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ANNUAL PROGRESS REPORT

1990 Title II, Section 206
1991 P.L. 480 Title III

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I. Introduction:

In 1981, the Cereals Market Restructuring Program (PRMC) was initiated by the Government of the Republic of Mali (GRM) and the major donors supporting Mali's economic development. USAID is one of the donors who made a commitment to provide Mali with food aid for development in support to this program.

US food aid to Mali has been provided under the old Title II, Section 206 of the P.L. 480 program until 1990. In 1991, U.S. food aid to Mali was provided under the new P.L. 480 Title III Food For Development and Trade Act of 1990. Mali Title III is a multi-year program.

The 1990 Title II, Section 206 food aid program and the 1991 Title III program are the subject of the present Mission in-house evaluation. Its intent is to determine the extent to which the management responsibilities and accountability have been played by the Mission and the GRM on the one hand, and to assess progress made toward achievement of the self-help measures and specific benchmarks defined in the Food Aid Agreement.

II. Context of the Evolution of PRMC objectives

Before the inception of the PRMC, a monopolistic public commercial enterprise (OPAM) dominated the marketing of cereals in Mali. OPAM was the only purchaser of grain from both producer and regional agricultural development organization (ODR). It was also in charge of grain imports during poor harvest years. Both buying and selling prices of grain were officially set by a government commission. These buying prices were on purpose set low without consideration of the costs of production. Consumer prices were subsidized. The private sector was the subject of a severe economic repression. This official marketing system was too costly (more than 4 billion F.CFA of budget deficit at OPAM in 1979/80) and constituted a barrier to the development of the agricultural production sector.

Thus, at the inception of the PRMC, three basic objectives were set forth:

- ▶ 1. The liberalization of cereals marketing by eliminating OPAM's monopoly/monopsony and by eliminating the barriers to entry into cereals trade.
- ▶ 2. The increase in cereal production incentives by eliminating the official price fixation system.
- ▶ 3. The reduction of the costs of the official marketing system by bringing consumer prices in line with total marketing costs as a first step and by reducing the role of OPAM in cereals marketing.

Proceeds from donors' food aid were put in a common Counterpart Fund which was jointly programmed to conduct reforms and achieve the above objectives.

By 1986, coarse grains and paddy marketing had been liberalized, a Market Price Information system and a Famine Early Warning system had been initiated; a grain storage and marketing credit program for traders has also been put in place in 1986/87. However, the official price fixation system was still in affect at the end of 1986.

Two consecutive good harvests in 1985/86 and 1986/87 clearly revealed the limits of this official price support system. OPAM could not buy a substantial amount of grain at the official price and producer prices collapsed. A rethinking of PRMC objectives and of the means of achieving these objectives started during 1986/87. This rethinking of the reforms was initially conducted by donors who agreed on a Common Platform for the next phase of PRMC. This Common Platform was discussed with the GRM during a national seminar on cereals policy in June 1987.

Although the 1987 seminar decided to continue with the PRMC program, serious differences existed between donors and the GRM views on the pace and means of cereals market reform. At stake were three main issues: the need to reduce OPAM's role in trying to regulate the market, the abolition of official prices, the role of food aid in achieving food security in Mali.

In November 1987, the GRM took a basic decision and announced the abolition of official prices for coarse grain. Market forces, i.e. supply and demand, were to determine coarse grain prices in the future. The official price of paddy was however maintained and increased to 70 CFA/Kg in the rice ODRs. The role of OPAM was redefined in December 87 and limited to: 1) the management and distribution of food

aid, 2)_ the supply of deficit zones, and 3) the maintaining of a national cereals security stock of 58,500 tons. A reduction of OPAM's staff was also envisioned at this time.

These major moves in the cereals market reform process coincided with the beginning of the phase II of PRMC (November 1987).

The major objectives of PRMC-II were:

1. to contribute to modify the unbalance between the roles of the public sector and the private sector in cereals marketing,
2. to design and implement a flexible adjustment and promotion of cereals market consistent with the resources of the State,
3. to participate in the process of reform of public cereal marketing enterprises which are under a contract-plan (i.e. a performance plan).

