

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



MALI

**MID-TERM REVIEW OF 2005-2009 RESULTS-
BASED COUNTRY STRATEGY PAPER (RBCSP)
AND EXTENSION TO 2008-2011**

COUNTRY REGIONAL DEPARTMENT WEST II (ORWB)

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Currency Equivalents, Fiscal Year, Weights and Measures

Currency Equivalents

		June 2005	May 2008
Currency Unit	=		
UA 1	=	CFAF 784.610	CFAF 685.52
UA 1	=	US\$ 1.47495	US\$1.621
UA 1	=	€1.19613	€1.0452
US\$ 1	=	CFAF 422.98	€0.648
€1	=	CFAF 655.957	US\$ 1.551

Fiscal Year

1 January – 31 December

Weights and Measures

1 tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.47 acres

Acronyms and Abbreviations

ADB	African Development Bank
ADWSI	African Drinking Water Supply Initiative
AGOA	African Growth and Opportunities Act
AIDS (HIV)	Acquired Immunodeficiency Syndrome (Human Immunodeficiency Virus)
APE	Economic Partnership Agreement
APEP	Private Business Development Agency
APRM	African Peer Review Mechanism
BCEAO	Central Bank of West African States
BDM	Development Bank of Mali
CEDEF	Convention on the Elimination of All Forms of Discrimination Against Women
CEN-SAD	Community of Sahel-Saharan States and Nations
CFAA	Country Financial Accountability Assessment
CMDT	“Compagnie malienne pour le développement des textiles” (Malian Textile Development Company)
CPAR	Country Procurement Assessment Review
CPS	Planning and Statistics Unit
CS/PSRF	Monitoring Unit of the Poverty Reduction Strategic Framework
CSP/ RBCSP	Country Strategy Paper/Results-Based Country Strategy Paper
ECOWAS	Economic Community of West African States
GPRSF	Growth and Poverty Reduction Strategic Framework
HIPC	Heavily Indebted Poor Countries
HIPCI	Heavily Indebted Poor Countries Initiative
ICT	Information and Communication Technology
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MOPAN	Multilateral Organizations Performance Assessment Network
MTEF	Medium-Term Expenditure Framework
NEPAD	New Partnership for Africa’s Development
OAG	Office of the Auditor General
ODA	Official Development Assistance
PABG	Good Governance Support Project
PAGAM/GFP	Government Action Plan for Improvement/Modernization of Public Financial Management
PAPP	Country Portfolio Improvement Plan
PNAE	National Environmental Action Plan
PNLS/MAP	National HIV/AIDS Control Programme / Multisectoral Assessment Programme
PRODEC	Ten-Year Education and Cultural Development Programme
PRODEJ	Programme for the Development of Justice
PRODESS	Ten-Year Health and Social Development Programme
PRSF-(PRSP)	Poverty Reduction Strategic Framework (Paper)
QUID	Standardized Development Indicators Questionnaire
SFD	Decentralized Financial System
SME/SMI	Small and Medium-size Enterprises/Industries
TFP	Technical and Financial Partner
TSP	Transport Sector Programme
UNDP	United Nations Development Programme
WAEMU	West African Economic and Monetary Union
WAPP	West African Power Pool
WARP	West African Regional Programme
WTO	World Trade Organization

Executive Summary

1. The Bank Group's assistance strategy in Mali, covering the 2005-2009 period, was approved by the Boards of Directors in November 2005. The strategy centres around two pillars: (i) improvement of competitiveness and private investments; and (ii) capacity building for the poor and reinforcement of their participation in growth. The Boards appreciated the country's macroeconomic performance despite the difficulties inherent in the vulnerability of the country to exogenous shocks. However, the Boards expressed concern about the coordination of actions with the Government's priorities and the persistence of poverty which affected more than 60% of the population.

2. The expected results of the RBCSP, defined in terms of objectives and indicators, centre around: (i) strengthening of macroeconomic stability and good governance; (ii) improvement of the business climate and private sector investments; (iii) pursuance of the deconcentration and decentralization process; (iv) enhancement of access by vulnerable groups to factors of production and employment; and (v) improvement of access by disadvantaged groups to basic social services.

3. The mid-term review shows that the progress made in terms of RBCSP outcomes and achievements is on the whole satisfactory, although some outcomes fall short of the forecasts of the strategy. The Government's 2007-2011 programme is supported by the Growth and Poverty Reduction Facility (GPRF) of the IMF, approved on 28 May 2008. The overall performance of the programme was satisfactory. Even though the Government still has to make more efforts, over the 2005-2007 period progress was made in public financial management, good governance, decentralization and rural development. The ADF X allocation to Mali financed five (5) new operations between 2005 and 2007; these operations helped to increase the active portfolio at the end of May 2008 to 26 operations for a total commitment of UA 267 million. The average disbursement rate is 39.0%.

4. Over the 2005-2009 period, the Poverty Reduction Strategic Framework (PRSF I) 2002-2006 and the Growth and Poverty Reduction Strategic Framework (GPRSF) 2007-2011 which reinforces PRSF-I, constitute the basis of the Government's development policy. Over the remaining period 2008-2009, the Bank's strategy will, on the whole, remain unchanged, because it will be aligned on the Government's 2007-2011 GPRSF, and because it aims at fine-tuning achievements in public finance, good governance, improvement of competitiveness and development of rural areas. However, while maintaining their continuity, Pillar 1 was reinforced around the "improvement of the private sector environment", while Pillar 2 was refocused on the "promotion of rural development" so as to reduce the country's vulnerability, especially within the context of the international food crisis and its landlocked position. The Bank's strategy will henceforth cover the 2008-2011 period so as to ensure compliance with the Paris Declaration which fosters alignment of strategies with Government priorities in terms of actions and time lines.

5. The adjustment of the pillars takes into account the country's new allocation under the ADF XI of the African Development Fund which amounts to UA 136 million for the 2008-2010 period. The resources will be used to finance five (5) new operations: (i) the budget support programme; (ii) the DWSS Project II; (iii) the Markala Sugar Project; (iv) the Irrigation Development Programme in Bani Basin and Sélingué; and (v) a multinational road

project (Bougouni-Sikasso) (PR1). In 2011, a rural electrification project will be financed with the ADF XII allocation. Apart from project aid, the Bank will lend the Government technical assistance¹ during the remaining period of the RBCSP.

6. *Conclusions and recommendations:* The Bank Group 2008-2011 operational strategy falls within a poverty reduction vision, and helps the Bank to develop synergy with the technical and financial partners. The Boards are invited to approve the programme of activities and priority intervention areas, as reinforced and proposed for the 2008-2011 period.

¹ Through sector economic and capacity building studies

I. INTRODUCTION

1.1 The Boards of Directors of the Bank Group approved Mali's 2005-2009 RBCSP in November 2005. During its consideration, the Boards expressed concern about the persistence of poverty, delays in the implementation of the privatization programme, and the urgent need to strengthen the judicial and financial sectors. The Boards also urged the Government to accelerate the implementation of aid harmonization and alignment under the Paris Declaration. These recommendations underpinned dialogue with the country during the formulation of its new Growth and Poverty Reduction Strategic Framework (GPRSF 2007-2011). The Government has made progress through implementation of reform of the financial and judicial systems. In addition, it has strengthened donor coordination through the organization of periodic meetings and formation of thematic groups, including the group of donors participating in general budget support. More recently, the TFP Common Country Assistance Strategy (CCAS) 2008-2011 was put in place; it is the common framework for cooperation between the Government and the donors (cf. para. 3.6.2).

1.2 This mid-term review is aimed at informing the Boards on the implementation of the strategy and ensuring that the Bank's interventions remain well in line with the country's major challenges. Thus, the RBCSP will cover the 2008-2011 period so as to fit into the same time line as the 2008-2011 GPRSF and ADF XI. The report discusses the country's recent political, economic and social developments in section 2. Section 3 presents the mid-term results of the implementation of the country strategy, while section 4 draws lessons from such implementation both for the Government and for the Bank. The Bank's strategy, which remains unchanged, is presented in section 5. Lastly, section 6 presents the conclusions and recommendations.

II. CONTEXT AND RECENT DEVELOPMENTS

2.1 Recent Political Developments

2.1.1 **Significant progress was recently made in the democratic process.** The current political climate is conducive to pursuance of implementation of the Government's poverty reduction programme. Indeed, after the first five-year term of office (2002-2007), President Touré was re-elected in April 2007. The July 2007 legislative elections were won by the coalition of parties of the presidential majority. This succession of elections conducted without a hitch consolidates the democratic process and creates an enabling political climate for implementation of more far-reaching reforms, as well as a more rigorous orientation of economic and social policies.

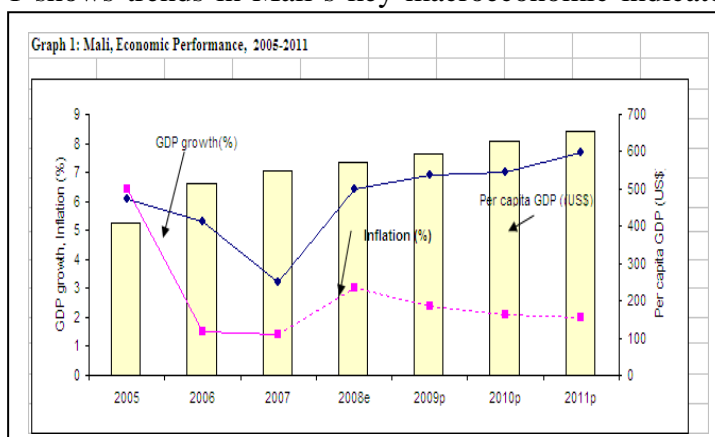
2.1.2 **However, pockets of conflict remain in the region of Kidal (in the North).** A peace agreement was signed in Algeria between the Tuareg rebels and the Government in July 2006. Unfortunately, this agreement was violated and the rebels continue to attack the military installations of this region. The negotiation process was relaunched by the Government in June 2008 with the help of the Algerian mediator.

2.2 Recent Economic and Social Developments

2.2.1 The Government's objective is to reduce the incidence of poverty from 59% in 2005 to 31.5% in 2015. To that end, in 2006, it adopted its second generation poverty reduction strategy², the Growth and Poverty Reduction Strategic Framework (GPRSF) which covers the 2007-2011 period. The GPRSF seeks to promote redistributive growth and poverty reduction through revitalization of the productive sectors and consolidation of public sector reforms. It is based on the following three strategic thrusts: (i) development of infrastructure and the productive sector; (ii) pursuance and consolidation of structural reforms; and (iii) strengthening of the social sector. The Government has defined growth and employment as explicit objectives and conditions required for poverty reduction. Priority is given to strategies in support of growth-oriented sectors and infrastructure. The satisfactory implementation of the ongoing GPRF has guaranteed stability of the macroeconomic framework, and ensures better implementation of GPRSF 2007-2011, through structural reforms in the cotton, energy telecommunications and financial sectors.

2.2.2 The performance of the Malian economy was satisfactory between 2005 and 2007, but remains fragile. Graph 1 shows trends in Mali's key macroeconomic indicators

between 2005 and 2011. Real GDP growth between 2005 and 2007 was about 4.8% on average. Such growth is, however, very fragile and subject to external shocks and the vagaries of the weather because the economy is heavily dependent on cotton and gold and, to a lesser extent, on livestock. In 2007, the real GDP growth rate was 3.2% as against 5.3% and 6.1% in 2006 and 2005 respectively. The slowdown in growth in 2007 is to a large extent due to the situation of the cotton sector which keeps on deteriorating and to the climatic conditions. In contrast, 2006 was marked by abundant rainfall and record production of gold. There was a deficit trade balance in 2007 (about -2.2% of GDP) as against a surplus balance in 2006 (1.2% of GDP), mainly because of the decline in gold³ and cotton production. Foreign exchange reserves decreased in 2007 compared to the record level of 2005-2006, and covered only about six months of imports. Credit to the economy dropped slightly by nearly 0.8% in 2007 mainly because of the less favorable economic environment.



