

2.20 The *Budget d'Etat* comprises: (i) a note explaining budgetary objectives; (ii) the *Loi de Finances* (appropriations by line item and by sector ministry), which includes a breakdown of allocations according to new and existing measures (*services votes* and *mesures nouvelles*, respectively); (iii) detailed tables of revenues and expenditures by individual line item and ministry, showing both recurrent and investment (domestic and externally-financed) expenditures and (sector) budget support; and (iv) the annual allocations for the Special Investment Budget [*Budget Spécial d'Investissement – BSI*] (which includes externally-financed projects) as part the three-year investment programme. These data are shown for the general budget (central government sector ministries), as well as for subvented agencies, the public enterprises receiving subsidies, regional budgets, and special treasury accounts. A series of annexes accompany the *Budget d'Etat* and include: two volumes containing the annual *budget-programmes* for every ministry, setting out ministry objectives and disaggregating annual allocations by programmes and line item, and other annexes (e.g., for debt servicing).

2.21 For the central government budget, current expenditures are annual; for investment spending, three-year authorisations are presented to the National Assembly, together with the main budget, including aggregated totals for the relevant upcoming budget year.<sup>10</sup> Accompanying the budget projections for the following fiscal year are the budget estimates for the current year; however, the accompanying budget-programmes also include activities and projected expenditures for two years following the new budget year. During the October parliamentary session, the draft budget for the next fiscal year is accompanied by a budget execution report covering the first six months of the year in which the budget is prepared. The budget laws are published in the *Journal Officiel*, and summaries are published in the press.

2.22 *Budget classification.* The current budget classification system and Chart of Accounts was introduced in 2003. The classification used for budget preparation is presented

<sup>9</sup> The *Lettre Circulaire* is supposed to include donors' disbursement projections, provided in April.

<sup>10</sup> It is worth noting that there is not necessarily a 1:1 correspondence between the allocations shown for a ministry in the budget-programmes and those shown in the *Loi de Finances*.



according to international standards; although the presentation is not fully consistent with the GFS,<sup>11</sup> the presentation is shown in a consistent manner over time.

- The *Loi de Finances (LdF)* (annual budget appropriations) is presented in accordance with the administrative, functional and economic classifications.
- In the *annexe explicative*, containing the budget-programmes, estimates are also shown by programme/activity for each budget head and sub head.
- The annual budget execution report, specifically the *Loi de Règlement*, is shown by administrative and economic classifications, but not by function or programme.

2.23 The detailed tables by ministry include a line item separately identifying expenditures financed by sector budget support (separately for each separate donor providing sector budget support). Thus, through the relevant classification codes, it is possible to track the use (execution) of sector budget support by economic item (see discussion below for more on this point).

2.24 The National Assembly adopts the budget law (*la Loi de Finances*)[*LdF*] proposed by the government, as well as the budget execution law (*la Loi de Règlement* [*LdR*])<sup>12</sup>. According to the Organic Budget Law adopted in 1996, the prerogatives of the National Assembly in budget matters are limited to introducing amendments that eliminate or reduce expenditures, or create or increase revenues. The National Assembly's Finance Commission does not currently have sufficient staff to fully oversee the financial operations of the executive branch. However, it has initiated improvements in budget preparation and presentation. The Accounts Section of the Supreme Court (*Section des Comptes de la Cour Suprême*) is the entity responsible for reviewing the *Loi de Règlement* and certifying the government's annual accounts that are presented to the National Assembly. The Accounts Section is financially dependent on the judicial branch of government.

2.25 The Ministry of Economy and Finance (MEF) has prime responsibility for preparing and executing the budget. The Budget Department (*la Direction Nationale du Budget* [*DNB*]) co-ordinates the preparation of the budget, which is submitted by the Minister to the Government<sup>13</sup> and presented to the National Assembly. In terms of budget execution, the Department of Financial Control (*la Direction Nationale du Contrôle Financier* [*DNCF*]) has the main responsibility for pre-auditing and authorising payment requests (see below). All payments are made through the Treasury (*la Direction Nationale du Trésor et de la Comptabilité Publique* [*DNTCP*]). Other departments in MEF with a role in the budget include the Public Debt Department (*Direction Générale de la Dette Publique* [*DGDP*]), responsible for external/internal debt and aid management, and the Procurement Department (*Direction Générale des Marchés Publics*).

2.26 Other central agencies with a PFM role include:

- The Ministry of Planning (*le Ministère du Plan et l'Aménagement du Territoire* [*MPAT*]), specifically, the National Planning Department (*la Direction Nationale de*

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<sup>11</sup> Specifically with respect to the treatment of privatisation receipts, which are shown as revenues, rather than as financing.

<sup>12</sup> In francophone countries, Parliaments verify the *ex ante* and *ex post* annual accounts by formal laws. The Annual Budget Law, *la Loi de Finances*, gives the *ex ante* annual appropriations. The Budget Execution Law or *Loi de Règlement* (*LdR*) records the (*ex post*) outturns for revenues and expenditures, and compares these with the budget estimates, inclusive of any modifications to the original budget, either by *virement* or by supplementary estimates.

<sup>13</sup> Equivalent to the Cabinet of Ministers in an Anglophone system.

*la Planification*), organises the preparation of the Investment Budget which is integrated at the final stage of putting together the draft budget document.

- The Public Service Ministry (*le Ministère de la Fonction Publique*) is responsible for HR policy and management for public sector workers, whilst MEF is responsible for public service payroll.
- The Internal Audit Agency (*le Inspecteur de Finances*), technically part of MEF but with more power and autonomy.
- The *Direction Administrative et Financière (DAF)* of each sector ministry is responsible for putting together the ministry's budget programmes.

2.27 In addition, in terms of sub-national government, the *services déconcentrées*, under the responsibility of the governor of the region, are responsible for preparing their budgets using the same classification as the administrative directors of the ministries.

2.28 External oversight (audit) of the public sector is the responsibility of the Accounting Section (*la Section des Comptes [SdC]*) of the Supreme Court (*la Cour Suprême*) which has the responsibility for certifying the administrative accounts (i.e. by spending ministry) and the financial accounts (i.e. account balances) and providing an accompanying report of conformity which should accompany the submission of the *Loi de Règlement* to the National Assembly. The review by the *Section des Comptes* focuses solely on financial audit, rather than performance or management audit; its remit covers all public entities and those receiving public funds.

2.29 In an effort to improve governance arrangements and address corruption, the Malian authorities established, by means of a law passed in 2003, an additional form of external scrutiny, in the form of the *Bureau du Vérificateur Général (BVG)*. This administrative structure is intended to be autonomous, although it reports to the Executive and receives its resources from the Budget (in line with other ministries), which could potentially undermine its independence. The Head of the Bureau is nominated by the Head of State for a non-renewable 7-year term. The *Vérificateur Général* is responsible for reviewing value for money of expenditures, and analysing the consistency with regulations and integrity of the operations of budgetary and extra-budgetary receipts and expenditures. However, it has a small staff complement and is not intended to act as an independent Supreme Audit Institution.

2.30 Legislative oversight of the budget process is provided by the National Assembly through the Finance Commission of the National Assembly (*la Commission des Finances et de l'Economie et du Plan de l'Assemblée Nationale*).

#### *Main problems in budgeting and PFM*

2.31 As part of its PFM Action Plan for reform (see below), GRM has made progress in strengthening PFM in a number of areas, including:

- The Government's focus on controlling overall expenditure levels has helped to maintain aggregate fiscal discipline.
- The inclusion of a medium-term focus and more strategic elements in the budget, specifically at budget preparation stage, has enabled the budget to reflect better the overall objectives of fiscal and budgetary policy.

- Greater attention to public debt issues, including the monitoring of the stock of debt, has enabled the government to maintain a more active role in this area.
- Continued strong central payroll controls have helped prevent the emergence of significant salary payment arrears and physical payroll audits have largely confirmed the integrity of the system.
- The introduction of the Bureau of the Vérificateur Général has provided an additional potential source of external control, although clarity of its role and co-ordination with that of the *Section des Comptes* remain important issues.
- Clearing the backlog of LdR (*loi de règlement*) from the *Section des Comptes* has potentially allowed the National Assembly to exercise more actively its external scrutiny role.

2.32 Nonetheless, areas of weakness remain. Capacity constraints can lead to potential compliance issues with internal control rules. Weak active links in the two-way flow of communication between authorisations for commitments to ministries and cash flow projections from Treasury can lead to delays in permitting spending commitments on non-wage to be fulfilled, the emergence of payment arrears or liquidity constraints. Internal audit continues largely to be focused on checking compliance with expenditure processes rather than on more systemic issues. The lack of comprehensive reporting on budget execution hampers the monitoring of budget performance, and potentially reduces the efficient management of overall budget operations. Openly competitive procurement practices are undermined by the lack of a regulatory basis for establishing open competition as the anchor for procurement. Finally, the lack of public access to comprehensive fiscal information potentially weakens the external oversight role, both by the National Assembly and civil society.

#### *Pending reforms*

2.33 The Government has embarked on a comprehensive programme to reform its public sector (*Plan d'Action Gouvernemental d'Amélioration et de Modernisation de la Gestion des Finances Publiques [PAGAMGFP]*) in order to improve the efficiency of public spending towards the objectives in the CSCR. The current five-year programme was approved by the Government in April 2005 and covers nine themes<sup>14</sup> around five strategic areas.<sup>15</sup> A number of donors are providing support to the programme, including the World Bank, the EC and Canada.

2.34 The PFM reform measures planned over the medium term under PAGAMGFP are intended to improve the performance of PFM systems. Strengthening capacities for internal control and internal audit, strengthening the external oversight by the *Section des Comptes* and the National Assembly (*Assemblée Nationale*), improving the monitoring of expenditures, and developing further the information basis for processing and recording transactions should all assist in the achievement of better budgetary outcomes.