During PRMC-II, the Contrat-Plan of Office du Niger was approved (1987/88) and the Contrat-plan between the State and OPAM was also approved (1988/89), the regulatory stock of OPAM was suppressed, major cuts in OPAM staff were conducted. The grain marketing and storage credit programs for wholesalers, semi-wholesalers and village cooperatives, initiated during the transitory period between PRMC-I and PRMC II, were consolidated and extended to all the banks and all the regions of the country. These credit programs were intended to support the private sector to take a more active role in the marketing and distribution of grain in time and space, to promote competition and conditions for market price stability.

During PRMC-II, the permanent Market Information System (SIM) and the Famine Early Warning System (SAP) were consolidated and their role in the food security information and food distribution systems became predominant.

The achievements of PRMC during phases I and II were to be consolidated during phase III. In the Declaration of Intention to pursue the PRMC project, donors clearly said that the three main objectives of phase II will be reinforced through new supports and activities.

The support to the public sector was to be provided within the framework of the new Contrat Plans of OPAM and Office du Niger.

The support to the private commercial sector was to be provided by improving and extending the grain marketing and storage credit programs. Cereals processing was identified as a major area of intervention during PRMC-III. The reinforcement of food security was also to be supported during PRMC-III by financing the reconstitution of the national food security stock (SNS), the Early Warning System, the transport and distribution costs of free emergency food. A progressive transfer of financial and managerial responsibilities of these programs/activities to the government of Mali, the banking system (public and commercial) and to the private sector itself was envisioned during PRMC-III.

The extent to which these objectives have been pursued and accomplished, and the contribution of donor food aid (including U.S. food aid) to this is analyzed in the subsequent sections of this report.

III. Contribution of USAID to the PRMC program

USAID/Mali contributes to the PRMC by providing annually food aid to Mali which generates local currency proceeds used to finance activities which enhance Mali's food security. To achieve the objectives of its food aid program, USAID works closely with all the PRMC donors and the GRM.

Quantities of food delivered in 1990 and 1991:

In accordance with the old Title II, Section 206 Transfer Authorization signed on July 11, 1990, six thousand (6,000) metric tons of wheat were to be delivered to Mali by the end of 1990. 5,985.095 tons (99.8%) were received by OPAM in November 1990.

In 1991, Mali changed from Title II, Section 206 to Title III. The Title III agreement was signed on June 29, 1991 by USAID and the GRM. It is a multi-year program for up to 20,000 metric tons of wheat or rice. Under this Title III program, 10,000 MT of rice were called forward in 1991. The quantity of rice delivered in November 1991 was 10,379.137 tons out of 10,512 tons announced on the through bill of lading.

The commodities were transferred from the USG to the GRM upon receipt in OPAM warehouses.

Quality of delivered commodities.

The quality of the 1990 wheat was seriously affected prior to arrival in Mali. In fact, the grain arrived heavily infested by insects (weevils) which reduced the quality below the norms in the T.A. As a result, OPAM and USAID, in consultation with REDSO/WCA negotiated a 20% rebate on the negotiated price with the sole purchaser of wheat in Mali (the Grands Moulins du Mali - GMM).

In as far as the 1991 rice is concerned, quality problems were also reported by private sector traders who planned to buy it. The stock of the rice delivered was an old one. Also, the rice appeared to be sticky after cooking and somewhat watery if kept overnight after cooking. The rice did not therefore meet Malian consumers tastes and preferences. Sales contracts were broken by several traders.

Sale of 1990 and 1991 food aid:

All the wheat has been sold to the sole private sector wheat miller (the GMM) through a negotiated sales contract involving the GRM and USAID. The rice is now being sold by auction and negotiated contracts since the new Title III legislation permits both.

The price negotiated with the GMM, prior to the arrival of the 1990 wheat was 68 F.CFA/Kg. Due to infestation, a 20% rebate on this price was agreed upon.

Thus, a total quantity of 5,944,092 tons was sold at 54.4 F.CFA/Kg. Storage losses represented 41,003 tons or 0.6%. Payments for the wheat bought by the GMM were to be made to OPAM 90 days after each delivery. By the March 1991 Coup in Mali, about 1,700 tons remained to be delivered. OPAM and USAID required payments for each delivery before the actual delivery took place since the GMM had claimed inability to pay for the wheat delivered but not paid for before the Coup.