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2.2.3 Inflation was controlled within a context of the upsurge in oil prices, due to prudent management of the oil tax and money at the regional level within the framework of WAEMU multilateral surveillance. Inflation was about 2.1% in 2007, but it stood at around 6% in 2008 **because of the rising prices of food products** on the international market. However, the situation is expected to improve in 2009. In fact, in addition to exemptions and import facilities granted to traders to address specifically the food crisis, the Malian Government urgently formulated the "**Initiative Riz**" (Rice Initiative) the main objective of which is to achieve, during the 2008-2009 crop year, a production of 1.6 million tonnes of

² The first Poverty Reduction Strategic Framework (PRSP), the final form of which was adopted in May 2002, covered the 2002-2006 period.

³ The production of gold dropped in 2007 because some gold mines faced temporary problems related to the presence of formations of rocks which slowed down the operation of the mines considerably.

paddy rice, or one million tonnes of marketable rice, compared to the current annual average of 730 000 tonnes. The proposed strategic approach concerns the choice of irrigated rice and development of the growing of the NERICA variety for which the Bank had already approved, in 2003, a multilateral support project in West Africa.

2.2.4 The good macroeconomic performance and the excessive public debt burden enabled the country to be eligible for the HIPC Initiative and the Multilateral Debt Relief Initiative (MDRI)⁴. Mali was eligible for the Heavily Indebted Poor Countries (HIPC) Initiative in 2000 and started benefiting from reduction of its debt. The debt service ratio thus dropped from 12.8% of GDP in 2000 to 6.8% of GDP in 2002. After the implementation of additional structural measures in agreement with the Bretton Woods institutions, the country reached the completion point in March 2003 and thus saw its total external debt decline by 29%. Furthermore, Mali benefited from the MDRI. The resources released under the HIPC and MDRI initiatives are used, as a matter of priority, for expenditure in the areas of education, health and rural development⁵.

2.2.5 The level of public debt is sustainable. With the implementation in 2006 of the cancellations under the HIPC and MDRI, Mali's debt represented only 20.0% of GDP in 2006 compared to 48.8% of GDP in 2005. Debt service mobilized only 3.7% of GDP in 2006. In 2007, the public debt ratio was 22.6% of GDP and debt service 3.4% of GDP. Total cancellation for 2006 was CFAF 1 085.2 billion under the MDRI and CFAF 20.5 billion under the HIPC Initiative. Thus, the total outstanding debt at the end of 2006 dropped to CFAF 745.7 billion and the outstanding public debt /GDP ratio stood at 23.2% as against 60.0% in 2005.

2.2.6 Public financial management has improved, but efforts still need to be made. The Government pursued reforms required for improving public financial management by strengthening the budget framework (budget and accounting nomenclature and classification) and budget preparation, particularly the implementation of MTEFs which align the macroeconomic and budget frameworks. In 2005, the Education and Health sectors prepared and adopted their MTEFs, and those of Agriculture, Water and Transport were prepared and adopted in 2007. In budget execution, interconnection between the key departments of MEF in charge of the budget and, in particular, the creation of a shared database covering the entire expenditure channel was an important step in the enhancement of budgetary transparency. Concerning revenue, AFRITAC provides technical support to revenue offices for the development of a computerized integrated revenue system to ensure proper tracking of resources and improvement of budget estimates. Despite the progress made, weaknesses in budget execution do not allow for optimal utilization of public resources. To remedy this situation, the Government undertook, with the support of partners, public expenditure and financial accountability (PEFA) reviews in January 2007, the recommendations of which are being implemented.

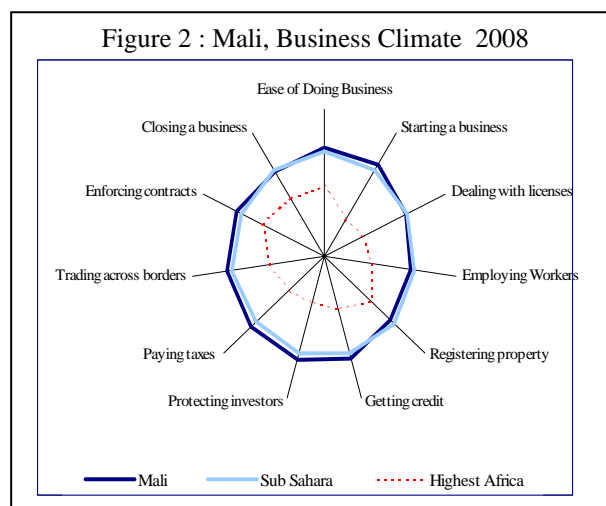
⁴ The MDRI was put in place by the group of 8 of the world's most industrialized countries (G8) in July 2005 with the objective of completely cancelling all debt contracted from multilateral agencies before 1 January 2005. It is worth pointing out that 68.5% of Mali's external debt is contracted from multilateral creditors.

⁵ In the case of the HIPC Initiative, HIPC resources are included in the budget and are consistent with PRSF priorities. They are also entered into a Special Account opened in the books of the BCEAO to help trace their utilization in a separate report that the Government shall always present for its contractual obligations. The 2005, 2006 and 2007 budgets are in line with the PRSF priorities. The shares of the total budget allocated to the Education and Health sectors increased significantly (7.8% in 2006 compared to 6.8% in 2005 for Health and 16.69% in 2006 as against 15.3% in 2005 for Education).

2.2.7 Structural reforms are being implemented gradually. To guarantee the stability of the macroeconomic framework and ensure better implementation of GPRSF 2007-2011, the Government adopted an accelerated growth strategy for the 2008-2012 period and is accelerating the implementation of structural reforms in the cotton, energy, telecommunications and financial sectors. Regarding cotton, with the accumulated deficits of nearly CFAF 100 billion of “Compagnie Malienne de Développement des Textiles” (CMDT) (Malian Textile Development Company), the Government decided to strengthen the CMDT privatization process by opening up its share capital to national and foreign private concerns and controlling the cost of production. With regard to reforms in the water and electricity sectors, “Energie du Mali” (EDM) in which the State is the majority shareholder following the departure of the multinational SAUR, tariff studies, as well as investment plans and audits are under way so as to carry through the new privatization. Concurrently with reforms in these sectors, the Government is pursuing reform of the *financial sector*. In the short term, the key measures concern improvement of the portfolio of banks, the strengthening of surveillance, and supervision of microfinance structures.

2.2.8 The business climate improved remarkably in 2007, but is still under-

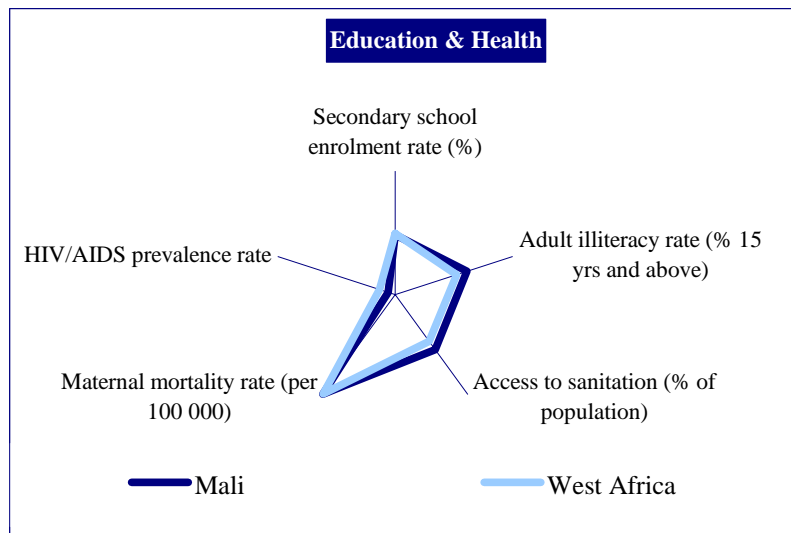
competitive. According to “*Doing Business 2008*”, Mali, though improving its ranking by 11 places compared to 2006, ranks 155th out of 175 countries. Graph 2 (opposite) compares Mali’s key indicators of the survey “*Doing Business*” of the World Bank with those of West Africa. On average, Mali is at the same (low) level as the countries of the region with the exception of the cost of lay-off of employees which is much lower in Mali. Thus, the development of the private sector remains a major challenge for the success of the Government’s economic and social development policies. In this



regard, it has embarked on the formulation of a Private Sector Law which is expected to be the single framework for all stakeholders. The finalization of this framework for the development of the private sector is however far behind schedule regarding its adoption by the Government. Numerous measures have been taken, including the review of the investment, tax and customs codes, and several support projects and programmes for the creation and development of private enterprises have been implemented. An agency for investment promotion in Mali has been set up.

2.2.9 Economic growth in recent years has had little impact on the standard of living of households. Dialogue engaged by development partners under the HIPC and MDRI initiatives enabled the Government to make significant progress in the improvement of social indicators relating to the sectors of education, health, water supply and sanitation and broad-based social security. The share of the national budget allocated to these sectors is steadily increasing at the rate of one percentage point every year. However, the incidence of poverty dropped by only five points, from 63.8% in 2001 to 58.7% in 2006 as against a target of 47.5%. There is a significant gap between rural areas (73.0%) and urban areas (20.1%). The MDG poverty incidence target of 47.5% in 2006 has therefore not been achieved. If these trends continue, Mali would not be able to achieve the MDGs in 2015. Graph 3 (opposite)

compares Mali's social data with those of West Africa. Despite the differences in per capita income, Mali ranks mid-way among countries of the region. However, enormous efforts still need to be made to improve these indicators. The UNDP 2007 Human Development Index ranks the country 173rd out of 177 countries. In



the education sector, progress made in increasing the primary education enrolment ratio and improving the girls/boys ratio is contrasted by the poor quality of education, and the still low literacy rate. Similarly, in the health sector, in spite of investments in health infrastructure, access to care and the rate of use of such infrastructures remain low. The fertility rate, which is particularly high, is also a major cause for concern for the Government which intends to address it, and all the other population issues under the GPRSF.

2.2.10 The geographical location of Mali, a landlocked country, poses constraints on economic growth. The landlocked situation, interior as well as external, limits the development of the private sector and rural areas. Thus, under-development of the transport sector is the main cause of the low circulation of agricultural products and the private sector production within the country and in the sub -region. With the international food crisis, the opening-up of the production areas and the main rural markets is one of the Government's priorities.

III. MID-TERM RESULTS OF THE BANK GROUP STRATEGY

3.1 Progress towards Achievement of Results

3.1.1 The Bank Group's intervention strategy for the 2005-2009 period is based on the following two pillars: (i) improvement of private sector competitiveness and environment; and (ii) capacity building for the poor and strengthening of their participation in growth. The overall objective was to roll back poverty from 63.8% in 2001 to 47.5% in 2006 and 34% in 2015. The expected outcomes of the RBCSP in 2009, defined in terms of objectives and indicators, centre around: (i) strengthening of macroeconomic stability and good governance, (ii) improvement of the business climate and private sector investments; (iii) pursuance of the deconcentration and decentralization process; (iv) enhancement of access by vulnerable groups to factors of production and employment; and (v) improvement of access by disadvantaged groups to basic social services.

3.1.2 **The intermediate outcomes of the RBCSP are, on the whole, in the right direction even though they are still below the objectives set.** Per capita GDP increased by only 1.8% on average between 2005 and 2007 as against a target of 3% on average. The business climate improved relatively even though the Government still has to make more efforts. It is therefore necessary to underscore several measures that the Government must

strengthen. The decentralization process is making good progress, but the problems of transferring decision-making centres and financial resources persist. The incidence of poverty fell from 63.8% in 2001 to 58.7% in 2006, or a decline by 5 basic points, corresponding to a 1.65% reduction per year over the 2001-2006 period. If this trend continues, the incidence of poverty should be 57.7% in 2007, 55.8% in 2009, and 50.5% in 2015. Although there is a positive trend, the results regarding the incidence of poverty are far below the targets of the strategy and MDGs.