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<sup>14</sup> The nine themes are : (i) adapt and modernise the general PFM framework; (ii) strengthen governance and transparency; (iii) increase the effectiveness of fiscal and financial administrations; (iv) improve the quality of budget preparation and execution; (v) integrate external resources in national budget procedures; (vi) integrate IT into the management of public expenditures; (vii) increase the performance of the DAFs; (viii) increase the effectiveness of public procurement; and (ix) implement permanent capacity building programmes for financial staff.

<sup>15</sup> The five strategic areas are: (i) improve the quality of budget preparation and execution; (ii) develop the effectiveness of fiscal and financial administrations; (iii) integrate external finances into national budget procedures; (iv) increase the effectiveness and transparency of public procurement procedures; and (v) strengthen governance and increase transparency.

2.35 On the aid management side, the Government's main objectives, working with donors, include: (i) clarify and simplify the institutional mandate of the structures responsible for aid management; (ii) harmonise the procedures and conditions for implementing cooperation projects; (iii) institute mechanisms for co-ordinating development assistance within and among the various sectors and among geographical regions; (iv) build national and local capacity; (v) create a permanent information system for monitoring development cooperation activities; (vi) involve civil society organisations at all levels of aid project design and management; and (vii) integrate the co-operation machinery in national fiscal and economic structures.

### 3. Aid Transparency: Successes and Weaknesses

#### How funds are reflected in the budget system

3.1 In Mali, the specific nature of the PFM system, rooted in the French system, dictates the extent to which external resources are reflected at each stage of the PFM process. In short, sector budget support is the only form of external resource which is specifically appropriated in detail by the National Assembly (both as a source of funds and its use) and which adheres to national PFM procedures.<sup>16</sup> Otherwise, details of externally-financed investment projects are shown in the accompanying BSI document (accompanying the main appropriated LdF) and are reported on in detail (and reported to the National Assembly) separately. Whilst these projects are managed by government institutions, such as PIUs, the funds are managed outside of the Treasury account and hence do not follow national budgetary procedures for planning, budget execution, accounting, reporting, and auditing (each of these are discussed in more detail in the following paragraphs).

3.2 A detailed description of the treatment of the different aid instruments (budget support or project assistance) according to each stage of the budget/PFM process is set out in the matrix in Annex A. The discussion below turns to an analysis of the incentives and disincentives for both Government and donor agencies to increase the amount of aid reflected in and operating through the PFM system.

#### Plan

3.3 There are four main planning instruments: (i) the CSCRP; (ii) the MTEF, known as the *Cadre Budgétaire à Moyen Terme (CBMT)*; (iii) the three-year rolling investment programme (the *Budget Spécial d'Investissement (BSI)*); and (iv) the annual and three-year detailed budget-programmes. The five-year CSCRP, covering 2007-2011, provides the strategic basis for planning. As Annex II of the CSCRP, the current CBMT covers five years (2007-2011)<sup>17</sup> and is the CSCRP's fiscal framework; these set the overall and sectoral expenditure ceilings. The budget-programmes set out the upcoming year's plus two forward years' allocations against planned programmes, based around policy objectives.

3.4 The planning process takes place in a bottom-up manner, and it is intended to be based on the overall strategy set out broadly in the CSCRP; sectors'/ministries' operational plans are based on the aggregation of lower-level plans. Recurrent and investment expenditures are planned separately (both intended to be based on CSCRP priorities) and are supposed to be set within the overall expenditure ceiling in the *Lettre Circulaire*.

3.5 As for how external resources are planned, the first issue is the extent to which external aid resources are planned in the same way as domestic resources.

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<sup>16</sup> As will be described in more detail below, credit-financed general budget support is included implicitly as a source of financing the deficit and the use of the funds is included as general expenditures, and the resources go through the National Assembly, but a breakdown of the receipt of these funds is not given in the LdF.

<sup>17</sup> The previous CBMT covered 2006-2008, and it is not clear whether the next CBMT will be on a rolling 5-year basis or return to a 3-year basis.

- General budget support – in theory, these resources are planned in the same way as domestic resources. However, as they are not reflected in Mali's budget documentation, it is difficult to determine how the funds are treated in practice.
- Sector budget support – in theory, these resources should also be planned in the same way as domestic resources, with the only difference being that the relevant sector ministries are supposed to achieve particular results in accordance with the accompanying sector policy matrix. In Mali, these resources are in practice treated differently to domestic resources; in effect, they are treated as if they were project resources since they are planned separately, their use is separately identified as line-items and tracked in the budget, and in budget execution reports. Furthermore, the resources are directed towards particular purposes (e.g. training workshops), which may or may not be how these resources would have been used had they been planned together with the rest of the ministry's resources (as opposed to planned separately).
- Project assistance – with the separation between the recurrent and investment planning processes, these resources, as part of the BSI, are planned separately from recurrent resources. To the extent that investment expenditures are financed by external resources (the vast majority are), these would appear in the BSI and the planning/management arrangements would tend to be planned in conjunction with the relevant donor(s) (rather than as part of a programmatic approach).

3.6 The wider issue is the extent to which these planning processes lead to greater transparency and accountability of resource use. Critical for transparency and accountability of the planning system are that: (i) all resources (both recurrent and investment and domestically- and externally-financed) are planned in a consistent manner regardless of type of expenditure or source of funding; and (ii) there is a clear link between the short and medium-term planning instruments and subsequent budget allocations. On the first of these, as was indicated above, the separate recurrent and investment budgets mean that, with the exception of general budget support, external aid is planned differently. On the second issue, as the CSCRP is in its first year, it is too early to tell if the forward figures in the CBMT will match those in (future) budgets. At any rate, there are differences between figures in the 2007 budget and those in the accompanying budget-programmes, between the BSI and the budget allocations, and between the CBMT and the aggregate budget.<sup>18</sup>

3.7 On the positive side, some progress has been made with moves to reflect aid resources more in the planning process. Firstly, joint reviews take place for the programmatic approaches, but these tend to focus more on policy issues rather than on the budgeting side. Nevertheless, the joint sector process gives the potential for an integrated approach to sector financing. Secondly, the moves towards sector budget support in line with sector policy matrices and hence the intention to align with the CSCRP in the planning/prioritisation process gives the opportunity for achieving policy objectives using all sector resources. Finally, increasing levels of general budget support potentially increases the level of resources available for all government priorities.

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<sup>18</sup> In practice, it is difficult to reconcile the sectoral expenditure in the CBMT with the annual budget allocations, since the LdF does not include sector totals, and the former does not include ministry projections.

3.8 Taking these together, if we assume that general budget support is indistinguishable in practice from domestic resources, then we would calculate that around 22% of total aid disbursements<sup>19</sup> are estimated to be included in national planning procedures.

### *Budget*

3.9 The *Loi de Finances* includes two types of external aid resources: (i) externally-funded project resources (both loan and grant-financed); and (ii) sector budget support (currently, all grant-financed). Details of project resources (expenditure type, activities financed, and sector) are included in the BSI, whilst just the totals for external grant and loan-financed project assistance are shown in the main LdF document. In the wider Budget d'Etat, domestic and externally-financed BSI resources are shown by sector ministry.

3.10 The budget documents (*Budget d'Etat [including the LdF]*, and the accompanying *BSI*) do not include: (i) externally-financed project resources in which donors provide finance directly to non public sector institutions, such as NGOs (either domestic or external NGOs); (ii) grant-financed general budget support; and (iii) credit/loan-financed budget support (at present, only general budget support [not sector budget support] is financed by credits/loans).

3.11 It is worth looking at the extent of inclusion of budget support in the budget documents in more detail.

- In the LdF, **grant-financed sector budget support** (in practice, all of sector budget support) is shown as a source of funding (under receipts). The planned use of what is termed sector budget support is shown (as earmarked funding) under individual sector ministries. The fact that the use of sector budget support funds is identified separately (i.e. earmarked) as individual expenditure by individual sector ministries undermines their status as sector budget support. In practice, these funds are earmarked expenditures.
- **Grant-financed general budget support** is not included as a source of funding (under receipts). The use of these resources is also not included under expenditures. As the funds are included in ex-post reporting, there is thus a difference between the appropriated budget and the executed budget. This situation is catered for in the Organic Budget Law [footnote Loi N° 96-060, 4 November 1996 – Chapter VII]; if the receipts turn out to be more than expected (e.g. through additional grant-financed budget support) the Minister of Economy and Finance can increase the open credits by decree up to the amount of the additional receipts. However, the fact that these additional resources (e.g. grant-financed general budget support) are not appropriated by the National Assembly (e.g. through a Supplementary Budget) undermines the transparency (scrutiny) and accountability of the planned use of these resources – there is no explicit (external) mechanism to ensure that the prioritisation of these resources is in line with overall government objectives.
- **Credit-financed general budget support** is included implicitly as a source of financing the deficit, along with reserves, although the exact split between reserves and budget support is not given and details of the budget support are not given. The use of these resources is implicitly included as part of general expenditures and, in line with the norm for budget support, the funds are not earmarked.

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<sup>19</sup> Based on 2006 disbursements from information provided by donor sources.

3.12 This example of earmarked sector “budget support” suggests a process/ mechanism by which other externally financed resources, e.g. projects in the BSI, could also be reflected in the budget and the funds to go through Treasury system. Recommendations on this issue are made in Section 5 below.

3.13 As indicated, whilst grant-financed general budget support is not reflected in the LdF, the amounts received during the year are shown in the LdR, the annual budget execution report, and in the TOFE (see further discussion below). Whilst it is possible that MEF receives information on such grant-financed support too late to be included in the budget documents, the fact that some of these commitments are pluri-annual would suggest that it is more likely to be a policy decision.

3.14 In contrast to other countries, Mali’s budget does not include a breakdown of deficit financing. Since it is not possible to separate out the amounts for general budget support loans from the total deficit, one concludes that general budget support financed by credits/loans is not reflected transparently in the budget documentation. General budget support given in grant form (e.g. from the EC, the Netherlands, France and Sweden) is not included anywhere in the LdF. Since many of these amounts are based on multi-year agreements, there should not be any reason in theory to exclude these amounts from the LdF.