The GMM claim was related to the fact that its infrastructures and stocks had been looted during the events surrounding the Coup. After several exchange of correspondences and meetings between the Ministry of Economy and Finance (MEF), OPAM, the GMM and USAID, the GMM agreed to pay all the outstanding debt on U.S. wheat and a repayment schedule was agreed upon in March 1992. The GMM was complying with this schedule until July 1992. In July, the GMM requested a rebate of approximately 25 million F.CFA out of the remaining 78,904,375 F.CFA to be paid by 31 August 1992. The basis for the GMM request is the report on losses during the March 1991 events prepared by the SGS (Société Générale de Surveillance) at the request of the GRM. The SGS evaluation financed by the World Bank estimated the merchandise stock losses of the GMM at over 5 billion F.CFA. Discussions between USAID, the MEF, OPAM and the GMM on this issue are underway.

Concerning the sale of the 1991 rice, an auction sale held in late December 1991 resulted in 3,678 tons only being purchased by the private sector traders. The sale price was 124.5 F.CFA/Kg which is above the FOB/FAS Gulf part price (about 85 F.CFA/kg) and which is in accordance with prevailing local market price for the same quality rice.

OPAM is still involved in selling the remaining rice stock (6,700 tons). This situation is the consequence of: a) late delivery of the rice: November 1991 (call-forward for June 91) which coincided with harvest time in Mali; b) record domestic rice harvest in 1991; c) inadequate quality of the delivered rice; d) large commercial rice imports: estimated at approximately 126,000 tons in 1991.

One trader made an offer in early July 1992 to buy the remaining stock of U.S. rice. Two other offers were received in mid-July for smaller quantities (1,500 tons in total). The prices offered by these three traders range between 90 and 112 F.CFA/Kg. Direct negotiations for the sale of the remaining stock of rice are underway.

Local currency proceeds:

As of June 31, 1991, net proceeds amounted to 238,398,840 F.CFA. 78,904,375 F.CFA remain to be paid by the GMM by August 31, 1992. OPAM has transferred 140,000,000 F.CFA of net local currency proceeds to the PRMC special bank account exclusively opened for proceeds from U.S. food aid sales. This account is one of the several ones managed and programmed jointly by all the PRMC donors and the Minister of Economy and Finance. The World Food Programme (WFP) serving as PRMC Secretariat has prime management responsibility of the PRMC accounts. It is help by an accountant from a local accounting firm. The Director of Operations of WFP and the Minister of Finance have joint signatory authority for all the accounts. USAID controller's office monitors deposits and withdrawals from the special account for U.S. food aid proceeds and prepares, quarterly reports for AID/W.

As of June 30, 1992, payments made to OPAM for the rice sold amounted to 457,915,000 F.CFA. After a 10% fee deduction to cover OPAM's costs in managing the rice, the net local currency proceeds from the sale of the 3,678 tons amount to 412,123,500 F.CFA. Deposits into the PRMC special account amount to 140,400,000 F.CFA as of June 30, 1992.

Note: Local currency management will undergo a change starting this year. Under the new Title III program, USAID/Mali, after consultation with other PRMC donors and the approval of the Minister of Economy and Finance (MEF) set up a new special account for the net proceeds of U.S. food aid. The new account was set up on June 02, 1992. The main purpose of this decision was to enable USAID to engage in food security activities not funded by the PRMC common counterpart fund while continuing

to support PRMC. USAID/Mali support to PRMC remains strong and unequivocal, as it has been the case since the inception of PRMC in the early 1980's.

The new bilateral USAID/MEF special account for all Title III local currency generations will serve as the funding source on an as needed basis for: a) PRMC, b) the Ministry of Territorial Administration (MAT) account for humanitarian and emergency assistance, c) food security activities falling outside these two sets of activities, e.g. agricultural research, locust and grasshopper control, natural resources management, the enhancement of the privatization of food and agricultural distribution systems.

The Ministry of Finance or his designee (rather than the PRMC Secretariat) has signatory authority on the new bilateral account. Decision to use local currency will be initiated either by USAID or by the Ministry and joint approval of both parties will be required. The USAID PRMC PSC Food Policy Advisor and the FSN agricultural economist will follow-up the broad food security activities outside the PRMC umbrella, while the FSN FFP officer will continue to manage emergency relief and humanitarian assistance financed under the MAT account. USAID Controller's office will perform tracking and monitoring of the deposits and withdrawals from the new special account and will report to USAID and the MEF.