3.2 Progress towards Achievements of the RBCSP

3.2.1 The analysis of the mid-term achievements of the RBCSP takes into account ongoing operations in 2005 (active portfolio) and the new operations which were to be implemented over the period of this strategy. The Bank's operations, which were already underway in 2005 and operations programmed for the 2005-2009 period, are shown in Table 1 opposite. Of the ten new operations planned for the 2005-2009 period, five operations were effectively implemented due mainly to the average size of the country's allocation under ADF X. The detailed analysis of progress per pillar is presented below.

Active Portfolio in 2005	Initial Loan Programme, 2005-2009
Pillar I: Improvement of Private Sector Competitiveness and Environment	
BNDA line of credit	
Djene Cercle Development Study	SAP IV
Baguineda Agric. Development Project	
Rural DWSS Programme	
Bamako's Sanitation Master Plan	
Rural Electrification Study	
Education Dev. Prog. Support Project - Education IV	
Competitiveness and Eco. Diversification Support Programme	
HIV/AIDS Control Support Project	
Good Governance Support Project (PABG)	
Structural Adjustment Support Project - IV (SAP-IV)	
Pillar II: Capacity Building and Participation of the Poor in Growth	
Mopti Region Rural Dev. Support Project	Baguineda II Agric. Development Project
Daye-Hamadj Plains Rural Dev. Support Project	Community Dev. Support Project (PADEC)
Seed Sector Support Project	
Maninkoura Irrigation Area Development Project	Regional Dev. Support Programme (PADER)
North-East Livestock Dev. Support Project	
Kayes-Sud Livestock Production Dev. Project (padepa-ks)	Segou Water Supply Project
Inland Fishery Dev. Support Project	Rural Electrification and Energy Saving Programme
Ansongo Rural Dev. Project	Rural Poverty Reduction Programme
Health and Social Dev. Support Project - Health IV	
Source: ADB	

Pillar 1: Support for improvement of private sector competitiveness and environment

3.2.2 The Bank's operations are aimed at stabilizing the macroeconomic framework and improving governance so as to ensure the development of private investments and public-private partnership (PPP) in major projects (infrastructure, agro-industries and energy). This objective is subdivided into three intervention areas with their respective indicators: (i) macroeconomic framework; (ii) private sector development; and (iii) support for the productive sectors.

Operations financed, 2005-2007	2005	2006	2007	Total 2005-2007
Baguineda II Agric. Dev. Support Project	14,9			14,9
SAP IV	35			35
Community Development Support Project (PADEC)		15		15
Kayes-Sud Livestock Development Support Project			15	15
Regional Development Support Programme (PADER)			10	10
Total ADF-X (2005-07)	49,9	15	25	89,9
Source: AfDB				

3.2.3 **Strengthening of stability of the macroeconomic framework and governance.**

In order to guarantee stability of the macroeconomic framework and governance, the Government, under the GPRF, **has satisfactorily implemented economic and structural reforms in the cotton, energy, telecommunications and financial sectors.** It should be recalled that the Bank had strengthened and restructured its support to Mali after the mixed performance of the 2002-2004 period. Despite the support for the Structural Adjustment Program III (SAP III) between 2002 and 2004, the results of the reform of public finance and the cotton sector were fairly mixed, so much so that the country's economic growth slowed down from 7.2% in 2003 to 2.2% in 2004. This downturn in growth was due mainly to inadequate economic incentives (investment code and producer prices) in the face of falling cotton and gold prices and rising oil prices. To remedy this situation, the Bank took the following measures to back the efforts of the Government: (i) grant of an additional loan to SAP III-PC/SAP III (2004-2005), (ii) implementation of SAP IV (2006-2007); and (iii) restructuring of the Good Governance Support Project (PABG). Support for reforms helped to stabilize the macroeconomic environment with a real GDP growth of 4.8% on average and an average growth of the agricultural sector of 4.2%.

3.2.4 Over the first three years of the strategy (2005-2007), the Bank supported Mali in the implementation of structural and institutional reforms. The Bank's actions were aimed principally at supporting the measures of the Institutional Development Programme (PDI), the PAGAM/GFP, tax and agricultural incentives, as well as control organs. Reforms undertaken to improve and strengthen public finance are important factors in the promotion of governance in the budgetary system, such as the reinforcement of control of budget procedures, the introduction of a WAEMU nomenclature and that for the local authorities, and the integration of accounting with management accounts. Thus, between 2005 and 2007, the country's performance in terms of implementation of structural reforms and macroeconomic planning is satisfactory.

3.2.5 **Private Sector Development:** The implementation of structural reforms supported by the Bank is considered satisfactory between 2005 and 2007. Through the two reform support operations (PC/SAPII and SAP IV), the Bank supported structural reforms required for the development of the private sector and enhancement of private investment. It should be noted that the investment rate was 11% on average between 2005 and 2007, as against a target of 25%. Reforms supported by the Bank's operations include: (i) the rehabilitation of the cotton sector, including acceleration of the privatization of the CMDT by 2008, with the adoption of a privatization plan chosen from several options considered by stakeholders; (ii) the restructuring of the banking sector through the capitalization of BDM and BIM; (iii) the improvement of the investment climate by enhancing the flexibility of the labour market, particularly the creation of industrial zones; (iv) the adoption of the Agricultural Orientation Law (LOA) which strengthened the liberalization process in the agricultural sector; and (v) the revision of the investment and tax codes, which attracted more investors, especially in the mining sector. The reform of the financial sector was initiated by the adoption of measures to strengthen the financial system and by mitigation of the risk of insolvency of banks. These measures enabled Malian entrepreneurs and farmers to have easier access to credit and other sources of finance, as a result of the promotion of economic growth and consolidation of the financial sector.

3.2.6 **Strengthening of dialogue between the Government and the private sector.**

Between 2005 and 2007, the State pursued consultations with private sector partners (banks, employers, consular chambers and various networks) through the activities of the Presidential

Council for Investment, private enterprises fora and economic missions with the support of the PABG. There was also dialogue on the business climate and arrangements relating to the development of public-private partnership (PPP). The country, with the support of TFPs and the Bank, is preparing a PPP project in the sugar sector, that is the Markala Sugar Project, which is expected to benefit from substantial financial and technical support from the Bank.

3.2.7 The business climate improved considerably between 2005 and 2007. The business climate in Mali improved significantly between 2005 and 2007. Mali rose from the 166th position in 2006 to the 155th position in 2007 out of the 178 countries in the World Bank ranking on the business climate. Such improvement of the business climate is also reflected by the volume of exports and direct investments. Hence, exports and foreign direct investments recorded an average increase of 8% and 21% respectively between 2005 and 2007 compared to 2004.

3.2.8 Support for the productive sectors. The Bank supported the productive sectors through the development of infrastructure. To help Mali reduce the cost of factors of production and increase the rate of electrification, construction of modern roads and access to the telecommunications network, the Bank is cofinancing various road, energy, irrigation, regional development and economic zone projects⁶. To this end, the regional cotton sector support project is aimed at rehabilitating the sector and improving its competitiveness in order to reduce the vulnerability of farmers to fluctuations in world cotton prices. The specific impacts of these projects are presented in detail in 3.2.11.

Pillar 2: Capacity building for the poor and strengthening of their participation in growth

3.2.9 This pillar is aimed at operationalizing the Government's decentralization and regional development strategy. Through this process, the Bank intends to: (i) encourage the creation of growth, employment and income-generating opportunities in poor rural areas with a high agricultural potential; (ii) contribute to reducing inequalities within the population; and (iii) empower local governments by accelerating partnership with the State and with the private sector in the areas of sustainable environmental and natural resource management. This pillar is subdivided into three intervention areas: (i) decentralization; (ii) creation of job and income-generating opportunities for the poor; and (iii) capacity building for the poor in sustainable natural resource management.

3.2.10 Acceleration of the deconcentration/decentralization process. Bank support enabled the Government to accelerate its programme of decentralization and empowerment of local communities. Support for reforms under PC/SAP III, SAP IV and PABG reinforced the process and management of transfer of responsibility (institutional, budgetary and financial mechanisms)⁷. All the regions and councils have their development plans and budgets. Investments are channelled through the Government, Ministerial implementation agencies and the National Agency for Local Authorities Investment (ANICT). Local Development Programmes (LDPs) are implemented, though effective transfer of responsibilities and financial resources has been slow. The Decentralization and Regional Economic Development Support Programme (PADDER), which supports local governance and regional development, was also approved in September 2007 to reinforce acceleration of the process by providing local authorities with technical and financial support mechanisms

⁶ For the specific list of projects, see Annex 4.

⁷ Thus, the transfer of resources to communities started under the budget for the 2007 fiscal year, to supplement the transfer of authority already effective in the health, education and water supply sectors.

for the management of their LDPs. Such concerted efforts helped to enhance governance at the level of local authorities. Lastly, Bank support enabled the Government to enhance local governance.

3.2.11 Improvement of employment and income-generating opportunities for the poor. The Bank contributed to the agricultural sector reform. Bank intervention⁸ contributed to the development of 3684 ha of land through an increase in irrigated areas and the development of support infrastructure to ensure the use of the developed land and intensify agricultural production. The agricultural projects are supported by micro-credit systems. Thus, nearly CFAF 13.3 billion worth of micro-credit was granted to promoters in the agricultural sector. SAP-IV backed the Agricultural Orientation Law with specific reforms on land security, irrigation and integrated water management. The Bank encourages farmer structuring investments by strengthening associations and professional organizations, and settling populations on their land through construction of basic infrastructure for rural water supply schemes and electrification as a factor for agricultural production and development of non-agricultural income-generating activities for the benefit of grassroots communities. The Bank thus contributed to strengthening the institutional, technical and financial capacities of the Decentralized Financial Systems (DFS), as well as improving access by rural populations to socioeconomic services (serviced lands, seeds, rural water supply and electrification, sanitation, and feeder roads).

3.2.12 Improved access to basic infrastructures and services: The Baguinéda agricultural development project and the rural DWSS programme contributed to improving access by rural populations to basic infrastructures. Both projects encouraged the design of community facilities centred on the development of multi-functional platforms, rural electrification and water supply initiative. In this connection, village water supply facilities were constructed to improve access by the population to water, and thus boost the development of rural communities. About 243 wells were completed thanks to the Bank in Kidal and Gao regions. These structures provide access to drinking water for about 102 000 persons out of a target of 172 400 persons.

3.2.13 Bank operations also took into account the environment. Bank operations, classified under environmental category I or II by virtue of their nature or as a result of the physical features of the country, are the subject of an environmental and social management plan (ESMP) (category II) or a specific report (category I) submitted to the Board three months prior to presentation of the report to the Board. Players in **PPP operations** also have to show proof of their environmental and social responsibility (ESR).

3.3 Other Impacts of the Bank's Strategy

The implementation of the Bank's strategy had positive externalities on the status of women in Mali, either through water supply and sanitation projects or through agricultural development projects (Baguinéda agricultural development project II, South Kayes Livestock Production Support Project, etc.). Indeed, as regards access to drinking water, women and especially girls are most often occupied with fetching water for household daily chores. The sinking of wells reduces the time devoted to such tasks, and children can go to school, for instance, with less constraints. Similarly, irrigation and agricultural development projects also free women from daily routine farm work, and they can thus devote themselves to other activities.