3.15 Table 6 below compares the different sources of data on disbursements of external aid for 2005 and 2006. Government information (in the LdF) comes from the PIUs, whilst the donor information is taken from a survey of donors published in mid-2007.<sup>20</sup> The TOFE is published by the Treasury, and relates to expenditures. As shown, a comparison of the information in the LdF with that from donors shows that external disbursements included in the budget were 40% lower in 2005 than that furnished by donors and more than 25% lower in 2006. For 2007, the gap between Government and donors on planned disbursements is 33%.

3.16 As shown, the main reason for the less comprehensive capture of external disbursements is the exclusion of general budget support. The higher figure in 2006 for Government capture than for donors reflects the fact that the Government figure in the LdF is *ex ante* (revised – prepared during 2006) whilst that for donors is *ex post* (prepared in 2007).

3.17 The effect of the exclusion of direct contracts is thought to be small.<sup>21</sup>

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<sup>20</sup> The donor information shown here does not include direct financing between donors and non public sector institutions.

<sup>21</sup> This is corroborated by the score in the PEFA indicator PI-7(ii), which indicates that it is estimated more than 90% of externally-financed project expenditures are included in the budget (see Annex D)



	2005		2005		2006		2006	
	LdF <sup>a</sup>	TOFE <sup>b</sup>	Donors <sup>c</sup>	2005 Diff – Donors over LdF	LdF <sup>a</sup>	TOFE <sup>b</sup>	Donors <sup>c</sup>	2006 Diff – Donors over LdF
	Bn FCFA	Bn FCFA	Bn FCFA	%	Bn FCFA	Bn FCFA	Bn FCFA	%
Project assistance	232.5	176.1	241.1	3.7%	233.5	192.1	236.7	1.4%
Sector budget support	0.0	0	20.5	-	47.2	45.5	39.7	-15.9%
General budget support	0.0	64.3	64.0	-	0.0	84.3	77.7	-
<b>TOTAL</b>	<b>232.5</b>	<b>240.4</b>	<b>325.6</b>	<b>40.0%</b>	<b>280.7</b>	<b>321.9</b>	<b>354.1</b>	<b>26.1%</b>

Sources: a. LdF 2005 and 2006 (MEF). b. Tableau des Opérations Financières de l'Etat (TOFE) (DNTCP) 2005 and 2006. c. *Matrice Financière, Rapport Intermédiaire*, Pool Technique, June 2007

### National Assembly

3.18 The National Assembly votes on the appropriations contained in the *Loi de Finances*, which as indicated above includes detailed information on sector budget support (both receipts and programmed expenditure use), and aggregate figures for externally-financed project assistance; the LdF excludes information on general budget support. Accompanying information for the National Assembly includes details on project expenditures. Thus, with the National Assembly's scrutiny of allocations of project assistance and sector budget support in the LdF, this represents around 80% of total aid disbursements.<sup>22</sup>

3.19 There are concerns about the quality of the National Assembly's debate, which is focussed relatively narrowly on the annual line item appropriations. From discussions with the Finance Commission, it does not appear to examine in detail the broader sectoral context, including appropriateness of, and consistency with, the objectives and activities in the CBMT and the budget-programmes. As will be discussed below, it is possible that, with the relative youth of the country's democracy, there is relatively limited demand from the public for greater transparency and accountability for public expenditures.

### Treasury

3.20 Public expenditures are channelled through two types of accounts: (i) those linked to (and controlled by) the Treasury Single Account at the BCEAO; these include domestic funds, general budget support and sector budget support; and (ii) those accounts in commercial banks opened and managed by PIUs or other government agencies outside of the Treasury's control; these include project resources. To the extent that the amounts of both sector and general budget support are increasing, there is a corresponding increase in the amounts of resources being provided through the Treasury. Thus, in 2006, just over one-third of total aid resources were executed through the Treasury, compared to around one-quarter in 2005.<sup>23</sup>

3.21 However, the lack of predictability of disbursements of budget support, particularly for sector budget support, is of significant concern and has become a cash management issue for the Treasury. This unpredictability of disbursements, which often relates to the second, performance-related tranche of sector budget support, could be linked to weaknesses in the

<sup>22</sup> Based on total 2006 disbursements from information provided by donor sources.

<sup>23</sup> Using data from the TOFE.

setting of budget support result indicators, some of which may be outside of the agencies' control.

### *Accounting*

3.22 Accounting systems in Francophone countries are typically specified formally by a decree; in Mali's case, the regulations are contained in a law. In the Francophone system, two separate types of accounting are carried out: (i) the *Contrôleur Financier (CF)* (in the DNCF) accounts for LdF resources executed through the Treasury (including domestic resources, general budget support in the LdF<sup>24</sup>, and sector budget support) through the execution stage of *ordonnancement* (issuance of a payment order); and (ii) public accountants in the Treasury (in the DNTCP) account for the final stage of budget execution, the payment stage. According to Mali's Organic Budget Law, in common with other francophone systems, the CF's remit is limited to expenditures in the LdF; thus, only budget support and domestic resources are subject to CF control and accounting. This reflects the emphasis in the Malian (and francophone) budget systems on compliance with the relevant laws and procedures. Accounting for resources outside of the LdF but within the *Budget d'Etat*, e.g. BSI resources, is carried out separately by PIU accountants and recorded in the separate BSI reports (see below). Thus, using the figures in Table 1 above, one can calculate that just under 40% of total aid resources were accounted for using national procedures in 2006.<sup>25</sup>

### *Auditing*

3.23 As indicated above, external scrutiny of public resources is the primary responsibility of the *Section des Comptes*, a branch of the Supreme Court (*Cour Suprême*). Each year, it is required to examine the *Loi de Règlement* and to certify that the *comptes des gestion* and *comptes administratifs* are fully compatible. Following its review, the SdC issues a report on the execution of the LdF, together with a general declaration of conformity of the accounts. In principle, the LdR can only be presented to the National Assembly for adoption once the SdC has issued this declaration of conformity.

3.24 External scrutiny in terms of external audit is weak in Mali and is a concern for both the external auditor, as well as for development partners. One of the primary concerns is the lack of sufficient human and material resources for the SdC, with only 15 magistrates engaged in auditing annually all institutions receiving public money (including entities at both the central and local levels), amounting to approximately 89 institutions. The limited capacity has resulted in delays for submitting the LdR to the National Assembly, with the 2004 LdR report the most recent report submitted to the National Assembly; the review of the 2005 LdR is expected only by the end of the year.

3.25 Perhaps in response to the perceived weaknesses in the audit service, in principle, the budget support framework agreements signed between the Government and the development partners, for both sector and general budget support, include a provision for specific audits if deemed necessary; this provision has not yet been used, although, as the agreements are relatively recent, it is still early days.

3.26 The proportion of aid resources subject to external scrutiny through the *Section des Comptes* was just under 70% in 2004.<sup>26</sup>

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<sup>24</sup> Implicitly, general budget support, both loan financed and in theory grant-financed.

<sup>25</sup> Using data from the TOFE

<sup>26</sup> Taking total budget support and BSI included in the 2004 LdR as a proportion of aid resources reported by donors.

### Reporting

3.27 MEF produces four types of budget execution reports: (i) quarterly budget execution reports by the *Contrôleur Financier* covering the execution stages up to *ordonnancement* (cf. *engagement-liquidation-ordonnancement*); (ii) monthly and quarterly treasury balances, setting out the bank balances and thus covering the payment stage; (iii) the consolidated annual financial statement, in the form of the *Loi de Règlement*, which is intended to reconcile the two forms of accounting information; and (iv) quarterly and annual BSI reports on project resources as part of the BSI. In addition, the Treasury produces the *Tableau des Opérations Financières de l'Etat (TOFE)*, which provides a fiscal overview, including details of the deficit and its financing.

3.28 Thus, for budget resources operating through national systems, reporting is separated between execution stages up to *ordonnancement* (*engagement-liquidation-ordonnancement*) under the responsibility of the *Contrôleur Financier* on the one hand and *paiement* (reported by the Treasury as part of bank reconciliations) on the other hand. This separation is reflected in the annual accounts, which comprise: (i) the *comptes administratifs*, providing details of revenues and expenditures by sector ministries up to, and including, *ordonnancement*, prepared by the Budget Department; and (ii) the Treasury's accounts, *les comptes de gestion*, prepared by the Treasury, which show the account balances and transactions at the encashment stage for revenues and cash payment stage for expenditures. The *comptes de gestion* should include a reconciliation of stocks and flows: opening treasury balances for a new fiscal year should be equal to the opening treasury balances of the previous fiscal year, plus all flows during the previous fiscal year; any discrepancies between closing balances from one year and opening balances of a new fiscal year are supposed to be fully explained.

3.29 The 2004 LdR (the latest completed report) included grant-financed budget support, shown as “exceptional receipts” (whilst showing a 0 in the corresponding planned/budgeted [i.e. LdF] column), indicating that these resources went through the Treasury system (but were not planned explicitly beforehand); this is the basis for reporting on budget support in the TOFE.

3.30 With the separation of reporting on execution, reporting on the use of resources is fragmented. Emphasis is more on compliance in budget execution (comparing actual expenditures with the budgeted allocations in LdF) than with the efficient use of resources (budget performance), although the latter is the intended focus of (sector) budget support operations (i.e. management of resources towards specific policy objectives). As indicated above, for the joint sector programmes, such as PRODESS and PRODEC, there is no consolidated financial reporting for the sectors; the reporting that is carried out concentrates more on sector performance. A consolidated picture of all budgetary resources is further made more difficult by differences in the sectoral classification used for domestic resources and that used in the BSI.

3.31 Overall, the proportion of total aid resources included in the normal budget reporting process is estimated to be around 90%.<sup>27</sup>

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<sup>27</sup> Taking into account any national budget report (including the 2006 TOFE, on which this estimate is based).