Programming and use of local currency proceeds during 1991:

The PRMC donors and the GRM have programmed local currency for a number of activities, among which the following are the major ones: a) the reconstitution of the national cereal security stock (SNS), b) the management and financing of village cooperatives and semi-wholesalers credit lines, c) the financing of the Market Information System (SIM), d) the financing of the GRM Early Warning System (SAP), e) the financing of transport costs of SAP recommended free food distributions during local food emergencies, f) grain storage and processing activities, g) technical studies on marketing issues, h) the annual audits of PRMC and OPAM. The table below provides details on the amount of money used on these activities during 1991.

Major expenses incurred by PRMC during 1991

	F.CFA
SNS	1,045,000,000
SIM:	64,652,562
SAP	224,973,584
Credit for Village Coop:	677,479,262
Credit for traders:	265,984,500
Transport cost food distribution:	247,157,974
Technical Studies/Audits:	50,108,247

In addition to these expenses, the PRMC provided the main rice production project (Office du Niger) with a bridge loan of 800 million CFA for paddy/rice marketing.

IV. Findings and Comments on the Self-help measures and specific benchmarks of the USAID/PRMC Program

These self-help measures were negotiated with the GRM in 1990 in the framework of the P.L. 480 Title II, Section 206 which was a multi-year food aid program. At the time of the shift from Title II to Title III in 1991, USAID/Mali made clear that it would maintain the self-help measures although Title III agreements do not have a section entitled self-help measures.

In the context of the annual progress report of Title III program, information is therefore provided regarding GRM performance in achieving the self-help measures of 1990 Title II transfer authorization. Progress made to date by the GRM is as follows:

SELF-HELP MEASURE A: The GRM agrees to implement and comply with the OPAM/GRM transition performance plan approved by the GRM on March 8, 1989 and amended after the October 1989 evaluation. In addition the GRM agrees to comply with performance plan (contrat-plan) Number 2 that will be developed in coordination with the World Bank and the PRMC donors by 1 November 1990.

Note: The second contrat-plan of OPAM was approved and signed in January 1991.

Benchmark 1: OPAM permanent stocks limited to the National Security Stock (SNS) and food aid.

Findings/Comments: Met 100%.

Benchmark 2: level of the SNS remains at 58,500 metric tons during the life of the Sales Agreement (T.A.).

Finding/Comments: Met 100%. The SNS is maintained at a maximum level of 58,500 MT. However, given the seasonal fluctuation of domestic cereal production and the preference of the GRM and donors to reconstitute the SNS from local grain purchases, the SNS can be at a low level (about 25,000 MT) in a given year. At the same time, financial provision is made to bring the SNS at its maximum level. This financial provision is used either to import part of the cereal gap in the SNS or to wait the following harvest to make up the gap from local grain purchase. The rationale behind this type of decision is that free food distributions which are the main use of the SNS have not exceeded 15,000 MT during each of the past four years and that local purchases help to support local farmers revenues.

Benchmark 3: The reconstitution of the SNS is done 100% through calls for bids (auction).

Finding/comment: Met 100%

Benchmark 4: Only Coarse grains are kept in the SNS during the life of the Sales Agreement:

Finding/Comments: Met 100%. There is no rice in the SNS. Only millet, sorghum and maize are held in the SNS.

Benchmark 5: At least 60% of SNS stocks sold by auction beginning in 1990 and continuing for the life of the T.A.

Finding/Comments: Met 100%. Now done 100% by auction.

Benchmark 6: SNS storage losses will be maintained at 2% or below during the life of the Sales Agreement.

Finding/Comments: Met 100%.

Benchmark 7: Storage losses of donor food aid will be maintained at 4% or less during the life of the Sales Agreements.

Finding/Comments: Met 100%. Only 0.6% loss on U.S. wheat delivered in 1990.

Benchmark 8: Inter-warehouse transport loss will be kept at 0.5% or below during the life of the Sales Agreement.

Finding/Comments: Met 100%. Inter-warehouse transport is now done through a call for bids. Private truckers bear all the costs of any loss. In such cases, the loss is valued at a price which is the double of the prevailing market price. This a measure which prevent truckers from any misuse of the grain.

Benchmark 9: The annual food distribution plan for food aid will be drafted by the end of December each year.

Finding/Comments: Met. 100%. This plan is elaborated each year by OPAM in December and submitted to the COC approval in January. It is updated each trimester.

Benchmark 10: Compliance -- with contrat-plan indicators and performance objectives to include a list of contrat-plan accomplishment (i.e. losses, cost reduction) will be the subject of a report which will be made available to the PRMC before 1 April 1990.