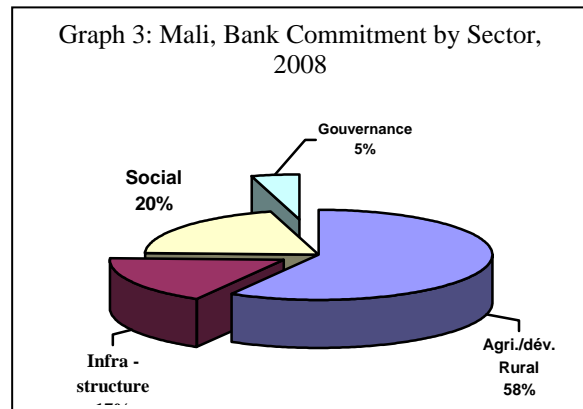
⁸ See list of rural development projects in Annex 4.

3.4 Resource Mobilization Issues

The allocation of resources to Mali under ADF X (2005-2007) stood at UA 89 million, and under ADF XI, the country's allocation has been increased by about 52.8% compared to ADF X. For the second part of the strategy period, Mali's allocation under ADF XI stands at UA 136 million, in the form of loans because of the country's debt sustainability. Such increase in resources can be attributed to the improvement of the country's performance in institutional, economic and social management (EPIP) by nearly 6.3%, close to 25% improvement in portfolio management, and close to 5.9% increase in the population over the period.

3.5 Portfolio Management Issues

3.5.1 The overall financial execution rate of the Bank's portfolio increased from 35.5% in March 2008 to 39.0% in October 2008 due to closer monitoring of the portfolio by the Bamako Country Office. The Bank's active portfolio in October 2008 comprised 26 operations, including two operations approved but not effective, and six projects at risk (i.e. 24% of portfolio projects). In terms of amounts committed, the projects account for about 40.1% of the amount committed by the Bank. The October 2008 portfolio review conducted by the Bank's office in Mali helped



to identify the potential problems and take measures to improve the implementation of projects. The breakdown of the portfolio, as presented in Graph 3 opposite, shows that the agricultural sector (58%) is by far the highest in the Bank's portfolio. Next in line are the Social (20%), Infrastructure (17%) and Governance (5%) sectors respectively. The total amount of Bank loans for the current portfolio stands at UA 267.2 million, including UA 104.3 million already disbursed. In terms of disbursements, the overall disbursement rate of the portfolio stands at 39.0%, with a 51.2% disbursement rate for the agricultural sector.

3.5.2 There are still problems with the implementation of the portfolio, but the Country Office is expected to make a decisive positive contribution. Despite the operationalization of activities of the Mali Office, there are still

Table 3: Mali, Overview of the Bank's active Portfolio as at October 2008

Sector	No of operations	Amount committed (UA)	Amount disbursed (UA)	Disbursement rate
Agriculture and Rural Development	15	155,720,000	79,754,087	51.2%
Infrastructures (road, electricity, DWS)	4	46,103,000	5,939,026	12.9%
Social	4	53,290,000	16,956,320	31.8%
Governance	3	12,100,000	1,561,548	12.9%
Total	26	267,213,000	104,210,980	39.0%

persistent problems such as : (i) considerable delays in effectiveness of loan or grant agreements after their signature; (ii) bottlenecks in the procurement process at the level of Government services and the Bank; (iii) slow processing of files submitted to the ADB; (iv) unsatisfactory performance of some projects; (v) misunderstandings concerning justification by contracting parties for expenses to be refunded; and (vi) the substantial loss caused by the continuous drop in the exchange rate between the Unit of Account (UA) and the CFA franc and the increased cost of materials.

3.5.3 Measures have been taken to improve the portfolio. The Bank has reviewed its internal organization so as to help the country better. The search for synergy between the Bank's departments, on the one hand, and the sectors, on the other hand, has become a priority whose management is assigned to the Country Regional Department. The Mali office contributed significantly to the consolidation of dialogue between the Bank and the authorities. In addition, in order to resolve specific problems identified during the May 2008 portfolio review, the following measures were taken: (i) accelerate the implementation of projects to enable disbursement of funds as early as possible; (ii) ease and reduce the number of pre-conditions to be fulfilled by the country; (iii) enhance control of procurement procedures by project management units, prepare procurement and disbursement plans, and closely monitor the processing of files in the approval and signature channel; (iv) assist projects upstream to ensure that files are well prepared before they are sent to the Bank, and strengthen the delegation of authority to field offices; (v) set quantitative objectives to be achieved by project coordinators in terms of the number of contracts and increase in the disbursement rate, and organize periodic meetings alternatively with the Government and at the level of the Bank's Country Office to review the status of projects; and (vi) call on service providers to strictly comply with contract provisions by attaching supporting documents to their requests for payment.

3.5.4 A pilot experiment is underway since October 2008 between an OSAN Division and MLFO, based on the delegation of some portfolio management activities to MLFO, in accordance with the operational guidelines on decentralization, notably Section 9.2 thereof. This section stipulates that some project management activities may be delegated to Field Offices by mutual agreement, where the capacities and skills exist. At the end of the experiment, lessons will be drawn to determine whether it can be replicated.

3.6 Aid Coordination and Harmonization

3.6.1 The Bank has become a key player and an efficient partner in aid coordination and harmonization. The opening of the Country Office in Mali (MLFO) in 2005 helped to increase and facilitate the Bank's participation in coordination efforts with other Technical and Financial Partners (TFP). Coordination henceforth covers all stages of the project cycle. Each TFP has assumed leadership in a key sector of the economy. By virtue of its comparative advantage, the Bank has assumed leadership in the energy sector.

3.6.2 The Bank participated in the preparation of the Common Country Assistance Strategy (CCAS) of the TFPs, which is a common cooperation framework between the Government and Donors. The CCAS stems from the political will of the Financial and Technical Partners (FTP) of Mali to thoroughly change their aid and implementation conditions by developing a new collective approach to support the Government's Growth and Poverty Reduction Strategic Framework (GPRSF). The CCAS is a strategic document that defines the major guidelines for the support which will be provided by the TFPs for the implementation of the GPRSF and the working principles to be followed by them in Mali over the 2008-2011 period. It is the common framework within which the strategies of each institution, including the Bank, falls without entailing legal consequences for the signatory TFPs. The CCAS will be approved by the Government in 2009. Annex 9 presents the areas of intervention of each donor in Mali. The table allows for the coordination of actions by partners in Mali. For instance, the World Bank intervenes in 9 sectors, the UNDP in 6, the EU in 7, and the Bank in 7 sectors.

3.6.3 The Bank is implementing the decisions of the Paris Declaration. As regards implementation of the Paris Declaration, in 2007 the Bank joined the group of donors providing general budget aid. Within this framework, partners carry out joint budget support review missions and joint studies, and work towards the formulation of common monitoring and reform matrices. The mid-term review was an opportunity for a broad-based consultation with other development partners. In addition, the Bank most often uses national systems to implement its projects (the project implementation system, the monitoring report system, audits). Such use of national procedures was reinforced with the opening of the Country Office of the Bank.

3.7 Monitoring and Evaluation of Bank Group Assistance

3.7.1 The monitoring and evaluation system comprises three pillars, in line with the intervention areas: (i) national system based on the Growth and Poverty Reduction Strategic Framework (GPRSF), MDGs and the various reform programmes; (ii) individual or concerted TFP assessments; and (iii) Bank Group's specific system based on the ADF results measurement framework.⁹ The Bank is involved at all levels, although its action is more in line with the country's single, which all stakeholders use for purposes of harmonization. The country's information system forms the basis, supplemented by data from TFPs and the Bank's administrative sub-products. The system is also based on performance indicators under the PRSF/GPRSF.

3.7.2 Despite the Bank's adherence to the results-based management approach, the existence of a new generation of Results-Based Country Strategy Paper and the systematic use of logical frameworks in the appraisal of any new project, the monitoring and evaluation mechanism is still faced with a number of constraints, including: (i) the absence of benchmark situations for most indicators; (ii) the non-existence of a work culture with result indicators; (iii) the unrealistic nature of some of the selected indicators; and (iv) the non-consideration of indicators contained in performance contracts. With the commitments made during the conclusion of the ADF XI cycle, notably the quality of the results framework, the consideration of benchmark data, the systematic use of supervision and completion reports, the Bank has resolutely embarked on establishing efficient project/programme monitoring and evaluation systems. This requires strengthening of the mechanisms existing in the country and the Project Implementation Units.

3.7.3 The strengthening of the human capacities of the Country Office should allow for closer monitoring of projects and better assessment of progress made in the implementation of the strategy. However, to ensure closer alignment of the Bank's strategy monitoring framework with the monitoring and evaluation framework of the GPRSF-II implementation plan, it would be advisable to review some of the Bank's monitoring indicators to better align them with GPRSF-II. This review proposes a group of strategy monitoring indicators for the remaining period (see Annex 2) because the RBCSP had some vague and sometimes hard-to-monitor indicators. This review proposes indicators, where necessary, to remedy this shortcoming.

⁹ See "The ADF Results Measurement Framework Paper", ADF/BD/WP/2006/05 of 6/1/2006 and the latest report "Results Reporting for ADF X and Results Measurement Framework for ADF XI, December 2007, conducted by Ellen Goldstein, ORWB Director.

IV. MID-TERM LESSONS

4.1 Lessons for the Bank

4.1.1 Maintain the current pillars of the Strategy and align the period with that of GPRSF 2007-2011. In 2006, the Government adopted its new Growth and Poverty Reduction Strategic Framework (GPRSF-II) 2007-2011. The pillars of the Bank's 2005-2009 strategy are still aligned with the strategic thrusts of the Government's new development framework. Thus, the pillars of the Bank's strategy must be maintained as such for the rest of the period. It is, however, necessary to reinforce pillar 1 and refocus pillar 2. Some of the Bank's activities under the pillars, especially the business climate, will be reinforced through the improvement of good governance and public finance management. In addition, rural development will be supported by pillar 2 through improved village water supply and the development of irrigation and rural infrastructures. Such reinforcement of the pillars of the strategy calls for a review of some of the monitoring indicators of the strategy to enable them to better support those of the GPRSF.

4.1.2 Improve and harmonize performance indicators. Generally, the performance indicators chosen by the Bank should be simple and easy to monitor with a baseline situation and a target to attain. Some of the indicators may be included in performance contracts, and will be subject to special monitoring in the quarterly and annual reports, as well as during mid-term supervision and review missions. Specifically, the Bank should reinforce its participation in the preparation of a concerted monitoring indicators system.

4.1.3 Inculcate a culture of results for Bank projects. In order to improve the implementation and performance of its portfolio, the Bank should put in place a capacity building programme for project executing agency coordinators so as to promote a culture of results.

4.1.4 Form multidisciplinary teams for the launching of projects. In order to reduce project start-up delays, the Bank should reinforce project launching missions in order to sensitize the various stakeholders on project implementation procedures. In addition, the Bank must supervise projects for the preparation of disbursement requests and reduce internal delays in the processing of project files. Deadlines have been set for project managers in the processing of files arriving at their level.

4.1.5 Strengthen the human and material capacities of the Country Office. Such capacity building will allow for better monitoring of the implementation of the Bank's strategy and more regular dialogue with the Government and development partners.

4.2 Lessons for the Government

4.2.1 Improve coordination of official development assistance in the various Ministries. It is important for the Government to exercise strong leadership in the coordination of donors for purposes of efficiency and effectiveness of official development assistance. In the same vein, such coordination must also be exercised at the level of Ministerial structures in order to harmonize dialogue between donors and the Government. It is in this light that Government must implement the 2007-2009 National Action Plan on the effectiveness of official development assistance and operationalize the Aid Harmonization Secretariat.

4.2.2 **Be pro-active in the implementation of the Bank's projects.** The Government must ensure compliance with Bank project implementation and disbursement conditions in order to avoid the enormous delays which slow down project effectiveness

4.2.3 **Improve the monitoring and evaluation system.** The monitoring mechanisms put in place at the level of the Poverty Reduction Programme Monitoring Unit and at the level of sector Ministries and projects still have shortcomings (definition of monitoring indicators, basic data and targets often absent). The Government should take measures, including the strengthening of human and material capacities, to revitalize the mechanisms as well as develop the national statistical system through implementation of the statistical master plan.