<b>PFM Stage</b>	<b>% of total aid resources using national procedures, 2006</b>	<b>Direct finance</b>	<b>Project assistance<sup>a</sup></b>	<b>Sector Budget Support</b>	<b>General Budget support</b>
Plan	22% (general budget support)	No	No	Modified no	Yes
Budget	79% (sector budget support, project support)	No	Yes	Yes	No
Parliament	79% (sector budget support, project support)	No	Yes	Yes	No
Treasury	37% (general and sector budget support) <sup>b</sup>	No	No	Yes	Yes
Accounting	37% (general and sector budget support) <sup>b</sup>	No	No	Yes	Yes
Auditing	69% (2004) <sup>c</sup> (general and sector budget support, project support)	No	Yes	Yes	Yes
Reporting	91% (general, sector budget support, project support)	No	Yes	Yes	Yes

Note: a. See definition of project used in Mali above. b. Reported data on general and sector budget support from the TOFE as a percentage of total aid as reported by donors in the Pool Technique report. c. Taking total budget support and BSI included in the 2004 LdR (which is audited by the SdC) as a proportion of aid resources reported by donors.

## 4. Findings: What Works and What Does Not

4.1 This section turns to a discussion of the factors which have a positive impact on reflecting aid through the PFM system and those which make it more difficult to do so. The approach of the section is to examine the incentives and disincentives for reflecting external aid resources in the budget and through national budget execution, accounting and reporting procedures. The potential incentives and disincentives are examined from the point of view both of the development partners and of the Government.

### *Incentives/disincentives from donors' point of view*

4.2 The section begins with an analysis of the potential incentives and disincentives (i.e. what potentially works and what potentially doesn't work) to increasing the amount of external assistance using national budgetary procedures from the development partners' point of view. It should be noted that, with this recent change in the type of aid instruments used in Mali, it is still early days to be definitive about lessons learnt, and any observations are necessarily preliminary. It is worth beginning such an analysis of incentives and disincentives with a discussion of the aid agencies' incentives for increasing sector budget support.

4.3 Some donors are aiming to increase their level of overall budget support, including sector budget support. Some (e.g. the World Bank, Canada, and Sweden) are aiming to increase the proportion of their overall aid in the form of budget support. The motivation for the move to sector budget support seems to be coming more from donors than from Government. From the development partners' point of view, the motivation for greater budget support is straightforward for some – their agencies' desire to meet Paris declaration objectives. Another potential motivating factor is the desire to reduce donor agency transaction costs, though it is not clear that budget support necessarily achieves this.

4.4 The move towards greater sector budget support is motivated by a desire to facilitate a stronger sector dialogue. This view is strengthened by the fact that DPs are increasingly concerned about outcomes/results. In addition, it is easier to satisfy their own constituents that aid resources are being provided to the sector.

### *Government/donor co-operation and moves towards greater reflection of aid on budget – what has worked well*

4.5 The programmatic approach, in the form of the pooled funding arrangements initially in health and education, appears to be reasonably well institutionalised and to encourage donors to work within it, although Government officials have indicated problems with donors working jointly. This, together with the experience of joint Government-donor dialogue, as initiated as part of the pooled funding arrangements and encapsulated in the Joint Commission (*la Commission Mixte*), are likely to have laid the foundation for a co-ordinated donor movement towards putting money through budget support.

4.6 As reported by the recipients of the budget support, the areas that have worked particularly well in terms of the moves towards greater budget support and provide examples of good practice include:

- Systematic (programme) sector approach by donors, together with Government. This is appreciated by some Government officials and has facilitated the production of sector models to simulate policy alternatives.
- The joint Government-donor commission, which meets twice per year under the auspices of the CSLP and discusses, *inter alia*, aid management issues (see further discussion of this above). Recent discussion topics have included the National Aid Harmonisation Action Plan and the PFM Reform Programme. The Commission is reportedly active and a good forum for discussing aid management issues. The specific issues raised by the moves toward greater budget support have not explicitly been on the agenda of recent meetings (although this would have implicitly been a relevant issue during the discussions of both the Harmonisation Action Plan and the PFM Reform Programme).
- The decentralised decision-making of the Netherlands' support has been credited with reportedly providing support which is reportedly more flexible, disbursements which are more predictable, and arguably better tuned to Government priorities. The Government has particularly appreciated the more flexible and responsive approach offered by the Dutch assistance.<sup>28</sup> The greater flexibility of Dutch assistance is attributed to the decentralised decision-making ability of the local Malian office of Dutch external support.
- Some Government officials appreciate the clear objectives to be achieved (whilst others disagree), as well as the Government management of resources and the improvement in the relative speed with which funds may be spent.

*Government/donor co-operation and moves towards greater reflection of aid on budget – what has not worked so well*

4.7 From the Government's point of view, what has not worked so well has included:

- Inappropriate or poorly thought-through objectives in the budget support policy matrices, with objectives and results which are outside of the Government's control.
- Lack of predictability of the disbursements (particularly with the variable tranche) sector budget support resources by some donors, leading to cash management issues for Treasury and challenges in addressing sectoral programme objectives. Uncertainty of the timing of the payment, particularly, the second tranche, of disbursements potentially causes disruptions to the sector programme. As a coping mechanism, governments may then tend to use budget support in the same way as for project resources – the budget is thus segmented, with budget support resources attached to particular activities (more in the spirit of projects than in the spirit of budget support).
- It is also said that the relatively short (within-year) time period for deciding on the meeting of the conditionalities for the annual variable tranches has led to unnecessary pressure on the Government and is arguably unsuitable for the type of longer-term results desired.
- Regarding project assistance in the BSI, the lack of convergence between the planning processes of the Government and those of donors providing project

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<sup>28</sup> During interviews, the assistance from the Netherlands was explicitly lauded.

assistance renders forward planning difficult. In general, it is difficult for some donors to provide sufficient notice of planned resources for the coming year (both budget support and external project resources for investment as part of the BSI) in line with the budget cycle (MEF requires the information in April<sup>29</sup>). This causes uncertainty in planning and managing resource flows – both in planning the next year’s budget as well as resources within-year.

- Whilst some ministries are supportive of the move to (sector) budget support and greater joint donor-Government operations (see above), there is a potential disincentive in the form of reduced opportunities for individual agencies and cost centres to present their pet project ideas to individual donors for financing. There is evidence of this view in the health sector, for example. This can result in resistance to increasing the degree of aid resources using national procedures.
- The way that the sector budget support amounts are shown in the budget (itemised as budget support under the relevant sector ministry) both reflects and leads to inappropriate incentives regarding the efficient use of such resources. With per diem amounts paid for workshops, etc. significantly higher for expenditures from budget support funds than for other resources, this leads to the desire to show explicitly that the funds are used in this way. Not only is this bad PFM practice (since one shouldn’t be able to track the use of budget support resources), it also leads to distortions in the use of budget support resources: one sees the majority of budget support resources used for “capacity building” in order to take advantage of the higher per diems. Consequently, the practice leads to perverse incentives for planning and spending sector budget support.

4.8 As indicated above, the move towards the provision of greater amounts of budget support has taken place relatively quickly, and it is possible that over time issues such as the precision and appropriateness of the objectives in the policy matrices will be addressed.

### **Particular challenges to reflecting aid on budget**

#### *Features of PFM system and relative incentives/disincentives for reflecting more aid on budget*

4.9 We turn to a discussion of potential features of Mali’s PFM system which would provide positive/negative incentives for moves to reflect more aid through the budget system.

4.10 As indicated above, some progress has been made with moves to reflect aid resources more in the planning process. These include: (i) joint reviews, etc. for the programmatic approaches; (ii) more budget support in the form of sector budget support matrices and hence (allegedly) aligned with the CSCRIP in the planning/prioritisation process; and (iii) more general budget support (in theory) increases the level of resources available for all government priorities.

4.11 Whilst different development partners assess their level of risk in putting their resources through the Treasury system differently, in accordance with their own criteria or in line with their own policies on aid partnerships (e.g. a policy to work specifically with NGOs), there is a broader point about ensuring that all resources are prioritised in the same way, in such a way as to meet policy objectives, both during the planning/budgeting process

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<sup>29</sup> Previously, the information was required in September.

and during budget execution, whether or not aid resources go through the Treasury system. This would require that there are mechanisms to enable all resources to be prioritised and linked to meeting policy objectives. In the francophone/Malian system, one could argue that there are particular features which could inhibit such a broad view from being taken. These include:

- Despite the presentation side-by-side of recurrent and investment expenditures by line ministry in the budget, the separation of the planning/budgeting processes for recurrent and investment inhibits accountability by budget managers for prioritising resources as a whole in their sector.
- Emphasis on compliance with laws/regulations over budget as policy tool. The PFM system in Mali (and in francophone countries) focuses more on financial compliance (comparing actual expenditures with the budgeted allocations in LdF) and conformity with financial procedures and regulations than necessarily with the efficient use of resources (budget performance), although the latter is the intended focus of (sector) budget support operations (i.e. management of resources towards specific policy objectives). There is less of a focus on (than in Anglophone countries) (and thus the system is less geared up for) the linking of inputs to achieving policy objectives. Specifically, the Francophone/Malian system puts primary focus in budget execution on the (*ex ante*) pre-audit of commitments through the *Contrôleur Financier*, who is responsible for checking and ensuring that expenditures comply both with appropriations and with financial procedures. This encourages a more narrow focus for budget execution on financial compliance over an approach that is results-orientated and emphasises accountability for achieving budget outcomes.
- Fragmentation in the accountability for management of the use of sectoral resources; the separation in responsibilities for budget execution, accounting and reporting on the use of resources between those who commit and authorise expenditures (the *Contrôleur Financier*) from those who make payment (the Treasury) inhibits accountability for the management of resources for the sector as a whole (and thus the incentives/disincentives for putting more aid on budget).
- This separation of the execution processes is mirrored in budget reporting, with fragmentation in responsibilities for reporting on budget expenditures between the *Contrôleur Financier* (whose reports cover payment authorisations by spending ministry) and the *Trésor* (whose reports show actual payments by type of account, with the focus on account reconciliations). Consequently, it is difficult for budget managers to have a consolidated view of sectoral expenditures by programme/activity in line with the planned budget (through the budget-programmes). This lack of a consolidated fiscal picture is the case even in sectors with joint review processes.