Findings/Comments: Met 100%. Each year the PRMC finances an external evaluation of the compliance -- with contrat-plan indicators and performance objectives. The report, usually referred to as the "Waddel Report" gives a clear and complete picture of the state of execution of the contrat-plan by OPAM. The report on the accomplishments during 1991 is available since February 1992.

Benchmark 11: The Computerized Commercial Accounting Information System (SICC) is introduced at OPAM by 1 November 1990 and fully operational by 1 November 1991.

Findings/Comments: Met 90%. The System is in place. Stocks are managed by warehouse, nature of the grain, origin of the grain, the year of purchase, production or delivery to OPAM. However, commercial clients are not yet individually accounted for in the computerized system.

Benchmark 12: Schedule for OPAM repayment of its debts owed to others will be presented by OPAM by 1 November 1990.

Findings/Comments: Met 100%. All OPAM debts, except local currency proceeds owed to PRMC donors' common counterpart fund, have been paid by the end of 1990. Local currency proceeds from food aid sales owed by OPAM to PRMC have been paid during the second semester of 1991. Money was owed mainly on U.S. food aid rice delivered in 1987/88 and on WFP rice delivered the same year.

The repayment of an additional billion F.CFA debt owed to PRMC by OPAM was also done in late 1991 after the GRM approval of a linked payback agreement which involved the GRM, PRMC, OPAM and the French Caisse Centrale de Cooperation Economique.

Benchmark 13: OPAM repayment schedule for outstanding GRM debtors proposed by OPAM by 1 November 1990.

Findings/Comments: Met 100%. OPAM prepared an action plan for the collection of GRM debts in mid-1990.

Benchmark 14: On the basis of the Audit Report, OPAM will -- before 1 November 1990 -- prepare a list of all uncollectable debts to be written off.

Findings/Comments: Met 100%. The list was included in the action plan for the collection of GRM debts. Since then all the other debts have been collected. About 120 million F.CFA owed by penitentiaries have not yet been fully paid. An agreement has been reached and monthly payments of 20 million F.CFA will be made to OPAM starting November 1992.

Benchmark 15: By January 1992 OPAM fiscal year actual expenditures will correspond with its annual budget, updated each semester.

Findings/Comments: Met 100%. Each trimester a budget monitoring report is now prepared by OPAM. The budget is updated accordingly.

SELF-HELP MEASURE B: The GRM agrees, by 1 November 1990, to indicate the source of financing for any "public good" activities to be undertaken by OPAM (e.g. the S.I.M., national security stock management.)

Benchmark 1: Source of financing is written into the permanent Performance Plan of OPAM or into an official public government document by 1 November 1990.

Findings/Comments: Met 100%. The source of financing for the Market Information System (S.I.M.) is written in the bilateral agreement between OPAM and the PRMC. The Common Counterpart Fund of PRMC is the source of financing of the SIM. The National Security Stock and its management costs are paid by the PRMC and the German food security project. The PRMC and the FAO are the sources of financing of the Training and Documentation Cell of OPAM (CEFODOC).

Benchmark 2: Revolving fund for OPAM is approved by 1 November 1990 and established by May 1991.

Findings/Comments: Putting a revolving fund at the disposition of OPAM was written in the second Contrat-plan of OPAM approved by the GRM in January 1991. The PRMC funded this one-shot capital infusion required for the revolving fund (500 million F.CFA) in November 1991.

SELF-HELP MEASURE C: The GRM agrees to assure the preparation and distribution of a formal response to the 1989 audit report of OPAM prior to the beginning of the 1990 audit. In addition, the GRM agrees to prepare a financial management plan that will include point by point explanations and courses of action that it proposes to undertake to establish an affective internal control and financial

management system.

Benchmark 1: Formal response to the 1989 audit is received by PRMC donors prior to the 1990 audit.

Findings/Comments: The report was delayed by several months. A draft was presented to OPAM only during the second semester of 1991. OPAM prepared comments on the draft which were sent to the auditors and the PRMC.

Benchmark 2: Recommendations of OPAM 1989 audit implemented by 1 November 1991.

Findings/Comments: The recommendations were first discussed by the Council of the Administrators of OPAM and then with the PRMC before implementation which is continuing now.

Benchmark 3: Annual outside audits conducted in all years covered by the second performance Plan of OPAM.

Findings/Comments: Met 100%.