V. BANK GROUP STRATEGY FOR THE 2008-2011 PERIOD

5.1 Consultations with Stakeholders

5.1.1 The mid-term review of the strategy was an opportunity for broad-based consultations with Malian authorities in September 2007 and April 2008, with regard to the relevance of the Bank's intervention and its alignment with the Government's strategy, the 2007-2011 GPRSF. The review was also conducted within the context of allocation of ADF XI funds. The Government expressed the wish to see the Bank maintain and strengthen its current orientations and, as regards the Paris Declaration, to align the time line of the strategy with that of the GPRSF.

5.2 Strategy for the Remaining Period

5.2.1 **The Bank's strategy remains unchanged with regard to its objectives and pillars, but is extended by two years to cover the 2008-2011 period.**

The mid-term review was an opportunity for a broad-based consultation with Malian authorities, the civil society and TFPs. Discussions focused mainly on the relevance of the Bank's intervention, the mid-term results obtained

Project	Projected year of presentation to the Board of Directors	Indicative Amount (UA million)
Pillar I: Improvement of private sector competitiveness and environment		
PABGEM (Budget Support)	2008	33
Pillar II: Capacity building for the poor and strengthening of their participation		
DWSS II	2008	22
Markala Sugar	2008	20
Irrigation	2009	40
Road	2010	15
Regional electrification Mali CI	2010	6
Total ADF XI (2008-2010)		136
Rural Electrification	2011	30

Source: AfDB

and alignment with the Government's poverty reduction strategy. On the whole, the 2005-2009 RBCSP orientations, which were already aligned with the 2002-2006 PRSF, are also aligned with the Government's new strategy, the GPRSF. However, some indicators were updated to take into account measurement difficulties during monitoring and evaluation carried out by the Government and the Bank. In line with the Paris Declaration on the alignment of aid with countries' strategies, the period covered by ADF XI and at the request of the Government, the remaining period of the strategy will be from 2008 to 2011. Table 4 above shows the new operations of the Bank over the remaining period of the strategy.

5.2.2 With Pillar I “Improvement of the private sector environment”, the Bank is reaffirming its will to support the private sector in synergy with a healthy public sector and macroeconomic framework. This pillar refocuses the Bank’s activities on private sector development. The Bank, through this pillar, aims at: (i) boosting good governance so as to make the business climate conducive to development; (ii) improving the competitiveness of the private sector in a more direct manner. Indeed, since the business climate depends heavily on macroeconomic stability and public sector management, the Bank will support the Government in improving public finance management and transparency so as to enhance the competitiveness and environment of the private sector. In addition, the Bank will support the Government in improving access by the private sector to factors of production and financial services and in promoting the development of the services sector, including New Information Technologies (NIT) services.

5.2.3 The Bank’s support through this pillar will be in the form a new budget support operation (PASCPR), in addition to the ongoing operations. The objective of the new operation is to contribute to the improvement of: (i) public finance management; (ii) transparency in public procurement management; (iii) access by the private sector to financial services and stabilization of the sector; and (iv) State reforms as regards decentralization, deconcentration and public finance.

5.2.4 The Bank will support Mali’s policy on opening up the country through pillar 1 by implementing the regional roads and Côte d’Ivoire/Mali electricity interconnection programmes. Under its policy relating to the promotion of economic cooperation and regional integration, the bank Group will continue to support Mali in financing operations with multilateral and ADF XI resources. The Bank’s support will be through a regional electrification interconnection project with Côte d’Ivoire and a multinational road project (PR1). PR1 (Bougouni-Sikasso) aims at improving accessibility to the ports in Ghana, promoting economic activities and private sector development, and reducing transport costs through measures to facilitate transit and road transport. Furthermore, the Bank will, subject to availability of resources, finance other multinational projects such as the Rehabilitation of the Bamako-Dakar railway line (Mali/Senegal) and the Kiffa-Selibabi-Kayes road project (Mauritania/Mali).

5.2.5 Pillar 2 of the Bank strategy will consist in “the promotion of rural development” The Bank’s objective through this pillar is to continue its social development and rural infrastructure support. The Bank will thus seek to improve access by the population to basic infrastructures (drinking water, sanitation etc.), and increase agricultural production (irrigation, arable land, Markala Sugar Project). Furthermore, the Bank will continue to support the Government in its policy to improve agricultural productivity and diversification. Lastly, the Bank will also continue its support for the empowerment of local populations by backing programmes for the decentralization and deconcentration of Government activities in the regions. In terms of impact on rural development, and more particularly on agricultural production, the Bank intends to contribute mainly to the achievement of the following results by the RBCSP time line: (i) rice self-sufficiency for the country; (ii) improvement of arable land use; (iii) improvement of infrastructures to access water and sanitation.

5.2.6 Three new Bank operations (see Table 4) will be implemented 2008 and 2011 to support pillar II: the Irrigation Development programme in Bani Basin and Sélingué (PDI-BS), the Markala Sugar Project, and the Water Supply and Sanitation Project for Gao, Koulikoro and Ségou regions (DWS II). Consequently, the PDI-BS aims at enhancing food

security and poverty reduction; particularly, it will help to increase the agricultural production on a sustainable basis through the development of 32,080 ha, including 24,540 ha for rice cultivation. It will also participate in the rationale management of water resources and significantly increase the incomes and improve the standard of living of the population. Thus the programme will directly affect nearly 12,000 farmers, with some 100,000 to 110,000 people whose net incomes will increase by 250%. This is objective is in line with the Government's immediate response to the food crisis which aims at increasing rice production in the short term.

5.2.7 The Markala Sugar Project has two components: (i) the agricultural component, which will be financed through concessional funds and will develop irrigated land of about 14 000 ha for sugar cane plantation; and (ii) the industrial component that will establish a sugar cane processing plant to produce 170,00 tonnes of sugar, ethanol and electricity. This is the first public/private partnership (PPP) project financed by the Bank in the country. At the local level, this project will have a significant impact on the economy of Ségou region. It will help to improve the standard of living of the local population through the creation of 7,200 jobs, malaria control and the development of social infrastructures such as schools and health centres.

5.2.8 The drinking water supply project (DWS II) aims at contributing to the improvement of the socio-economic conditions of rural and semi-rural populations. Specifically, the project will give priority to improvement of access to drinking water and sanitation in rural and semi-rural areas in the three target regions (Gao, Koulikoro and Ségou). The project will directly meet the needs of about 442,000 people as regards access to drinking water, about 108,000 people as regards access to family sanitation and 16,500 people as regards access to collective sanitation. The construction of DWS structures will help to increase the average access rate to drinking water for the targeted populations from 49% to 56%, and as regards sanitation, increase the average access rate from 5% to 7%.

5.3 Country Dialogue Issues

5.3.1 In terms of non-project support, the Bank will provide technical assistance for studies and institutional support. Table 5 opposite presents in brief the indicative list of the technical assistance operations that the Bank could provide between 2009 and 2011. This assistance will be in the form of technical and sector studies to guide the

Theme of the study (ESW)	Year
1. Private sector and labour market survey	2009
2. PPP methodological guide survey	2009
3. GPRSF Technical Assistance	2009-2010
4. Debt viability study	2010
5. Energy survey	2011
Source: AfDB	

sector policies of the Bank and the Government. Dialogue with the authorities will also focus on: (i) restructuring of the cotton and agricultural sectors; (ii) structural reforms in the public sector; (iii) improvement of good governance and social security issues; (iv) improvement of the business climate and development of the private sector; (v) preparing the Government for possible Public-Private Partnership (PPP) negotiations; management and monitoring of Bank portfolio; (vi) monitoring and evaluation of the GPRSF; (vii) NEPAD and regional integration; and (viii) monitoring the achievement of the MDGs.

5.4 Risks and Mitigation Measures

5.4.1 **The instability in the Kidal region may have a significant impact on the Government's development programme.** In addition to the risks identified during the formulation of the 2005-2009 RBCSP, the majority of which are still topical¹⁰, the prevailing instability in Kidal region could be cited as a minor potential risk. The Bank therefore encourages the Government to pursue its efforts to resolve the conflict.

5.4.2 **The current food crisis and soaring oil prices are weakening the progress made by Mali in recent years.** The upsurge in the prices of foodstuffs poses the risk of food insecurity in a country which depends heavily on imports. The Government has taken strong measures to resolve the problem by setting up a rice initiative programme.¹¹ The measures taken by the Government seem to yield positive results for 2008, given the prospects of good cereal harvests recorded by the country. For its part, the Bank will support the Government by restructuring its agricultural project portfolio in order to release resources to finance seeds and fertilizers. Such financing will be within the context of micro-credit components of the following projects: (i) the NERICA Project worth UA 2 290 million; (ii) the Daye-Hamadja-Koriome Plains Rural Development Support Project (PADR/PDHK) (UA 0.264 million); (iii) the Ansongo District Rural Development Project (PRODECA) (UA 0.313 million).

VI. CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

6.1.1 During the strategy implementation period, the Government of Mali put in place a new 2007-2011 GPRSF. The 2005-2009 RBCSP, which was aligned with the PRSF, remains aligned with the pillars of the new GPRSF. This review proposes the reinforcement of Pillar 1 and refocusing of Pillar 2 for greater efficiency and response to the GPRSF. Thus the pillars are reformulated as follows: (i) Pillar 1: "Improvement of private sector environment"; and (ii) Pillar 2: "Promotion of Rural development". The strategy period has been extended by two years to align the Bank's strategy with the time line of the Government's 2007-2011 GPRSP and to ensure better alignment with the implementation of the Paris Declaration. The result indicators have also been reinforced in order to better monitor the impacts of Bank operations and to be better aligned with those of the GPRSF.

6.2 Recommendations

6.2.1 The Boards are invited to approve the strategy as reinforced and the programming proposed for the 2008-2011 period on the basis of the ADF XI allocation.

¹⁰ (i) Poor macroeconomic, institutional and administrative framework; (ii) slowness in the implementation of reforms likely to contribute to improving governance; and (iii) seriousness of the problems of water control which may be compounded by natural phenomena like drought, irregular flood levels or locust plague;

¹¹ The main objective of the Rice Initiative is to achieve, during the 2008-2009 crop year, a production of 1.6 million tonnes of paddy rice, or 1 million tonnes of marketable rice. The implementation of this initiative will help Mali to meet its domestic food needs estimated at 900,000 tonnes and be in a position of net exporter from the possible resulting surpluses. The proposed strategic approach is based on the choice of irrigated rice and the development of the growing of the NERICA variety for which the Bank had already approved a multinational support project in West Africa in 2003.