4.12 *Lack of comprehensive planning of budgetary resources (recurrent and investment).* The existence of separate planning process for investment resources (the BSI) tends to reinforce the separate notion of planning externally financed projects separately (and hence lead to the potential for targeting different donors selectively in the process). The implication of this bottom-up (investment) planning process, largely financed by external resources, is that it can lead to a wish-list type of process which encourages the specification of projects which are designed to attract different donors. Thus, the existence of a multiplicity of donors



with different priorities could potentially distort the Government's priorities in the direction of donor preferences.

4.13 *Quality/speed of information flows.* Fragmentation of information on external resources (with information spread across up to five agencies) potentially impedes the efficient flow of information. Weaknesses in information flows extend to information on planned disbursements of general and sector budget support to be included in the budget. This leads to adjustments either in-year (an execution issue) or revisions late in budget preparation, which is inefficient. As indicated above, the same weaknesses also apply to information on external project resources at the budget planning stage.

4.14 *Diffusion of institutional responsibilities for planning/budgeting and for aid management* has undermined efforts to have co-ordinated information (a single database) and a co-ordinated management approach (different donors negotiating with different central agencies). The problem is that MEF is not managing the whole process, and may not have the information on expected data flows. In its review of the 2004 LdR, the SdC explicitly cited the need to address the lack of co-ordination of external assistance.

4.15 *Weaknesses in external audit.* The relevant issues regarding external scrutiny for reflecting aid on budget are two-fold: (i) the lack of human and material resources for external audit; and (ii) a greater focus in the francophone system (than in the Anglophone system) on compliance with regulations as opposed to value for money. As indicated above, the audit function is constrained by limited financial and specialised audit training for the SdC magistrates. This reflects the francophone legacy of the audit institutional arrangement, whereby audits, as conducted by the judicial branch, are concerned primarily with financial compliance with the LdF and with budgetary processes and regulations. There is limited time, scope or expertise to undertake performance or value-for-money audits.

4.16 As indicated above, in recognition of this, the Government established the *Bureau du Vérificateur Général* (BVG) which was intended to address some concerns, including amongst development partners, about the lack of a Supreme Audit Institution (i.e. one which ideally is financially independent, reports directly to the legislature, and institutionally sits above the rest of the public service to act as independent scrutiniser). However, resources for the VG are relatively limited; hence it is not possible for the VG to take over the role of supreme auditor for the public service, and its role is limited to providing *ad hoc* reviews of reported wrongdoings. In 2006, for instance, only 27 institutions or expenditure areas were reviewed by the BVG.

4.17 At the same time, the Government is considering establishing a separate *Cour des Comptes*, part of the judicial branch, but which, unlike the current SdC as part of the *Cour Suprême*, would control its own budget. If it does so, it will be important to ensure that it is sufficiently resourced with the appropriate skills. Unfortunately, such a change is unlikely in the short or medium term as it would require a change to the Constitution.

4.18 *Weakness of Parliamentary scrutiny*, perhaps due to a relatively young democracy and relatively low demand for accountability from public officials. Whilst it has information on external financing, the role and level of debate in the National Assembly on the budget process as a whole is weak. The National Assembly tends not to challenge or analyse in detail the extent and use of external resources. It could be argued that the relatively limited participatory mandate for democratic institutions in Mali could be a factor; with less than

10% of eligible voters reportedly participating in elections, public pressure for greater accountability may not be particularly strong.

4.19 *General approach to transparency of budget information.* As the PEFA indicator suggests,<sup>30</sup> active dissemination to the public of transparent information on the budget does not appear to be a specific Government priority.

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<sup>30</sup> Indicator 10 (see Annex D).

## **5. Conclusion**

5.1 Mali has been working in recent years to improve both its PFM system and the reflection of aid resources in the budget. The PAGAMGFP and aid harmonisation action plans are important channels for improving the transparency and accountability of external aid.

5.2 The main lessons arising from the Mali country study regarding putting aid on budget include:

- Predictability of funds flow is important. Donors should be encouraged to improve the predictability of their assistance, both by committing on a multi-year basis, and by fulfilling the commitments in practice.
- Aligning the timing of planning for donor assistance with the Government's budget cycle is critical for ensuring appropriate coverage and accountability for the funds.
- On the Government side, removing the disincentive to treat sector budget support in a similar manner to domestic resources is an important step towards greater accountability.
- For both donors and Government, it is important to consider carefully the specific objectives to be included in policy matrices to ensure that they are realistic (particularly in terms of their achievability), appropriate (represent key Government priorities) and within the control of the institutions concerned.
- As part of the Government's PFM programme, there is a need to strengthen the accountability loop, both at the front end (linking policies and budget allocations at the planning/budgeting stage) and at the back end (strengthening the auditing function and improving the incentives for accountability of budget managers during budget execution for the use of funds towards policy objectives).
- In order to improve transparency, it will be important for Government to add grant-financed sector budget support explicitly to the LdF.
- Improving the efficiency of information flows on external aid, including the development of a single source for managing a comprehensive aid database.

5.3 The conclusions and recommendations for both DPs and Government to improve the reflection of aid on budget are summarised in Table 8.

<b>Table 8: Overview of conclusions and recommendations</b>		
<b>PFM Stage</b>	<b>Development Partners</b>	<b>Government</b>
Plan	<ul style="list-style-type: none"> <li>Ensure that the timing of resource planning and disbursements for all assistance fit in with the budget cycle</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that the sector policy frameworks are planned together with the wider resource framework and hence actively involve MEF (including during budget preparation)</li> <li>GRM to develop and implement external resource planning procedures as part of its aid policy</li> </ul>
Budget	<ul style="list-style-type: none"> <li>Encourage government to increase the transparency and inclusion of all budget support resources in the LdF (both general and sector)</li> <li>Ensure that reliable information is provided on projected aid resources in line with the budget cycle (including for general and sector budget support), including during budget preparation</li> <li>Ensure that the timing of resource planning and disbursements for all assistance (including for general and sector budget support) fit in with the budget cycle</li> </ul>	<ul style="list-style-type: none"> <li>Provide breakdown of financing of budget deficit in LdF; specifically, provide a disaggregated analysis of the amount of credit-financed budget support projected for the coming budget year</li> <li>Work with DPs to ensure that projected grant-financed budget support (general and sector) is reflected in the LdF</li> <li>Example of earmarked sector “budget support” suggests a process/ mechanism by which other externally financed resources, e.g. projects in the BSI, could be reflected in the budget</li> <li>At the same time, government should avoid earmarking sector budget support in LdF</li> <li>Improve the strength of information flows on all aid resources during the budget cycle, including during budget preparation. This is likely to involve developing closer working relations between DGB, DNGP, and DPs</li> <li>Continue to strengthen analytical capacities for budgeting planning amongst staff in MEF and sector ministries</li> </ul>
Parliament	<ul style="list-style-type: none"> <li>Work with Parliament (the Finance Commission) to improve the scrutiny of the budget, including external resources</li> </ul>	<ul style="list-style-type: none"> <li>Work to reduce the fragmentation of budgetary resources presented in the budget – aim to show all budgetary resources comprehensively by sector ministry</li> </ul>
Treasury	<ul style="list-style-type: none"> <li>Work with government to explore ways to reduce incentives to earmark sector budget support</li> <li>Work with government to encourage greater use of Treasury accounts for project support</li> </ul>	<ul style="list-style-type: none"> <li>Example of earmarked sector “budget support” suggests a process/ mechanism by which other externally financed resources, e.g. projects in the BSI, could go through Treasury system</li> </ul>
Accounting	<ul style="list-style-type: none"> <li>Work with government to explore ways to reduce incentives to earmark sector budget support</li> <li>Work with government to encourage greater use of Treasury accounts for project support</li> </ul>	<ul style="list-style-type: none"> <li>Example of earmarked sector “budget support” suggests a process/ mechanism by which other externally financed resources, e.g. projects in the BSI, could go through Treasury system</li> <li>Investigate ways to bring together the classification systems for domestic/external resources in the LdF and those in the BSI</li> </ul>

<b>Table 8: Overview of conclusions and recommendations</b>		
<b>PFM Stage</b>	<b>Development Partners</b>	<b>Government</b>
Audit	<ul style="list-style-type: none"> <li>• Work with both SdC and BVG to improve the coverage and comprehensiveness (more detailed scrutiny – not just in terms of financial compliance), of all resources (including external funds)</li> <li>• Where necessary, provide support to the use of SdC-appointed external auditors</li> <li>• DPs providing project support to be encouraged to include SdC or SdC-appointed auditors explicitly in the procedures for auditing project funds</li> </ul>	<ul style="list-style-type: none"> <li>• External audit: continue to build external audit capacity (including in terms of number of magistrates in SdC)</li> <li>• Explore ways to increase the sustainability of greater audit capacities (e.g. through greater financial independence for SdC)</li> <li>• Internal audit: continue to strengthen internal audit practices and build capacities (<i>Inspecteur des Finances</i>)</li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• DPs to provide timely information on the in-year and end-year disbursement of external resources</li> <li>• Work with MEF to reduce the differences between DP-reported data and that provided by Government</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the regular reporting of information collected on the disbursement and execution of external financed projects by sector ministry</li> <li>• Work with DPs to investigate for differences between DP-reported data and that provided by Government</li> </ul>