Benchmark 4: Financial management indicators to aid in financial management and control will be put in place at OPAM by the time of its 1991 audit.

Findings/Comments: Met 100%. These indicators are included in the second performance plan which is the subject of an external evaluation each year by Waddel.

SELF-HELP MEASURE D: The GRM agrees to make explicit the roles of all parties responsible for the management and distribution of food aid in/and to deficit areas. In particular, the GRM agrees to assure that transport of emergency food will be by the most direct transport means possible from OPAM warehouses down to the arrondissement level. This transport will be managed by OPAM as of 1991.

Benchmark 1: Government document specifies, by 1 January 1992, clear roles and responsibilities of all parties.

Findings/Comments: Met 50%. Transport of emergency food aid is still managed by the Emergency Relief and Rehabilitation Committee (CNAUR). The GRM Early Warning System (SAP) monitors at-risk zones and makes recommendations for emergency distributions of food. The recommendations are discussed and approved by the GRM-donor Coordinating Committee (COC) of the PRMC. The Ministry of Territorial Administration issues official decisions of free food distribution. On the basis of these decisions, OPAM makes security stocks available to CNAUR.

Benchmark 2: The time between the preparation of OPAM food distribution plan and actual emergency distribution is reduced to 6 months in 1991, 5 months in 1992 and 4 months in 1993.

Findings/Comments: OPAM food distribution plan which includes food sale in the deficit Circles inaccessible to private sector traders and emergency food distribution is prepared each December and submitted to the approval of the COC. The time between the COC approval and actual distribution of emergency food aid depends on the time recommended by the SAP for actual distribution. The recommended time has been respected since 1991 (less than 4 months).

Benchmark 3: End use of free food distribution is monitored.

Findings/Comments: Met 100%. In 1991, CNAUR conducted end-use evaluation of 1990 free food distributions. End use monitoring of 1991 free food distributions has been partially done since the insecurity in northern areas of Mali prevented it there.

SELF-HELP MEASURE E: The GRM agrees that OPAM's provision of food to deficit areas will be done in ways that do not replace private sector provision of food to these areas.

Benchmark 1: Cereals will be sold by OPAM at the market price (for quantities and lots identical to the ones of the given market).

Findings/Comments: Met 50%. OPAM sells the grain at a price which is an arithmetical mean of the prices prevailing on the markets of the deficit circles. This average price is often higher than market price in a given circle and lower than market price in another circle. In addition, the average sale price of OPAM is not regularly updated to reflect the dynamics of market forces. The technical studies unit of the Early Warning System (SAP) is working on the issue so as to recommend to the COC and OPAM a better sale price fixation system. No satisfactory answer has yet been obtained to correct the shortcomings of the existing system.

Benchmark 2: Free food distribution from the SNS will be done only when and where the technical criteria of the SAP indicate clear needs which cannot be satisfied due to inadequate effective demand or non-functioning private marketing channels.

Findings/Comments: Met 90%. When the environment is not suitable for appropriate data collection by the SAP agents, i.e. during insecurity in drought prone areas, other criteria have been used. The civil unrest in the northern regions of Mali prevented, for instance, the use of the technical criteria of the SAP during 1990 and 1991.

SELF-HELP MEASURE F: The GRM agrees to support continued development of an environment conducive to the efficient export and import of cereals. The GRM agrees to continue to streamline licensing procedures, transport permit allocations steps and government inspections concerning grain exports. Regarding imports, the GRM agrees to make information readily available in government offices, at border stations and at control points, concerning tariffs and customs fees payable. The GRM also agrees that any taxes or regulation of grain imports will be applied in ways that promote continued competition and efficiency in local milling and production without undermining local production incentives.

Benchmark 1:For the full T.A. period, grain exports, will be permitted by the GRM during surplus production years.

Findings/Comments: Since 1989, exports as well as imports of grain are permitted regardless of the level of domestic production. Licensing concerning imports and exports has been suppressed. Traders need however to declare their intention to import or export to the appropriate GRM institution.

Benchmark 2:In 1991, GRM (the COC) will undertake formal review of the result of the study on rice imports to be made available early in that year (see self-help measure "G" below). In 1992, pertinent legislation regarding rice imports will be drafted. In 1993, training and information sessions should be

held for officials responsible for implementing the operational aspects of the new legislation.