Administrative Map of Mali



Revised RBCSP Results-Based Framework 2008-2011

Long-term development objectives of the country	Constraints and Challenges	Expected Results of the RBCSP				Bank Operational Priorities and Performance	
		Results of the RBCSP which the Bank expects to achieve through its intervention (end 2011)	Intermediate indicators for achievement of the results of the RBCSP	Progress toward the intermediate indicators midway through 2007	Target level of results at the end of the period of the RBCSP 2011	New Bank Operations	Ongoing Operations
Pillar I: IMPROVEMENT PRIVATE SECTOR ENVIRONMENT							
Multi-sector / Governance							
1. Ensure a stable macroeconomic framework, promote governance and fight against corruption	Sources of growth are fragile (cotton, gold, stock-breeding) and very sensitive to natural and exogenous factors; Fragile macroeconomic framework	1.1 Reduction of vulnerability of the economy; 1.2 Improvement of public financial management 1.3 Transparency in public procurement management	3% average increase in per capita GDP between 2005 and 2007 Inflation below 3% between 2005 and 2007 6% average growth of agricultural GDP between 2005 and 2007 Governance indicators of the GPRSF and PDI have reached projected levels	GDP growth averaged 4% between 2005 and 2007 Inflation averaged 2.5% between 2005 and 2007 Agricultural GDP increased on average by 6% between 2005 and 2007	3% average per capita income growth between 2008 and 2011 Agricultural GDP increases on average by 6% between 2008 and 2011 Number of respected WAEMU convergence criteria increases from 4 in 2007 to 7 in 2011 Number of PEFA indicators (1-25) with a score of not less than B increases from 6 to 15 in 2011; Reduction of number and value of public contracts through direct negotiation in comparison to all public contracts by reducing the ratios to 8% and 15% respectively in 2009 as against 11% and 18% in 2007.	PABGEM Study of debt viability GPRSF technical assistance	Support for decentralization (PADDER)
Private Sector							
2. Improvement of competitiveness and diversification of the economy	Shortage and high costs of reliable infrastructure (transport, energy, water, telecommunication) Difficult access to financing and limited number of available financial services and products Disparity between the labour market and training	2.1 Improved private sector access to financial services and infrastructure 2.2 Continued streamlining of the financial sector, privatization of banks in the State's portfolio and implementation of the microfinance strategy to support SMEs 2.5 Develop the services sector including that of information technologies.	Number of km of tarred roads maintained increases from 3418 in 2005 to 4100 in 2007 and to 5500 in 2011 Performance contracts of regulatory bodies monitored and controlled	Number of km of tarred roads maintained in 2007: 3773 km Capitalization of BDM and BIM.	Between 2007 and 2011: road maintenance covering the priority network: 32 281 km; Number of fixed telephones per 100 inhabitants increases from 9 in 2007 to 15 in 2011; Percentage of councils covered by mobile or fixed telephony moves from 14.6% in 2007 to 75% in 2011; Number of procedures for the creation of an enterprise drops from 11 in 2007 to 5 in 2011; Number of days to set up an enterprise drops from 26 in 2007 to 15 in 2011; Electricity coverage of the country moves up to 50% in 2011;	PABGEM Study on the private sector and labour market Energy study GPRSF technical assistance Study on PPP methodological guide Road Project (RPI) (Bougouni-Sikasso) Côte d'Ivoire- Mali electric	Support for decentralization (PADDER) Rural electrification study Road development programme WAEMU/ Road Programme 1

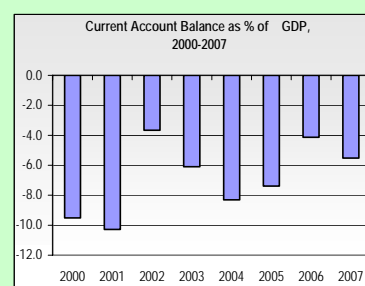
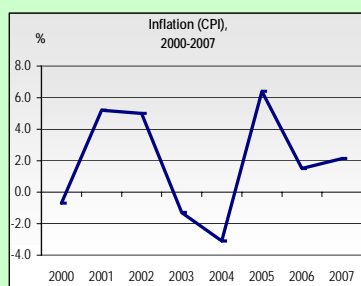
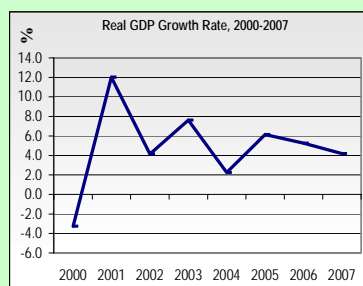
Long-term development objectives of the country	Constraints and Challenges	Expected Results of the RBCSP				Bank Operational Priorities and Performance	
		Results of the RBCSP which the Bank expects to achieve through its intervention (end 2011)	Intermediate indicators for achievement of the results of the RBCSP	Progress toward the intermediate indicators midway through 2007	Target level of results at the end of the period of the RBCSP 2011	New Bank Operations	Ongoing Operations
Pillar I: IMPROVEMENT PRIVATE SECTOR ENVIRONMENT							
						interconnection project. Rural electrification	
3. Improvement of the business climate and promotion of private investment	Promotion of private investments; Non-transparent regulatory and legal framework; Poor incentives to private investment;	3.1 Business law/OHADA simplified and generalized; 3.2 Improvement of the regulatory and legal framework: simplified tax system, more flexible investment and labour codes. 3.3 Improvement of the cadastral study and developed areas and science parks	Private investment rate stands at 25% of GDP in 2007 Amendment of investment and tax codes Land survey study conducted and adopted; Science parks and free zones established	Private investment rate stood at 11% in 2007 Investment and tax codes reviewed Free zones established	Private investment rate increases from 11% of GDP in 2007 to 20% in 2011 "Doing Business" ranking of Mali improves from 168 on 178 countries in 2007 to 150 on 178 countries in 2011	PABGEM Study on the private sector and labour market GPRSF technical assistance Study on PPP methodological guide	Support for decentralization (PADDER)
	Low level of diversification of exports Low level of integration into the global market	3.4 Support to technical training geared toward commodity markets, strengthening of agricultural research and technological sectors 3.5 Contribution to the development of export oriented non-traditional industrial sub-sectors based on comparative advantages (rice, oilseed crop-shea butter, sugar, livestock products, hides and skin)	300 enterprises benefited from an upgrading programme, with a phase I comprising 70 enterprises in 2005	16 enterprises participated in the programme in 2007	30 enterprises benefited from an upgrading programme between 2007 and 2011	PABGEM Study on the private sector and labour market Study on PPP methodological guide	Support for decentralization (PADDER) Credit line to BNDA
Pillar II: PROMOTION OF RURAL DEVELOPMENT							
Agriculture							
4 Strengthen food security Increase agricultural production Diversification of agriculture	Low agricultural productivity Low access to factors and means of production (inputs, credit, infrastructure, markets)	4.1 Achievement of self-sufficiency in rice 4.2 Continued development of arable land and irrigation programmes	Agricultural Act adopted and implemented The major sectors (rice, cotton, livestock, agro-industry) have increased their production from more than 5% to 10% per annum and exports represent more than 60% of production	The agricultural policy letter adopted 3684 ha of land developed in 2005-2007 5% annual average growth in cotton production (2005-2007) CFAF 13 263 million worth	Agricultural Act implemented in 2011. Rice production increases from 946 thousand tonnes in 2005/06 to more than 1500 thousand tonnes in 2011. Cereal production moves up from 3675 thousand tonnes in 2006/07 to more than 5000 thousand tonnes in	Irrigation development project	Current agricultural portfolio

Long-term development objectives of the country	Constraints and Challenges	Expected Results of the RBCSP				Bank Operational Priorities and Performance	
		Results of the RBCSP which the Bank expects to achieve through its intervention (end 2011)	Intermediate indicators for achievement of the results of the RBCSP	Progress toward the intermediate indicators midway through 2007	Target level of results at the end of the period of the RBCSP 2011	New Bank Operations	Ongoing Operations
Pillar I: IMPROVEMENT PRIVATE SECTOR ENVIRONMENT							
		4.3 Assist agricultural production structures like SMEs		of micro-credit granted to promoters in the agricultural sector	2011. The share of farmers using certified inputs rises from X% in 2007 to 50% in 2011.		
		4.4 Improve the management of the cotton sector		Financial restructuring of the CMDT and divestiture from some activities (transport) in favour of the private sector and management of the sector by professional organizations and privatization process undertaken.	The national food security stock increases to 35000 tonnes in 2011. State guarantee fund for the mechanization of agriculture is used by at least 2500 farmers per year in 2009 and 2011. The volume of credit granted increases by 20% between 2007 and 2011 (with a credit value of CFAF X billion in 2007) 12000 ha increase in irrigated agriculture between 2007 and 2011		
Rural Development							
6 Improvement of living conditions in rural areas Empowerment of rural populations Decentralization / Deconcentration of public authority	Vulnerability of rural areas; Low involvement and participation of the poor and vulnerable groups in decision-making and development Disparities between regions and between urban and rural areas, Poor local governance; Very high rural poverty level Gender disparity	6.1 Encourage the decentralization of public services in regions; 6.2 Reduce disparities and inequalities in the rural areas; 6.3 Build the capacities and increase the participation of women and the youth and empower them to become autonomous 6.6 Improve infrastructure for access to drinking water and sanitation 6.7 Contribute to the creation of job opportunities, self employment and income generation	The Rural Development Master Plan adopted and implemented Environmental and social management (ESMP) audit conducted; Development plans - LDPs - (region, district, councils, subdivisions and villages) are financed and implemented and regional and local authorities empowered to become autonomous and monitor their growth profile; The gender approach is generalized in the GPRSF action plans and focal points are empowered at central and decentralized levels to apply and generalize the "gender multisectoral budget" The Family Code, labour laws and reforms support the GPRSF	Adopted since 2001 and implemented through the agricultural act Environmental and social management (ESMP) audit conducted Development plans - LDPs - (region, district, councils, subdivisions and villages) financed and implemented 243 wells completed at Gao and Kidal Consideration of gender issues is assessed in the GPRSF The Family Code, labour laws and reforms support the GPRSF	Average rate of access to drinking water in rural areas of the Gao, Koulikoro and Ségou regions increases from 49% in 2007 to 56% in 2011; Average rate of access to sanitation in rural areas of the Gao, Koulikoro and Ségou regions increases from 5% in 2007 to 7.4% in 2011; The prevalence rate of water borne diseases in the Gao, Koulikoro and Ségou regions drops from 20% in 2007 to 10% in 2011;	Markala Project DWSS Project II	DWSS I Programme Bamako Sanitation Master Plan
PILLAR II: PROMOTION OF RURAL DEVELOPMENT							
Social Sector and Capacity Building							

Long-term development objectives of the country	Constraints and Challenges	Expected Results of the RBCSP				Bank Operational Priorities and Performance	
		Results of the RBCSP which the Bank expects to achieve through its intervention (end 2011)	Intermediate indicators for achievement of the results of the RBCSP	Progress toward the intermediate indicators midway through 2007	Target level of results at the end of the period of the RBCSP 2011	New Bank Operations	Ongoing Operations
Pillar I: IMPROVEMENT PRIVATE SECTOR ENVIRONMENT							
7. Improve access of the poor to basic social services	<p>Low access to social services (education, health etc.) by the poor and vulnerable groups</p> <p>Absence of social security in rural areas</p>	<p>7.1 Rationalization and targeting of social expenditure through MTEFs and inclusion in social reform programmes at decentralized level</p> <p>7.2 Human resource development and social reforms programme</p>	<p>Council budgets have increased by 8% compared to their 2005 level</p> <p>An audit of social security bodies conducted, followed by actuarial study in 2007</p> <p>Risk management mechanisms implemented in 2007 and a reliable system of social security for all has gone operational in 2008</p>	<p>Audit of social security bodies and an actuarial study conducted in 2007</p> <p>Risk management mechanisms and a reliable social security system implemented in 2007</p> <p>Literacy education of 588 persons including 150 women's, 419 organizations including 203 women's organizations.</p>	<p>The volume of resources transferred from the State budget has increased from 40% in 2007 to 60% in 2011;</p> <p>Make operational the social security system in 2011</p> <p>Increase in the share of social welfare expenditure from 30.5% in 2007 to 35% in 2011.</p>	<p>PABGEM</p> <p>Markala Project</p> <p>DWSS II Project</p>	<p>PRODEC Support Project (Educ IV)</p> <p>Community Development Support Project</p> <p>PRODESS Support Project (Health IV)</p> <p>HIV/AIDS Control Support Project</p>