## Annex A: Summary matrix: assessment of aid capture

	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B1	On plan	<p><i>General budget support</i> – in theory, these resources are planned in the same way as domestic resources. However, as they are not reflected in Mali’s budget documentation, it is difficult to determine how the funds are treated in practice.</p> <p><i>Sector budget support</i> – in theory, these resources should also be planned in the same way as domestic resources, with the only difference being that the relevant sector ministries are supposed to achieve particular results in accordance with the accompanying sector policy matrix. In Mali, these resources are in practice treated differently to domestic resources; in effect, they are treated as if they were project resources since they are planned separately, their use is separately identified as line-items and tracked in the budget, and in budget execution reports. Furthermore, the resources are directed towards particular purposes (e.g. training workshops), which may or may not be how these resources would have been used had they been planned together with the rest of the ministry’s resources (as opposed to planned separately).</p> <p><i>Project assistance</i> – with the separation between the recurrent and investment planning processes, these resources, as part of the <i>Budget Spécial d’Investissement (BSI)</i>, are planned separately from recurrent resources. To the extent that investment expenditures are financed by external resources (the vast majority are), these would appear in the BSI and the planning/management arrangements would tend to be planned in conjunction with the relevant donor(s) (rather than as part of a programmatic approach).</p>	<p>If we assume that general budget support is indistinguishable in practice from domestic resources, then we would calculate that around 22% of total aid disbursements<sup>31</sup> are estimated to be included in national planning procedures.</p> <p>The BSI contains details of externally-financed projects by ministry and by programme. Whilst the information is reasonably comprehensive for projects financed by external loans, the information is somewhat less comprehensive for those financed by grants. In practice, the budget incorporates mainly known commitments for programmes covered by underlying government/donor agreements. Operations funded by grants and carried out directly between donors, NGOs (relating to government operations), and beneficiaries, without passing through the Ministry of Economy and Finance (<i>Ministère de l’Economie et des Finances [MEF]</i>), tend not to be captured. These are estimated by MEF to be relatively small but may be more than 10% by value of the total of grant amounts.</p> <p>In terms of moves towards planning budgetary resources as a whole, the policy basis for the budget has improved in recent years through the introduction of the <i>Cadre Budgétaire à Moyen Terme (CBMT)</i>, the beginnings of the preparation of sector expenditure strategies, and the preparation of budgets programmes and inclusion in an annex to the <i>Budget d’Etat</i>.</p>	<p>Strategic budgeting is in the early stages in Mali. Only health and education have a full medium-term sector strategy. There are limited capacities at line ministry level for costing activities and linking policy objectives and resource allocations.</p> <p>At the same time, the lack of early Cabinet involvement in the setting of strategic budget parameters and limited analytical capacities to cost strategies constrain the Government’s ability to use the budget as a strategic tool to implement its medium-term policies, including those in the Poverty Reduction Strategy Paper (<i>Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté [CSCR]</i>).</p>

<sup>31</sup> Based on 2006 disbursements from information provided by donor sources.

Putting Aid On Budget: Mali

	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B2	On budget	<p>The <i>Loi de Finances (LdF)</i> includes two types of external aid resources: (i) externally-funded project resources (both loan and grant-financed); and (ii) sector budget support (currently, all grant-financed). Details of project resources (expenditure type, activities financed, and sector) are included in the BSI, whilst just the totals for external grant and loan-financed project assistance are shown in the main LdF document. In the wider Budget d'Etat, domestic and externally-financed BSI resources are shown by sector ministry.</p> <p>The budget documents (<i>Budget d'Etat [including the LdF]</i>), and the accompanying <i>BSI</i> do not include: (i) externally-financed project resources in which donors provide finance directly to non public sector institutions, such as NGOs (either domestic or external NGOs); (ii) grant-financed general budget support; and (iii) credit/loan-financed budget support (at present, only general budget support [not sector budget support] is financed by credits/loans).</p> <p>That is, the budget does not account for residual aid (any aid outside budget support and project aid). It does not include spending outside Mali, as well as aid that is not delivered by the government sector (e.g. NGOs).</p>	<p>In terms of completeness of coverage of budget support:</p> <ul style="list-style-type: none"> <li>• In the LdF, grant-financed sector budget support (in practice, all of sector budget support) is shown as a source of funding (under receipts). The planned use of what is termed sector budget support is shown (as earmarked funding) under individual sector ministries.</li> <li>• Grant-financed general budget support is not included as a source of funding (under receipts). The use of these resources is not included under expenditures. As the funds are included in ex-post reporting, there is thus a difference between the appropriated budget and the executed budget. This situation is catered for in the Organic Budget Law [footnote Loi N° 96-060, 4 November 1996 – Chapter VII]; if the receipts turn out to be more than expected (e.g. through additional grant-financed budget support) the Minister of Economy and Finance can increase the open credits by decree up to the amount of the additional receipts. However, the fact that these additional resources (e.g. grant-financed general budget support) is not appropriated by the National Assembly (e.g. through a Supplementary Budget) undermines the transparency (scrutiny) and accountability of the planned use of these resources – there is no explicit (external) mechanism to ensure that the prioritisation of these resources is in line with overall government objectives.</li> <li>• Credit-financed general budget support is included implicitly as a source of financing the deficit, along with reserves, although the exact split between reserves and budget support is not given and details of the budget support are not given. The use of these resources is implicitly included as part of</li> </ul>	<p>The main direct reason for the less comprehensive capture of external disbursements is the exclusion of general budget support (both grant and loan-financed).</p> <p>It is possible that MEF receives information on grant-financed support too late to be included in the budget documents.</p> <p>At the same time, project aid is not predictable, and its timing is not aligned with the budget process, nor is the timing for disbursements aligned among donors</p> <p>As for loan-financed general budget support, the LdF does not include a breakdown of the components of deficit financing as a rule.</p>



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	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
			<p>general expenditures and, in line with the norm for budget support, the funds are not earmarked.</p> <p>A comparison of the information in the LdF with that from donors shows that external disbursements included in the budget were 40% lower in 2005 than the information on disbursements furnished by donors and more than 25% lower in 2006. For 2007, the gap between Government and donors on planned disbursements is 33%. These percentages represent a maximum; the actual gap in terms of differences in the figures for individual projects could be larger.</p> <p>Sector budget support shown by ministry in the <i>Budget d'Etat</i> is classified in accordance with the Government's classification system. Projected expenditures in the BSI are shown accordance with its own classification (project numbers)</p> <p>Information on disbursements of previous year's sector budget support and project assistance is included in the LdF/Budget d'Etat and the BSI, respectively.</p> <p>Timeliness of information on planned disbursements of budget support is an issue. In line with the budget cycle, reliable information on projected external resources needs to be received by May but often is not received until September or late. This applies both to budget support and to project aid and can adversely affect both the completeness of the information and efficiency of the budget process.</p>	

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	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B3	<b>On parliament</b>	<p>The National Assembly votes on the appropriations contained in the annual <i>Loi de Finances</i>, which includes detailed information on sector budget support (both receipts and programmed expenditure use), and aggregate figures for externally-financed project assistance; the LdF excludes information on general budget support. Accompanying information for the National Assembly includes details on project expenditures.</p> <p>The <i>Loi de Finance</i> includes the National Budget (<i>Budget National</i>) for the line ministries, the regional budgets (<i>Budgets Régionaux</i>), the subsidies to public enterprises and earmarked funds (<i>Budgets Annexes, Comptes, et Fonds Spéciaux</i>), and the investment budget (<i>Budget Spécial d'Investissement</i>). Accompanying the budget as information is the Medium Term Budgetary Framework (<i>Cadre Budgétaire à Moyen Terme</i> [CBMT]) and the budget-programmes, found in the Budget d'Etat.</p> <p>The National Assembly also approves the Budget Execution Law, the <i>Loi de Règlement</i>.</p>	<p>With the National Assembly's scrutiny of allocations of project assistance and sector budget support in the LdF, this represents around 80% of total aid disbursements.<sup>32</sup></p> <p>The National Assembly (through the Finance Commission) has at least two months to scrutinise the <i>Loi de Finances</i>. There are concerns about the quality of the National Assembly's debate, which is focussed relatively narrowly on the annual line item appropriations. From discussions with the Finance Commission, it does not appear to examine in detail the broader sectoral context, including appropriateness of, and consistency with, the objectives and activities in the CBMT and the budget-programmes. The extent to which the Finance Commission examines the planned use of external resources is not clear.</p>	<p>Whilst the National Assembly is given sufficient time to debate the draft LdF, its technical financial management capacities are insufficient to explore in detail the use of all resources for sector programmes, and the implications for the meeting of sectoral objectives.</p> <p>In terms of the National Assembly's ex-post review, according to the PEFA assessment, besides the delays in receiving the LdR, limited capacities for reviewing audited accounts contribute to weaknesses in their review.</p> <p>The National Assembly's scrutiny of the <i>Loi de Règlement</i> has been hindered by delays in the submission of certified accounts by the <i>Section des Comptes</i>.</p> <p>However, the recent clearing of the backlog of LdR (<i>loi de règlement</i>) from the <i>Section des Comptes</i> will potentially allow the National Assembly to exercise more actively its external scrutiny role.</p> <p>More broadly, it is possible that, with the relative youth of the country's democracy, there is still limited demand from the public for greater transparency and accountability for public expenditures.</p>

<sup>32</sup> Based on total 2006 disbursements from information provided by donor sources.

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	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B4	On treasury	<p>Public expenditures are channelled through two types of accounts: (i) those linked to (and controlled by) the Treasury Single Account at the <i>Banque Centrale des États de l'Afrique de l'Ouest</i> (BCEAO) (Central Bank of West Africa); these include domestic funds, general budget support and sector budget support; and (ii) those accounts in commercial banks opened and managed by Project Implementation Units (PIUs) or other government agencies outside of the Treasury's control; these include project resources.</p> <p>In general, only the budget support operations may be considered to pass through the Treasury system. Outside of budget support, e.g. Poverty Reduction Support Credits (PRSC) and IMF support, there is limited use of the Treasury for external finance. The pooled funds use separate Government-designated accounts but these are not linked to Treasury accounts. Project funds, managed through PIUs, may use Government or non-Government accounts, but these are not linked to Treasury accounts.</p>	<p>In 2006, around 33% of external finance (i.e. only budget support) uses the treasury and other national procedures; this was an increase from 2005, when the figure was 26%. Donors providing project support use their own procedures. The main development partners giving budget support [based on those giving more than US\$10 million in 2006] include the African Development Bank, the EC, France, the Netherlands, and Sweden (with Canada also providing budget support from 2007).</p> <p>The lack of predictability of the disbursements of sector budget support resources by some donors (particularly with the variable tranche) is a problem and leads to cash management issues for Treasury and challenges in addressing sectoral programme objectives.</p>	<p>Hesitation by donors to use the treasury account for budget execution is partly a question of confidence in the PFM system. Perceived weaknesses in external audit are likely to be an important factor.</p> <p>From the Government side, the lack of predictability of disbursements of budget support, particularly for sector budget support, is of significant concern and has become a cash management issue for the Treasury. This unpredictability of disbursements, which often relates to the second, performance-related tranche of sector budget support, could be linked to weaknesses in the setting of budget support result indicators, some of which may be outside of the agencies' control.</p> <p>Perceived weaknesses in external audit are also an important factor. The recent introduction of the Bureau of the Vérificateur Général (BVG) has provided an additional potential source of external oversight, although clarity of its role and co-ordination with that of the <i>Section des Comptes</i> remain important issues.</p>