Findings/Comments: In late 1990, a report on the findings of the study was made available as well as the draft legislation for the implementation of a variable import tax based on the study's findings. This legislation never became affective, however. Instead, a conjonctural import tax (TCI) was instituted.

SELF-HELP MEASURE G: The GRM agrees to undertake a study, by 1 January 1991, in concert with PRMC donors and involving relevant GRM technical agencies, of the most appropriate methods to regulate rice imports while ensuring:

- a) adequate rice levels in the country and in commercial channels.
- b) competition to reduce likelihood of inefficient milling.
- c) that local production incentives are not undermined.

Benchmark 1: Copy of study's findings is available by 1 May 1991.

Findings/Comments: A technical paper entitled "Note technique relative à la simplification de la finalité et la rationalisation des taux applicables, Direction Nationale des Douanes, Ministère des Finances et du Commerce, Bamako, April 15, 1990) was prepared and discussed. A specific study on rice imports was completed in 1991. As a result of these two studies, a rice import tax called "Taxe Conjoncturelle d'Importation - TCI" was adopted. The TCI rate varies according to the level of domestic rice production.

A new study on rice sector is scheduled to start in August 1992. It is called "Etudes Filières Riz". It is a comparative advantage study of the rice production systems identified in Mali and imported rice. The results of this study, and the model which will be developed, should enable a better and more rational rice import taxation.

Benchmark 2: Within one year of this time, import tax modalities are decided upon. Within two years of this time, an import tax program is fully operational.

Findings/Comments: See Benchmark 1 above.

SELF-HELP MEASURE H: The GRM agrees to continue the Market Information System (SIM) as a technical information system serving the private and public sectors and the donor community. The GRM agrees to maintain the technical soundness of the SIM.

Benchmark 1: All analytical conclusions of SIM reports are based on available SIM or other technical market data.

Findings/Comments: Market price data are collected at 75 different locations throughout the country. Forty three (43) enumerators are employed by the SIM in addition to the computer specialist and market analysts located at SIM headquarters in Bamako. Secondary sources such as the reports of the Agriculture Directorate, the Statistics Bureau, the Economic Affairs are also used by the SIM.

Benchmark 2: Statistics, including data drawn from an annual user satisfaction survey will be maintained attesting to levels of usership of SIM services. A report containing the most relevant of these statistics will be published annually by the SIM beginning in 1991.

Findings/Comments: The SIM does not send out questionnaires to the users of its services. Therefore, no report has been published on user's satisfaction. Such survey is envisioned during 1992.

However, an external evaluation of the SIM was conducted in 1990, following a recommendation of the 1989 seminar on SIM. This evaluation did provide information on users' satisfaction of SIM services.

Benchmark 3:The lag time from collection to dissemination of market information will decrease from 7 days to 6 in 1990, from 6 to 5 in 1991, and from 5 to 4 by the end of 1992.

Findings/Comments: Met 100%. Data collected by enumerators are received at SIM headquarters each Tuesday and the SIM weekly report is published on Friday.

Benchmark 4: An analytical document containing in-depth treatment of cereals market issues will appear at least annually, published by SIM, beginning in 1991.

Findings/Comments: Met 100%. The SIM publishes now two semi-annual reports on market issues, the second being an overview of major cereal market issues which occurred during the marketing campaign. In 1992, the SIM started publishing periodic technical papers on specific or unusual market issues or phenomena.

Benchmark 5: The SIM technical review commission reviews annual SIM reports each year beginning in 1990.

Findings/Comments: Met 100%. Both semi-annual report drafts are reviewed before they are finalized by the SIM.

SELF-HELP MEASURE I: The GRM agrees to continue to enhance the environment of private sector competition and market transparency as related to OPAM activities.

Benchmark: Wide dissemination (by SIM bulletin, radio, newspaper and/or Chamber of Commerce and Industry (CCIM) newsletter as appropriate) of the following:

- a) The bid prices and bid quantities of all bids and tenders engaged in by OPAM during the quarter, as well as the final prices and quantities of winning bids.

Findings/Comments: Not met.

- b) Planned OPAM grain marketing actions (technical rotations of the national security stock, auctions, and other buying and selling actions).

Findings/Comments: Met 80%. Announcements made in official newspaper which is in French. Given the literacy rate, this does not satisfy standards for wide dissemination.

- c) Newly announced regulations, decrees, arrêtés, and other GRM decisions affecting the grain market.

Findings/Comments: Met. Announcements made in CCIM newsletter.