Mali, Macroeconomic Indicators

Indicators	Unit	2000	2002	2003	2004	2005	2006	2007
National Accounts								
GNI at Current Prices	Million US \$	2,201	2,333	2,951	3,717	4,412	5,266	...
GNI per Capita	US\$	220	220	270	330	380	440	...
GDP at Current Prices	Million US \$	2,655.4	3,189.1	4,221.5	4,982.3	5,486.3	6,122.6	7 113.0
GDP at 2000 Constant prices	Million US \$	2,655.4	3,098.4	3,334.4	3,409.5	3,618.6	3,808.6	3 967.9
Real GDP Growth Rate	%	-3.3	4.2	7.6	2.3	6.1	5.3	4.2
Real per Capita GDP Growth Rate	%	-5.9	1.2	4.5	-0.7	3.0	2.2	1.1
Gross Domestic Investment	% GDP	19.8	16.0	26.0	22.0	22.0	20.4	21.0
Public Investment	% GDP	5.2	3.9	11.1	7.8	7.5	6.2	6.1
Private Investment	% GDP	14.6	12.2	15.0	14.2	14.5	14.2	14.8
Gross National Savings	% GDP	12.8	16.4	15.8	13.3	13.9	17.9	19.1
Prices and Money								
Inflation (CPI)	%	-0.7	5.0	-1.3	-3.1	6.4	1.5	2.1
Exchange Rate (Annual Average)	local currency/US\$	712.0	697.0	581.2	528.3	527.5	522.9	479.3
Exchange Rate (End of Period)	local currency/US\$	705.0	625.5	519.4	481.6	556.0	498.1	445.6
Monetary Growth (M2)	%	12.2	27.9	26.4	-2.6	9.8	6.0	-2.3
Money and Quasi Money as % of GDP	%	21.5	28.0	32.1	29.1	29.1	27.9	25.6
Government Finance								
Total Revenue and Grants	% GDP	18.6	20.5	21.9	21.2	21.5	56.2	22.7
Total Expenditure and Net Lending	% GDP	21.6	24.3	23.2	23.8	24.6	24.9	23.7
Overall Deficit (-) / Surplus (+)	% GDP	-3.0	-3.8	-1.3	-2.6	-3.1	31.3	-1.0
External Sector								
Exports Volume Growth (Goods)	%	-2.6	31.7	-15.0	-6.3	19.1	4.5	-4.0
Imports Volume Growth (Goods)	%	-7.4	-10.4	13.5	-1.2	41.6	-14.4	1.7
Terms of Trade Growth	%	-8.2	-12.6	-1.0	0.2	17.5	3.1	-1.1
Current Account Balance	Million US \$	-254.6	-122.3	-270.0	-411.0	-399.8	-256.4	-382.8
Current Account Balance	% GDP	-9.5	-3.7	-6.1	-8.3	-7.4	-4.1	-5.5
External Reserves	months of imports	4.9	6.7	7.8	6.4	5.5	5.6	5.6
Debt and Financial Flows								
Debt Service	% exports	12.2	6.0	5.9	6.4	5.6	4.1	3.6
External Debt	% GDP	99.2	90.2	63.8	66.8	63.2	26.5	27.3
Net Total Financial Flows	Million US \$	384.8	329.1	558.8	533.6	744.7	833.4	...
Net Official Development Assistance	Million US \$	359.2	466.0	543.0	567.6	698.6	825.4	...
Net Foreign Direct Investment	Million US \$	82.4	243.8	132.3	101.0	223.8	185.0	...



Source : ADB Statistics Department; IMF: World Economic Outlook, September 2007 and International Financial Statistics, October 2007;
ADB Statistics Department: Development Data Platform Database, April 2008. United Nations: OECD, Reporting System Division, January 2008.

Notes: ... Data Not Available

Last Update: April 2008

Ongoing Bank Group Operations as at 20 March 2008

Ongoing Operations of the Bank Group as at March 2008

Effectiveness Date Approval Date Date of Signature

Project	Division	Status	Effectiveness Date	Approval Date	Date of Signature	Project Cost (UA)	Amount Disbursed UA as at 31/10/2008	Loan Amount UA	Disburs. Rate as at 31/10/2008
AGRICULTURE AND RURAL DEVELOPMENT SECTOR									
MALI - Creation of tse tse fly liberated zones	OSAN1	OnGo	20/01/2006	08/12/2004	14/02/2005	6 170 000	253 486	5 930 000	4,27%
Mopti Region Rural Development Support Project	OSAN2	OnGo	17/09/2002	10/10/2001	26/10/2001	18 010 000	7 787 908	15 270 000	51,00%
Consolidation of Daye-Hamadja-Korioumé Plains	OSAN2	OnGo	17/12/2002	03/11/2000	26/04/2001	11 000 000	2 142 814	7 840 000	27,33%
Line of credit to BNDA	OSAN2	OnGo	24/02/2004	12/12/2002	14/02/2003	47 300 000	14 159 012	15 000 000	94,39%
Seed Sector Support Project	OSAN2	OnGo	22/04/2002	14/06/2001	11/07/2001	6 040 000	3 861 995	5 670 000	68,11%
Djenné District Rural Development Study	OSAN2	OnGo	12/01/2005	19/05/2004	26/08/2004	1 131 880	956 791	1 060 000	90,26%
Baguinéda intensification project	OSAN2	OnGo	01/06/2007	30/11/2005	19/05/2006	17 080 000	3 367 883	14 920 000	22,57%
North-East Livestock Development Project	OSAN2	OnGo	05/11/2003	11/09/2002	23/01/2003	17 459 000	4 593 505	13 720 000	33,48%
Ansongo District Rural Development Project	OSAN2	OnGo	15/02/2001	27/10/1999	07/02/2000	10 820 000	8 114 375	9 440 000	85,96%
NERICA DISSEMINATION PROJECT - MALI	OSAN2	OnGo	05/02/2005	26/09/2003	21/10/2003	2 920 000	806 866	2 920 000	27,63%
INVASIVE AQUATIC WEEDS - MALI	OSAN3	OnGo	04/07/2006	22/09/2004	05/11/2004	1 580 000	158 565	1 270 000	12,49%
SOUTH KAYES ANIMAL PRODUCTION DEVELOPMENT PR	OSAN2	OnGo	25.06.2008	18/04/2007	17/05/2007	18 920 000,00	209514.72	15 000 000	1,40%
Inland Fisheries Development Support Project	OSAN3	OnGo	27/12/2005	06/10/2004	05/11/2004	17 240 000	881 641	15 000 000	5,88%
Moyen Bani Plains Development Project	OSAN2	Comp	1998	15/12/1997	20/02/1998	27 340 182,00	19 770 000	19 770 000	100,00%
Manikoura Irrigation Area Development Project	OSAN2	Comp	2002	18/10/2000	15/12/2000	15 360 000,00	12 899 246	12 910 000	99,92%
TOTAL AGRICULTURE SECTOR							79 754 087	155 720 000	51,22%
INFRASTRUCTURE SECTOR (ELECTRICITY, DWS)									
Rural DWSS Programme	OWAS1	OnGo	25/07/2005	17/12/2003	25/03/2004	16 050 000	4 676 248	12 000 000	38,97%
DWSS Programme in Gao, Ségou, Koulikoro regions	OWAS1	OnGo	-	11/06/2008	30/07/2008	36 390 000	0	32 000 000	0,00%
Sanitation Master Plan Bamako	OWAS1	OnGo	26/08/2004	24/03/2004	26/08/2004	1 027 088	462 981	973 000	47,58%
Rural Electrification Study	OINF3	OnGo	09/08/2004	24/09/2003	21/11/2003	1 235 250	799 797	1 130 000	70,78%
TOTAL INFRASTRUCTURE SECTOR							5 939 026	46 103 000	12,88%
SOCIAL SECTOR									
PRODEC (Educ IV) Support Project	OSHD1	OnGo	12/11/2004	24/09/2003	21/11/2003	16 670 000	2 574 997	15 000 000	17,17%
COMMUNITY DEVELOPMENT SUPPORT PROJECT	OSHD1	OnGo	30/10/2006	03/05/2006	02/06/2006	18 720 000	2 305 090	15 000 000	15,37%
PRODESS (HEALTH IV) SUPPORT PROJECT	OSHD3	OnGo	29/07/2002	21/11/2001	15/01/2002	17 000 000	10 760 539	15 000 000	71,74%
HIV/AIDS CONTROL SUPPORT PROJECT	OSHD3	OnGo	29/11/2004	08/09/2004	29/11/2004	9 200 000	1 315 694	8 290 000	15,87%
TOTAL SECTOR							16 956 320	53 290 000	31,82%
GOVERNANCE SECTOR									
SUPPORT FOR GOOD GOVERNANCE	OSGE1	OnGo	16/01/2003	20/12/2002	16/01/2003	2 600 000	1 431 919	2 100 000	68,19%
SUPPORT FOR DECENTRALIZATION (PADDER)	OSGE1	OnGo	06.08.2008	26.09.2007	16.11.2007	11 112 000,00		5 000 000	
SUPPORT FOR DECENTRALIZATION (PADDER)	OSGE1	OnGo	06.08.2008	26.09.2007	16.11.2007		129 628,70	5 000 000	2,59
TOTAL GOVERNANCE SECTOR							1 561 548	12 100 000	12,91%
TOTAL PORTFOLIO							104 210 980	267 213 000	39,00%

Bank Group Portfolio Management and Performance Indicators, 2008

Average disbursement rate	32.75%
Average age of portfolio since approval (in years)	4.65
Average monthly amount disbursed in 2007 in UA	1 592 676
Average age since effectiveness (in years)	3.92
Average effectiveness period (in months)	12.7
Number of projects which have not disbursed for more than 3 (three) months	1
Number of projects which have not disbursed for more than 6 (six) months	3
Number of projects which have not disbursed for more than 1 (one) year	1
Number of projects which have not submitted 2006 audit report	5
Number of projects supervised since more than twelve months	2
Number of projects supervised since less than six months	11
Number of projects supervised since less than three months	4

Mali –Millennium Development Goals: Review of Progress Made

	1990	1995	2000	2007
Goal 1: Eradicate extreme poverty and hunger	2015 target = halve 1990 US\$1 a day poverty and malnutrition rates			
Employment to population ratio, 15+, total (%)	..	75	74	70
Employment to population ratio, ages 15-24, total (%)	..	68	65	58
Income share held by lowest 20%	7	5	..	..
Malnutrition prevalence, weight for age (% of children under 5)	..	..	..	..
Poverty headcount ratio at national poverty line (% of population)	..	..	64	..
Prevalence of undernourishment (% of population)	..	..	..	..
Vulnerable employment, total (% of total employment)	..	96	..	..
Goal 2: Achieve universal primary education	2015 target = net enrollment to 100			
Literacy rate, youth female (% of females ages 15-24)	..	..	17	..
Literacy rate, youth male (% of males ages 15-24)	..	..	32	..
Persistence to last grade of primary, total (% of cohort)	..	..	86	73
Primary completion rate, total (% of relevant age group)	10	13	33	49
Total enrollment, primary (% net)	..	..	47	59
Goal 3: Promote gender equality and empower women	2015 target = education ratio to 100			
Proportion of seats held by women in national parliament (%)	..	..	12	10
Ratio of female to male enrollments in tertiary education	..	..	46	45
Ratio of female to male primary enrollment	..	..	73	79
Ratio of female to male secondary enrollment	..	..	54	61
Ratio of young literate females to males (% ages 15-24)	..	..	52	..
Share of women employed in the nonagricultural sector (% of tot)	..	..	..	..
Goal 4: Reduce child mortality	2015 target = reduce 1990 under 5 mortality by two-thirds			
Immunization, measles (% of children ages 12-23 months)	43	52	49	86
Mortality rate, infant (per 1,000 live births)	140	131	124	119
Mortality rate, under-5 (per 1,000)	250	233	224	217
Goal 5: Improve maternal health	2015 target = reduce 1990 maternal mortality by three-fourths			
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	..	202	183
Births attended by skilled health staff (% of total)	..	..	..	..
Contraceptive prevalence (% of women ages 15-49)	..	..	..	..
Maternal mortality ratio (modeled estimate, per 100,000 live birth)	..	..	..	970
Pregnant women receiving prenatal care (%)	..	..	..	..
Unmet need for contraception (% of married women ages 15-49)	..	..	..	..
Goal 6: Combat HIV/AIDS, malaria, and other diseases	2015 target = halt, and begin to reverse, AIDS and other major diseases			
Children with fever receiving antimalarial drugs (% of children un)	..	..	..	..
Condom use, population ages 15-24, female (% of females ages	..	..	..	..
Condom use, population ages 15-24, male (% of males ages 15-	..	..	..	..
Incidence of tuberculosis (per 100,000 people)	302	295	288	280
Prevalence of HIV, female (% ages 15-24)	..	..	..	1.1
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	2
Tuberculosis cases detected under DOTS (%)	..	16	17	26
Goal 7: Ensure environmental sustainability	2015 target = various			
Annual freshwater withdrawals, total (% of internal resources)	..	..	..	..
CO2 emissions (kg per PPP \$ of GDP)	0.1	0.1	0.1	..
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	..
Forest area (% of land area)	12	..	11	10
Improved sanitation facilities (% of population with access)	35	39	42	45
Improved water source (% of population with access)	33	42	51	60
Marine protected areas, (% of surface area)	..	..	..	..
Nationally protected areas (% of total land area)	..	..	..	..
Goal 8: Develop a global partnership for development	2015 target = various			
Aid per capita (current US\$)	62	62	36	69
Debt service (PPG and IMF only, % of exports of G&S, excl. worl	15	16	13	4
Internet users (per 100 people)	0	0	0	1
Mobile phone subscribers (per 100 people)	0	0	0	20
Telephone mainlines (per 100 people)	0	0	0	1
Memorandum items				
Fertility rate, total (births per woman)	7.4	7.3	6.9	6.6
GNI per capita, Atlas method (current US\$)	300	270	260	500
GNI, Atlas method (current US\$) (billions)	2.3	2.4	2.6	6.1
Gross capital formation (% of GDP)	23	22.9	24.6	23.3
Life expectancy at birth, total (years)	48	49	51	54
Literacy rate, adult total (% of people ages 15 and above)	..	..	19	..
Population, total (millions)	7.7	8.7	10	12.3
Trade (% of GDP)	50.9	57.3	66.2	64.3