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	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B5	On account	<p>Accounting systems in Francophone countries are typically specified formally by a decree; in Mali's case, the regulations are contained in a law. In the Francophone system, two separate types of accounting are carried out: (i) the Financial Controller (<i>Contrôleur Financier (CF)</i>) (in the <i>Direction Nationale de Contrôle Financière [DNCF]</i> (Department of Financial Controllers)) accounts for LdF resources executed through the Treasury (including domestic resources, general budget support in the LdF,<sup>33</sup> and sector budget support) through the execution stage of <i>ordonnancement</i> (issuance of a payment order); and (ii) public accountants in the Treasury (in the <i>Direction Nationale du Trésor et de la Comptabilité Publique [DNTCP]</i> (Department of National Treasury and Public Accountants)) account for the final stage of budget execution, the payment stage.</p> <p>According to Mali's Organic Budget Law, in common with other francophone systems, the CFs remit is limited to expenditures in the LdF; thus, only budget support and domestic resources are subject to CF control and accounting.</p>	<p>All budget support follows national budget execution procedures in line with domestic resources. It is estimated that around 40% of total aid resources were accounted for using national procedures in 2006.<sup>34</sup></p> <p>Accounting for resources outside of the LdF, e.g. BSI resources, is carried out separately by PIU accountants and recorded in the separate BSI reports.</p> <p>The practice of preparing consolidated accounts, e.g. for pooled funds, is not undertaken; such a practice does not appear to be a priority for government or DPs.</p>	<p>The emphasis in the Malian (and francophone) budget systems on compliance with the relevant laws and procedures is an important factor, since budget execution procedures as set out in the law are limited to Treasury funds shown in the LdF.</p>

<sup>33</sup> Implicitly, general budget support, both loan financed and in theory grant—financed.

<sup>34</sup> Using data from the TOFE

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	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B6	On audit	External scrutiny of public resources is the primary responsibility of the <i>Section des Comptes (SdC)</i> , a branch of the Supreme Court ( <i>Cour Suprême</i> ). Each year, it is required to examine the <i>Loi de Règlement (LdR)</i> and to certify that the <i>comptes des gestion</i> and <i>comptes administratifs</i> are fully compatible. Following its review, the SdC issues a report on the execution of the LdF, together with a general declaration of conformity of the accounts. In principle, the LdR can only be presented to the National Assembly for adoption once the SdC has issued this declaration of conformity. Otherwise, any audits carried out on projects (i.e. those in the BSI) do not involve the SdC, and they are not regular recipients of the reports.	<p>The proportion of aid resources subject to external scrutiny through the <i>Section des Comptes</i> was just under 70% in 2004 (the most recent report).<sup>35</sup></p> <p>The <i>Section des Comptes</i> faces a significant backlog of LdRs to audit, undermining the effectiveness of its reviews. In particular, the LdR from 1999-2004 were particularly delayed.</p>	<p>External scrutiny in terms of external audit is weak in Mali and is a concern for both the external auditor, as well as for development partners. One of the primary concerns is the lack of sufficient human and material resources for the SdC, with only 15 magistrates engaged in auditing annually all institutions receiving public money (including entities at both the central and local levels), amounting to approximately 89 institutions. The limited capacity has resulted in delays for submitting the LdR to the National Assembly, with the 2004 LdR report the most recent report submitted to the National Assembly; the review of the 2005 LdR is expected only by the end of the year.</p> <p>Part of the reason for limited capacities is that the SdC is not financially independent to carry out its mandate – it is one amongst competing chambers of the Supreme Court, must rely on the Supreme Court for its funding). At the same time, as part of the Supreme Court, there is a constitutional limit on the number of magistrates.</p>

<sup>35</sup> Taking total budget support and BSI included in the 2004 LdR as a proportion of aid resources reported by donors.

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	Dimension	Evidence of Capture (what is captured?)	Quality of Capture (how well? how useful?)	Explanations (why/why not?)
B7	On report	<p>MEF produces four types of budget execution reports: (i) quarterly budget execution reports by the <i>Contrôleur Financier</i> covering the execution stages up to <i>ordonnancement</i> (cf. <i>engagement-liquidation-ordonnancement</i>); (ii) monthly and quarterly treasury balances, setting out the bank balances and thus covering the payment stage; (iii) the consolidated annual financial statement, in the form of the <i>Loi de Règlement</i>, which is intended to reconcile the two forms of accounting information; and (iv) quarterly and annual BSI reports on project resources as part of the BSI. In addition, the Treasury produces the <i>Tableau des Opérations Financières de l'Etat (TOFE)</i>, which provides a fiscal overview, including details of the deficit and its financing.</p> <p>Thus, for budget resources operating through national systems, reporting is separated between execution stages up to <i>ordonnancement (engagement-liquidation-ordonnancement)</i> under the responsibility of the <i>Contrôleur Financier</i> on the one hand and <i>paiement</i> (reported by the Treasury as part of bank reconciliations) on the other hand. This separation is reflected in the annual accounts, which comprise: (i) the <i>comptes administratifs</i>, providing details of revenues and expenditures by sector ministries up to, and including, <i>ordonnancement</i>, prepared by the Budget Department; and (ii) the Treasury's accounts, <i>les comptes de gestion</i>, prepared by the Treasury, which show the account balances and transactions at the encashment stage for revenues and cash payment stage for expenditures.</p> <p>The 2004 LdR (the latest completed report) included grant-financed budget support, shown as "exceptional receipts" (whilst showing a 0 in the corresponding planned/budgeted [i.e. LdF] column), indicating that these resources went through the Treasury system (but were not planned explicitly beforehand); this is the basis for reporting on budget support in the TOFE.</p>	<p>Overall, the proportion of total aid resources included in the normal budget reporting process is estimated to be around 90%.<sup>36</sup></p> <p>However, according to the Public Expenditure and Financial Accountability (PEFA), there are significant weaknesses with in-year and end-year reporting. These weaknesses include both the lack of comprehensiveness of the data for budget execution (the data do not include the payment stage), and significant delays in the production of these reports.</p> <p>The practice of preparing consolidated reports, e.g. for pooled funds, is not undertaken; such a practice does not appear to be a priority for government or DPs.</p> <p>In principle, the shift in aid modality from pooled funds to sector budget support should lead to increased transparency of reporting in the LdR, particularly since sector budget support funds are shown in the budget documents explicitly by individual ministries. The LdR 2005 should confirm this; however, the most recent publicly available LdR (2004) refers to the period before the move to sector budget support.</p>	<p>The strong emphasis on control, common to Francophone countries, with the separation of responsibilities for the first 3 stages of budget execution from the payment stage, leads to an overemphasis on the financial accounting side at the expense of budget management, focussing on budget outcomes.</p>

<sup>36</sup> Taking into account any national budget report (including the 2006 TOFE, on which this estimate is based).

## Annex B: Key information sources

Author	Name	Date
<i>Government of Mali</i>		
GoM	<i>Le Budget d'Etat Exercice 2007 (including annexes)</i>	2006
GoM	<i>Le Budget d'Etat Exercice 2006</i>	2005
GoM	<i>Le Projet de Loi de Règlement Budget 2005</i>	2006
GoM	<i>Le Projet de Loi de Règlement Budget 2006</i>	2007
GoM	<i>La Loi de Finances (equiv of Appropriation Act), 2007</i>	2006
GoM	<i>La Loi de Finances, 2006</i>	2005
MEF	Comparaison des dotations budgétaires (y compris le financement extérieur) et répartition des dépenses budgétaires dans le CSLP 2002-2006	2006
MEF	Comparaisons du financement extérieur de la Loi de finances et du CSLP (2002-2005) en milliards de FCFA	2006
MEF	<i>Cadre Budgétaire à Moyen Terme Global (MTBF)</i>	2007
GoM	<i>La Loi Organique sur les Lois de Finances (loi n° 96-060)</i>	1996
GoM	<i>La Loi sur les Principes Fondamentaux de la Comptabilité Publique (loi 96-061)</i>	1996
V-G	Rapport annuel 2004-2005 du Vérificateur Général du Mali	2006
GoM	<i>Cadre Stratégique de Lutte contre la Pauvreté</i>	2007
GoM	<i>Suivi de la mise en oeuvre de la Déclaration de Paris sur l'efficacité de l'aide : Fiche récapitulative par pays.</i>	2006
RoM	Constitution of the Republic of Mali	1992
<i>Recent PFM Assessments</i>		
EC	Half-yearly Review of PFM Management in Mali	2006
EC	PEFA	2007
IMF	Report on the Observance of Standards and Codes – Fiscal Transparency Module	2002
World Bank	CFAA, 2 volumes	2002
World Bank	HIPC AAP	2004
World Bank	Country Procurement Assessment Report (CPAR)	2006
World Bank	OECD-DAC Baseline Survey	2007
World Bank	CPIA	??
World Bank	First Poverty Reduction Support Credit (PRSC)	2007
OECD	<i>Aid Harmonization and Alignment: Initiatives for Mali</i>	2004
OECD	Aid Statistics	2006
OECD	Baseline Survey	2006