Source: World Development Indicators database

Annex 7

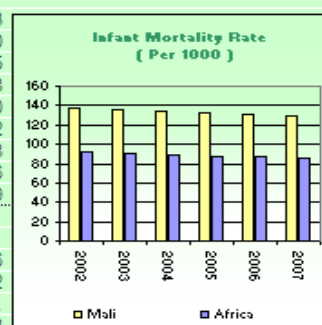
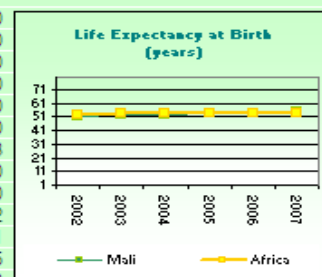
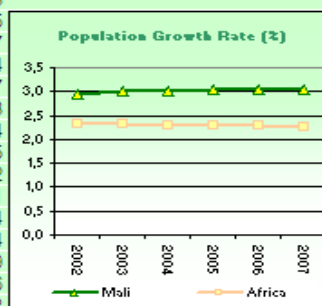
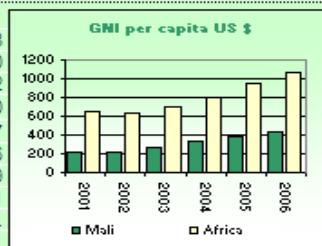
	Indicator	Reference 2005	2007	Goal 2010
1	Partners have operational development strategies	C	C	B or A
2a	Reliable country systems for public finance management	4.0	3.5	4.5
2b	Reliable country systems for procurements	Not available	Not available	Not applicable
3	Aid flows are aligned on national priorities	60%	73%	85%
4	Strengthen capacity by coordinated support	15%	75%	50%
5a	Use of country public financial management systems	29%	34%	53%
5b	Use of country procurement systems	45%	35%	Not applicable
6	Avoid parallel implementation structures	65	60	22
7	Aid is more predictable	71%	68%	85%
8	Aid is untied	95%	93%	Over 95%
9	Use of common arrangements or procedures	48%	41%	66%
10a	Field missions	7%	18%	40%
10b	Country analytic work	30%	39%	66%
11	Results-oriented frameworks	D	D	B or A
12	Mutual accountability	No	No	Yes

Comparative Socioeconomic Indicators

Mali

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Mali	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)		1 240	30 307	80 976	54 658
Total Population (millions)	2007	12,3	963,7	5 448,2	1 223,0
Urban Population (% of Total)	2007	31,8	39,8	43,5	74,2
Population Density (per Km ²)	2007	9,9	31,8	65,7	23,0
GNI per Capita (US \$)	2006	440	1 071	2 000	36 487
Labor Force Participation - Total (%)	2005	47,5	42,3	45,6	54,6
Labor Force Participation - Female (%)	2005	46,1	41,1	39,7	44,9
Gender -Related Development Index Value	2005	0,371	0,486	0,694	0,911
Human Develop. Index (Rank among 174 countries)	2005	173	n.a.	n.a.	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2005	47,5	34,3		
Demographic Indicators					
Population Growth Rate - Total (%)	2007	3,0	2,3	1,4	0,3
Population Growth Rate - Urban (%)	2007	4,9	3,5	2,6	0,5
Population < 15 years (%)	2007	47,6	41,0	30,2	16,7
Population >= 65 years (%)	2007	3,2	3,5	5,6	16,4
Dependency Ratio (%)	2007	104,4	80,1	56,0	47,7
Sex Ratio (per 100 female)	2007	94,9	99,3	103,2	94,3
Female Population 15-49 years (% of total populati	2007	22,6	24,2	24,5	31,4
Life Expectancy at Birth - Total (years)	2007	54,5	54,2	65,4	76,5
Life Expectancy at Birth - Female (years)	2007	56,6	55,3	67,2	80,2
Crude Birth Rate (per 1,000)	2007	48,1	36,1	22,4	11,1
Crude Death Rate (per 1,000)	2007	14,7	13,2	8,3	10,4
Infant Mortality Rate (per 1,000)	2007	128,5	85,3	57,3	7,4
Child Mortality Rate (per 1,000)	2007	199,7	130,2	80,8	8,9
Total Fertility Rate (per woman)	2007	6,5	4,7	2,8	1,6
Maternal Mortality Rate (per 100,000)	2005	970	723,6	450	8
Women Using Contraception (%)	2001-06	8,1	29,9	61,0	75,0
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004	9,3	39,6	78,0	287,0
Nurses (per 100,000 people)	2004	58,0	120,4	98,0	782,0
Births attended by Trained Health Personnel (%)	2004	50,0	50,4	59,0	99,0
Access to Safe Water (% of Population)	2006	60,0	62,3	80,0	100,0
Access to Health Services (% of Population)	2004	40,0	61,7	80,0	100,0
Access to Sanitation (% of Population)	2004	46,0	45,8	50,0	100,0
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2005	1,7	4,7	1,3	0,3
Incidence of Tuberculosis (per 100,000)	2005	277,8	300,7	275,0	18,0
Child Immunization Against Tuberculosis (%)	2006	85,0	83,7	85,0	93,0
Child Immunization Against Measles (%)	2006	86,0	75,4	78,0	93,2
Underweight Children (% of children under 5 years)	2004	38,0	28,6	27,0	0,1
Daily Calorie Supply per Capita	2004	2 163	2 436	2 675	3 285
Public Expenditure on Health (as % of GDP)	2005	2,9	2,4	1,8	6,3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2006	80,1	96,4	91,0	102,3
Primary School - Female	2006	70,6	92,1	105,0	102,0
Secondary School - Total	2006	28,3	44,5	88,0	99,5
Secondary School - Female	2005	20,0	41,8	45,8	100,8
Primary School Female Teaching Staff (% of Total)	2005	26,4	47,5	51,0	82,0
Adult Illiteracy Rate - Total (%)	2007	68,9	33,3	26,6	1,2
Adult Illiteracy Rate - Male (%)	2007	58,3	25,6	19,0	0,8
Adult Illiteracy Rate - Female (%)	2007	79,0	40,8	34,2	1,6
Percentage of GDP Spent on Education	2006	4,5	4,5	3,9	5,9
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2005-07	3,8	6,0	9,9	11,6
Annual Rate of Deforestation (%)	2000-07	0,7	0,7	0,4	-0,2
Annual Rate of Reforestation (%)	2000-07	27,0	10,9	...	...
Per Capita CO2 Emissions (metric tons)	2005-07	0,1	1,0	1,9	12,3



Sources : ADB Statistics Department Databases; World Bank: World Development Indicators;

last update : juillet 2008

UNAIDS; UNSD; WHO; UNICEF; WRI; UNDP: Country Reports

Note : n.a. : Not Applicable ; ... : Data Not Available;

Donors sector interventions, 2008-11

	Focus Area of the Donors																					
	Total number of areas	A	S	Productif sector and infrastructure development				Follow-up and consolidation of structural reforms							Reinforcement of social secteur				Cross cutting issues			
				Secteur Agricole et rural	Securité alimentaire	Infrastructures et Dev urbain	Environment	Public service and administration reforms	Decentralisation	Macroeconomique framework	Human right and Justice	Democracy and civil society	Financial sector and micro finance	Foprmation professionnelle et emploi	SME and SMI development and business environment	Education	Health	Water and sanitation		Hiv/AIDS	Gender	
EU	Germany	10	9	1	A		A	A		A	A		A				S		A	A	A	
	Belgium	7	5	2	A	S				A			S			A	A	A	S			
	Danmark	9	8	1	A						A	S	A	A	A	A			A		A	
	Spain	15	10	5	S	S	A		S	A		A	A	A	A	A	S	A	A	S	A	
	France	9	9	0	A		A		A		A		A	A	A	A	A					
	Netherlands	9	7	2	A				A	A	A		A			S	A	A	S			
	Sweden	8	5	3	A			A			A		A				S	S	S		A	
	DCE	12	11	1	A	A	A		A	A	A		A			A	A	A	S		A	
	Swiss	8	8	0	A					A			A		A	A	A	A				A
	Canada	11	11	0	A	A			A	A	A	A	A	A	A		A	A				A
United States	15	15	0	A	A	A	A		A	A	A	A	A	A	A	A	A	A	A	A	A	
Japon	6	6	0	A	A	A				A						A	A		A			
China	6	6	0	A		A								A		A	A				A	
SNU	UNDP	11	11	0	A	A		A	A	A	A	A	A		A				A	A		
	FAO	6	6	0	A	A		A		A	A						A					
	FNUAP	4	4	0													A	A	A		A	
	UNESCO	8	8	0			A				A	A		A		A	A	A	A	A	A	
	UNICEF	7	7	0					A		A					A	A	A	A	A	A	
	OIM	4	4	0							A	A	A							A		
	WHO	4	4	0							A						A	A	A	A		
	PAM	7	7	0	A	A										A	A	A	A	A	A	
	ONUSIDA	3	3	0													A			A	A	
	ONUDI	6	6	0	A	A	A	A							A	A						
AfDB	9	9	0	A		A			A	A					A	A	A	A	A			
WB	12	12	0	A		A	A		A	A			A	A	A	A	A	A	A			
IMF	1	1	0							A												
BOAD	2	2	0			A									A							
BID	3	0	3	S		S										S						
BADEA	2	0	2	S		S																
Total number of PTF				21	9	13	8	6	12	13	9	14	8	9	13	19	17	16	12	15		
A				18	8	11	8	5	12	13	8	13	8	9	12	15	16	12	11	15		
S				3	1	2	0	1	0	0	1	1	0	0	1	4	1	4	1	0		

A = Active, S = Silent, A = Active DC priority

NB: For EU, the data for Italy, Luxemburg, Great Britain are not yet integrated