## Annex C: Persons met

Person Met	Institution
M. Abdoulaye Touré	Directeur Général du Budget, MEF
Mahamad Abdoul Aziz	Sous Directeur, Direction Générale du Budget, MEF
M. Mahamane Abdoulaye Outti	Direction National de la Dette Publique, MEF
Alhassane Ag Hamed Moussa	Directeur National du Contrôle Financier, MEF
N'Golo Traoré	Directeur national Adjoint DNCF, MEF
Aboubacar Alhousseyni Touré	Directeur National, DNTCP, MEF
M. Ongoiba	Directeur Adjoint, DNTCP, MEF
Modibo Makalou	Coordonnateur, Présidence de la République, Mission de Développement et de Coopération
Dolo Modibo	Directeur National, Direction Nationale de la Planification du Développement (DNPD), Ministère du Plan et de l'Aménagement du Territoire
Bamoussa Kone	Macro-Economist, DNPD
Youba Ba	Inspecteur des Services Économiques, Directeur Administratif et Financier, Direction Administrative et Financière, Ministère de l'Éducation Nationale
Ouéna Baba Niare	Président, Cour Suprême du Mali, Section des Comptes
Adama Doumbia	Président de Chambre, Cour Suprême du Mali, Section des Comptes
Darquis Gagné	CIDA
Anne-Claire Pernoud	European Commission, Délégation du Mali
Elisabeth Paul	Belgian Technical Co-operation
M. Traoré	Netherlands Embassy
Marcelo Andrade	World Bank



## Annex D: Detailed aid disbursements by sector

<b>Detailed disbursements of external resources by sector (1)</b>			
	2005	2006	2007
	Actual	Actual	Programmed
	mn Euros	mn Euros	mn Euros
Microbusiness	0.4	0.4	0.4
Communication	1.3	0.6	0.6
Culture	1	3.1	2.1
Rural development, food security	74.6	79.2	99.1
Energy	3.7	11.8	0.8
Environment	18.6	15.2	14.4
SMEs	3.4	3.4	0.2
Transport	66.9	58.4	74.6
Administration/institutional development	5.8	5.5	22.8
Decentralisation	27.0	53.2	39.8
Governance	9.6	11.5	13.8
Regional integration	1.1	0.6	1.2
Financial sector	10.9	2.7	1.6
Civil society	2.5	2.6	2.5
Water and decontamination	16.3	19.1	16.3
Education	81.3	107.5	140.4
Employment and professional education	1.3	0.5	1.5
Housing	0.4	0.1	0
Health and social development	63.5	63.7	73.1
AIDS	3.1	8.2	5.4
Gender	0.9	1.2	1.7
Other	0	0	8.0
<b>TOTAL</b>	<b>393.6</b>	<b>448.5</b>	<b>520.3</b>
<b>Note: 1. Includes sector budget support and project assistance. Small differences in the totals exist between the aggregate and detailed tables in the source document.</b>			
<b>Source: Matrice Financière, Rapport Intermédiaire, Pool Technique, June 2007.</b>			

## Annex E: Extracts from 2007 PEFA report

Indicateur	Note	Justification
<b>PI-5. Classification du budget</b>	<b>C ▲</b>	<p>La nomenclature budgétaire officielle est conforme aux directives de l'UEMOA. Elle est conforme au GFS1986, mais pas au GFS2001. Le budget 2007 est présenté suivant les classifications économique et administrative. Il contient aussi une présentation des dépenses par programme. Le projet de Loi de Règlement 2004 (la dernière LdR déposée à l'Assemblée Nationale) est présenté suivant les classifications économique et administrative. Il ne contient pas les résultats par fonction, ou programme ou encore selon une classification sectorielle en rapport avec au moins les 10 classes du GFS-COFOG.</p> <p>Une flèche a été ajoutée à la note pour signifier que la présentation du budget initial et son exécution se font selon toutes les classifications, et que les autorités ont décidé de joindre aux lois de règlement des états de dépenses classées par fonction.</p>
<b>PI-6. Exhaustivité des informations contenues dans la documentation budgétaire</b>	<b>C ▲</b>	<p>Le projet de Budget est déposé au Parlement avec les documents suivants :</p> <ul style="list-style-type: none"> <li>- Note de Présentation</li> <li>- Projet de Loi de Finances</li> <li>- Tableau des Recettes</li> <li>- Tableau des Dépenses</li> <li>- Budget Spécial d'Investissement</li> <li>- Annexe Explicative : « Services Votés – Mesures Nouvelles »</li> <li>- Budgets Programmes</li> <li>-Autres Annexes Budgétaires</li> </ul> <p>Au sens de l'évaluation PEFA, les critères suivants sont remplis :</p> <ul style="list-style-type: none"> <li>i) les hypothèses macroéconomiques (dans la note de présentation)</li> <li>ii) le déficit budgétaire (dans la note de présentation). Bien que le déficit présenté ne corresponde pas tout à fait à la norme GFS (classement des recettes de privatisation) sa définition est conforme aux normes internationales.</li> <li>vii) un état d'exécution du budget de l'exercice en cours. (Cet état reprend les dotations initiales du budget de l'année en cours, toujours considérées comme objectifs au moment de la présentation du projet de budget de l'année qui suit, lorsqu'il n'y a pas de loi de finances rectificative ou de décret d'avances).</li> <li>viii) Le résumé des données budgétaires pour les recettes et les dépenses (Tableau des Recettes et Tableau des Dépenses par fonction, mais pas selon la classification administrative).</li> </ul> <p>Les critères qui ne sont pas remplis sont :</p> <ul style="list-style-type: none"> <li>iii) information sur le financement du déficit (sa composition)</li> <li>iv) informations détaillées sur le stock de la dette</li> <li>v) les avoirs financiers.</li> <li>vi) l'exécution des budgets des exercices précédents et antérieurs. (dans la présentation du budget 2007, l'exécution de l'exercice 2005 n'est pas donnée)</li> <li>ix) Les analyses d'impact. (dans les documents accompagnant le projet de budget il existe une annexe contenant les dotations associées aux mesures nouvelles relatives aux recettes et dépenses, mais il n'y a pas d'analyse d'impact)</li> </ul> <p>L'ajout d'une flèche à la note se justifie par la décision annoncée de joindre aux futurs projets de budget des états répondant au moins aux critères iv), v) et vi) et parce que les capacités pour fournir les informations exigées existent déjà.</p>

<p><b>PI-7. Importance des opérations non rapportées de l'administration centrale</b> (ii) les informations sur les recettes / dépenses liées aux projets financées par les bailleurs de fonds</p> <p><b>PI-10. Accès du public aux principales informations budgétaires</b></p> <p><b>PI-10. Accès du public aux principales informations budgétaires</b></p>	<p>A</p> <p>C</p> <p>C</p>	<p>Une quantité limitée de dépenses sur les projets financés par les PTF n'est pas incluse dans le budget d'État ou les informations supplémentaires fournies à l'Assemblée Nationale. Elle concerne certains projets financés sur dons. Toutes les dépenses financées sur prêts sont rapportées.</p> <p>Les données disponibles indiquent que plus de 90% des recettes et dépenses projets financées par les PTF sont incluses dans les rapports budgétaires.</p> <p>Les informations sur les prévisions, la situation et l'exécution du budget du gouvernement ne sont pas facilement accessibles par le public.</p> <p>Des six critères du PEFA, seul celui relatif à la mise à disposition du public des données sur les ressources des unités chargées des prestations de base (critère vi)) peut être considéré comme réalisé. Ces données existent dans les décrets de répartition des crédits budgétaires et dans les arrêtés trimestriels d'ouverture de crédit, et peuvent être remises à toute personne qui en fait la demande.</p> <p>Les informations sur les prévisions, la situation et l'exécution du budget du gouvernement ne sont pas facilement accessibles par le public.</p> <p>Des six critères du PEFA, seul celui relatif à la mise à disposition du public des données sur les ressources des unités chargées des prestations de base (critère vi)) peut être considéré comme réalisé. Ces données existent dans les décrets de répartition des crédits budgétaires et dans les arrêtés trimestriels d'ouverture de crédit, et peuvent être remises à toute personne qui en fait la demande.</p>
<p><b>D-1 Prévisibilité de l'appui budgétaire direct</b></p> <p>(i) L'écart annuel entre l'appui budgétaire effectif et les prévisions communiquées par les bailleurs de fonds au moins six semaines avant la présentation des projets de budget au parlement</p> <p>(ii) Respect des délais de décaissements des bailleurs de fonds en cours d'exercice (conformité avec les prévisions trimestrielles globales)</p>	<p><b>D</b></p> <p>D</p> <p>D</p>	<p>Les prévisions d'appuis budgétaires ne sont généralement pas connues de manière fiable avant la présentation du budget au parlement, ou parfois même avant le début de l'exercice budgétaire.</p> <p>Mais dans la majorité des cas, les aides budgétaires des PTFs ne sont connues qu'après le dépôt du projet de budget à l'Assemblée, voire après le début de l'exercice budgétaire.</p> <p>Il n'existe pas de système de programmation trimestrielle des décaissements des appuis budgétaires des Bailleurs de fonds</p>
<p><b>D-2 Renseignements financiers fournis par les bailleurs de fonds pour la budgétisation de l'aide projet et l'aide programme et établissement des rapports y afférents</b></p> <p>(i) État complet et respect des délais dans la communication par les bailleurs de fonds des prévisions budgétaires à l'appui des projets</p> <p>(ii) Fréquence et portée des rapports des bailleurs de fonds sur les flux réels à l'appui des projets</p> <p><b>D-3 Proportion de l'aide gérée sur la base des procédures nationales</b></p>	<p><b>D+</b></p> <p>C</p> <p>D</p> <p><b>D</b></p>	<p>Les prévisions budgétaires sont centralisées pour la plupart des PTFs en juillet par la Direction Nationale du Plan pour l'élaboration du projet de Budget Spécial d'Investissement</p> <p>Les données fournies par les bailleurs ne sont pas toujours conformes aux classifications nationales.</p> <p>Les bailleurs de fonds ne fournissent pas de données périodiques infra annuelles sur les décaissements des appuis projets.</p> <p>Toutes les aides budgétaires (PPTE compris) respectent les procédures nationales.</p> <p>Pour l'aide projets, les procédures appliquées ne sont pas conformes aux procédures des dépenses sur ressources propres.</p> <p>En 2005, les aides budgétaires y compris le PPTE, représentaient moins de 50% de la totalité de l'aide extérieure.</p>